

  
*Colorado Legislative Council Staff Fiscal Note*  
**STATE**  
**FISCAL IMPACT**

**Drafting Number:** LLS 11-0698  
**Prime Sponsor(s):** Rep. Gardner D.

**Date:** February 15, 2011  
**Bill Status:** House SVMA  
**Fiscal Analyst:** Kirk Mlinek (303-866-4782)

**TITLE:** CONCERNING TRANSPARENCY IN THE ENERGY USE OF A RESIDENTIAL DWELLING OFFERED FOR RENT.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
<b>State Revenue</b>		
<b>State Transfers or Diversions</b>		
<b>State Expenditures</b>		
<b>FTE Position Change</b>		
<b>Effective Date:</b> August 10, 2011, if the General Assembly adjourns on May 11, 2011, as scheduled, and no referendum petition is filed.		
<b>Appropriation Summary for FY 2011-2012:</b> None required.		
<b>Local Government Impact:</b> None.		

**Summary of Legislation**

The bill requires landlords of multi- and single-family residential dwellings to disclose energy use or efficiency information to potential tenants. Disclosures begin January 1, 2012, for landlords of multi-family dwellings and January 1, 2014, for landlords of single-family residences. Disclosures are only required if the tenant is responsible for paying all or a portion of the gas or electric costs. Landlords are prohibited from assessing a charge or fee for providing the required information. Public utilities may charge the landlord of a multi-family dwelling a \$15 fee for providing copies of past natural gas and electricity bills, or a summary of the bills.

The Public Utilities Commission (PUC) is required to promulgate rules governing the form and content of historical energy-related information to be made available by public utilities to landlords of multi-family residences. These rules will not apply to multi-family residences served by a municipal utility as defined in law, or a cooperative electric association that has voted to exempt itself from regulation by the PUC. The bill does not prohibit municipal utilities or cooperative electric associations exempt from regulation from developing programs to evaluate and objectively rate the energy efficiencies of residences they serve.

The State Housing Board in the Department of Local Affairs (DOLA) is required to promulgate rules governing landlords' energy-related disclosures to potential tenants of single-family residences. The State Housing Board is required to consult with the Governor's Energy Office (GEO) for purposes of developing the energy efficiency evaluation and ratings, and related forms, for single-family residences.

### **Assessment**

The **Department of Local Affairs** and the **Public Utilities Commission** will require staff time for rule-making related to the disclosure process. Agency workloads will increase as a result. These costs can be absorbed and, therefore, the agencies do not require appropriations to implement the bill.

The State Housing Board (board) is required to consult with the **Governor's Energy Office** for purposes of developing the energy efficiency evaluation and ratings for single-family residences. This fiscal impact statement assumes that costs incurred by GEO will be absorbed. For further information, please refer to the Departmental Difference section below.

### **Departmental Difference**

The bill requires the State Housing Board to consult with the Governor's Energy Office for purposes of developing the energy efficiency evaluation and ratings, and related forms, for single-family residences. It is the position of the GEO that it will consult an average of 5 hours a week for a full year at a cost of 0.1 FTE and \$9,100 (\$10,157 including associated costs).

Staff believes that consultation could be reduced as a result of the requirement that the board consider whether and how to require the use of the National Home Energy Rating System, the Building Performance Institute Energy Audit Process, and the United States Department of Energy's Home Energy Score, or their successor programs. These are established programs that include a variety of on-line tools.

### **Departments Contacted**

Local Affairs  
Colorado Municipal League

Regulatory Agencies  
Law

Governor's Energy Office