

*Colorado Legislative Council Staff Fiscal Note*  
**STATUTORY PUBLIC ENTITY  
 CONDITIONAL FISCAL IMPACT**

---

<b>Drafting Number:</b> LLS 14-0942	<b>Date:</b> April 2, 2014
<b>Prime Sponsor(s):</b> Sen. Schwartz; Jones Rep. Tyler	<b>Bill Status:</b> Senate Agriculture
	<b>Fiscal Analyst:</b> Marc Carey (303-866-4102)

---

**SHORT TITLE:** NEW ENERGY DISTRICT FINANCE WATER CONSERVATION

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
<b>State Revenue</b>		
<b>State Expenditures</b>		
<b>FTE Position Change</b>		
<b>Appropriation Required:</b> None		

\* This summary shows changes from current law under the bill for each fiscal year.

**Summary of Legislation**

Under current law, the Colorado New Energy Improvement District may arrange financing, secured by a lien on affected real estate, for the installation of energy efficiency improvements in residences and commercial buildings. This bill adds water conservation fixtures to the definition of an energy efficiency improvement.

**Background**

House Bill 10-1328 created the Colorado New Energy Improvement District to administer and finance a New Energy Improvement Program for on-site energy efficiency and renewable energy improvements. Qualifying improvements are financed by bonds issued by the district that are paid by special assessments levied on homes choosing to participate in the program. The total principal amount of bonds that can be issued by the district is limited to \$800 million and the duration of the bonds cannot exceed 20 years. Bonds are exempt from all taxation and assessments in the state, and do not constitute a debt or financial obligation to the state.

Special assessments are based on the cost of the home energy improvements to the district, including paying the contractors who make the energy improvements and district administrative costs. The assessment can either be paid in full within 30 days of being levied or can be paid in installments, with interest, over a period not to exceed 20 years. The district's payment for an energy improvement, either to a homeowner or contractor, cannot exceed \$25,000, adjusted annually for inflation.

The district includes all residential properties that have applied to and are accepted to join the district. The program may be conducted only in counties where the board of county commissioners has explicitly authorized the program.

**Statutory Public Entity Impact**

This bill expands the list of eligible energy efficiency improvements for which the district may arrange financing to include indoor and outdoor water conservation fixtures. The addition of such fixtures could increase the overall amount of improvements financed by the district. The fiscal impact on the district from this addition, however, is expected to be minimal, and is conditional upon at least one county authorizing the program.

**Effective Date**

The bill takes effect August 6, 2014, if the General Assembly adjourns on May 7, 2014, as scheduled, and no referendum petition is filed.

**State and Local Government Contacts**

Colorado Energy Office  
Counties

Local Affairs

Special Districts