KAPLAN KIRSCH

MAY 2025

Colorado Energy & Environmental Legislation

2025 Year in Review

Prepared by
Kaplan Kirsch LLP

Colorado Energy & Environmental Legislation Year in Review 2025

In 2025, the Colorado General Assembly continued efforts to decarbonize the State's economy, with particular focus on distributed energy resources, buildings, and transportation, while also aiming to protect vulnerable populations and consumers. The 2025 digest covers the following topics:

* *Indicates a bill has passed the General Assembly, but is awaiting the Governor's signature as of May 12, 2025.*

If you have questions about these developments, please do not hesitate to contact:

Sarah Keane, skeane@kaplankirsch.com
Samantha Caravello, scaravello@kaplankirsch.com
Polly Jessen, pjessen@kaplankirsch.com
Tom Bloomfield, tbloomfield@kaplankirsch.com
Bob Randall, brandall@kaplankirsch.com
Nate Hunt, nhunt@kaplankirsch.com

Distributed Energy and Building Decarbonization

HB25-1096* **Automated Permits for Clean Energy Technology** | Reps. Ball & Kipp, Sens. Smith & Brown

This bill establishes a grant program through the Colorado Energy Office (CEO) to help local jurisdictions implement automated permitting software for solar permitting. Grants may cover expenses expected to be incurred with adopting automated permitting software, including necessary expenses for staff time, information technology, training, installation, third-party consulting, ongoing maintenance for up to three years, and hardware or equipment.

SB25-182* **Embodied Carbon Reduction**
Sens. Ball & Simpson, Reps. Brown & Weinberg

SB25-182 defines an "embodied carbon improvement" as a modification or installation to real property resulting in a reduction of the installation or modification's embodied emissions. It also defines "new energy improvement" as on-site energy efficiency improvements, embodied carbon improvements, renewable energy improvements, resiliency improvements, or water efficiency improvements that reduce energy consumption or increase energy produced from renewable sources. The bill then adds these improvements as additional qualifying actions for taxpayers to earn the industrial clean energy tax credit.

HB25-1269* **Building Decarbonization Measures**
Reps. Willford & Valdez, Sens. Ball & Kipp

This bill updates the energy benchmarking and performance standards for owners of covered buildings of 50,000 square feet or greater. The Air Quality Control Commission (AQCC) had adopted Regulation 28 in 2023 to implement the previous statutory requirements for building benchmarking and performance standards.

For benchmarking, the bill requires owners of covered buildings, beginning in 2026, to submit a report of benchmarking data for the previous year by November 1. However, if an owner demonstrates it does not have access to benchmarking data, the operator of a building (i.e. the tenant, owner, or other entity occupying or named on the utility bill for the building and that has access to the utility data for the building) must submit the benchmarking report. Beginning with benchmarking reports submitted in 2026 (for the 2025 calendar year), building owners or operators must respond to any standard progress-related questions included in the benchmarking form to assess whether the building is on a path toward future compliance; indicate whether technical assistance or guidance from CEO would be helpful; and provide any additional nonproprietary information required by CEO to understand trends or common barriers to compliance.

As to performance standards, the bill requires the AQCC to adopt 2040 performance standards that align with the State's economy-wide greenhouse gas (GHG) emission reduction goals. These rules must be proposed to the AQCC by June 1, 2029, after reviewing recommendations from a Task Force. The Task Force, in developing recommendations, must conduct a comprehensive economic analysis. The 2040 performance standards must consider the capital planning periods for covered buildings; the feasibility of an owner planning and implementing a building upgrade project ahead of the 2040 compliance deadline; and that the rules must be technically feasible and economically reasonable. The bill also establishes that energy use that is attributable to electric vehicle (EV) charging is not included in a building's total energy use for compliance with the performance standards. It further requires CEO to develop guidance for individualized targets and compliance guidelines for building owners that demonstrate a significant increase in energy use due to the expansion of a data center or telecommunications operation. The bill also establishes civil penalties for violating benchmarking requirements, which do not apply to public buildings.

In addition, the bill establishes that an owner of a covered building located within the jurisdiction of a local government that has adopted and implemented a building performance standard program (or other similar program) is deemed in compliance with the state standards and rules if it is in compliance with the local program. In this situation, the building owner must maintain compliance with the local program and annually certify its compliance to CEO through submitting an affidavit with its annual benchmarking report. CEO also must determine that the GHG emission reductions from covered building complying with the local program are reasonably similar to the GHG reductions that would have been achieved under state requirements.

HB25-1269 also creates a Building Decarbonization Enterprise within CEO for the purposes of imposing and assessing a building decarbonization fee on owners of covered buildings and providing technical assistance, financing, and other support for covered building owners' decarbonization measures, including programs that help finance energy efficiency measures, electrification measures, and other energy upgrades; conducting building energy audits; employing or working with building engineers; and purchasing energy use tracking software and providing training. The Enterprise must also adopt rules to set the building decarbonization fee to be imposed on all covered building owners (except public buildings). Each year, before December 1, the Building Decarbonization Enterprise must submit a report to the General Assembly detailing its expenditures and program outcomes from the previous year and its financial projections for the following year.

SB25-039 **Agricultural Buildings Exempt from Energy Use Requirements** | Sens. Bridges and Pelton; Reps. Martinez and Johnson

SB25-039 clarifies that "Agricultural Buildings" are not subject to current law requiring certain large buildings to collect and report energy use data to the CEO. An "agricultural building" is "a building or structure used to house agricultural implements, hay, unprocessed grain, poultry, livestock, or other agricultural products or inputs primarily for the purpose of maintaining or operating an agricultural process." The bill allows an owner of an agricultural building to submit for an affirmative exemption from any requirement to report benchmarking data to CEO.

SB25-299* **Consumer Protection Residential Energy Systems** | Sen. Wallace, Reps. Brown & Soper

SB25-99 requires solar sales companies to provide written disclosures to consumers prior to entering a purchase, lease, or power purchase agreement for residential solar electric systems or residential battery energy storage systems. The written disclosures must include information regarding the contact information for the sales, installation, and maintenance provers, payment schedule, system design, maintenance and repairs, warranties, guarantees, cost-savings estimates, potential availability of renewable energy credits, operational capabilities, local utility disclosures, and roof warranty impacts. Depending on whether the agreement is for a lease or for a purchase, additional information regarding the specifics of the type of agreement is required for the written disclosures. The seller is required to address any concerns regarding disclosures raised by a consumer during the required welcome call. For sales of residential solar electric systems or residential battery energy storage, a consumer has at least three business days after the date of the transaction to cancel the agreement without financial penalty, with the exception of any nonrefundable deposits. Solar sales companies are required to retain copies of signed agreements for no less than four years after the date of the transaction and consumer personal information must be maintained consistent with the Colorado Privacy Act and other applicable data privacy laws.

The bill also prohibits solar sales companies from sending salespersons to residences before 9:00a.m. or after 8:00p.m. or from visiting residences with "no solicitation" signs. It further prohibits solar soles companies from using written or digital sales materials from using names, logos, pictures, or other indicia of a public utility, cooperative electric association, or municipal utility without their express written consent. Solar sales companies are similarly prohibited from representing affiliation with, sponsorship by, or approval by a state incentive program without the express, written consent of the state agency in charge of the state incentive program.

The bill also requires solar sales companies provide specific warranties against roof damage, water infiltration, workmanship defects, and long-term maintenance or an explanation of why long-term maintenance is not being provided.

Investor-owned utilities serving more than 500,000 customers that offer incentives for residential solar electric systems or residential battery energy storage systems must provide specific information about those incentives on the utility's website.

Finally, a violation of the bill is enforceable as a deceptive trade practice under the Colorado Consumer Protection Act.

Electric Transmission

HB25-1292* **Transmission Lines in State Highway Rights-of-Way |** Sen. Winter, Reps. Boesenecker & Joseph

HB25-1292 allows transmission developers to co-locate longitudinally high voltage transmission lines in state highway rights-of-way via a process that will be created by the Colorado Department of Transportation (CDOT). The bill directs CDOT to adopt rules creating this process as well as establishing a process for denying a high voltage transmission permit request if a projects presents a risk to public safety or prevents the proper functioning of a state highway. The rules must also set the surcharges for transmission developers to access a state highway right-of way. A transmission developer must compensate CDOT for co-location of high voltage lines in a state highway right-of-way, either through paying surcharges or through a public-private initiative.

Upon the request of a transmission developer, CDOT must provide the developer with the best available information on potential future state highway development projects that could impact the placement of a high voltage line within a state highway right-of-way. If CDOT and the developer agree on the suitability of a high voltage transmission line within a state highway right-of-way, CDOT must develop a preconstruction plan review schedule. Upon approval of the preconstruction plan, the developer must provide a constructability, access, and maintenance report that includes (a) potential impacts to habitat, wildlife, wildlife crossings, communities, and disproportionately impacted communities; (b) a mitigation strategy for impacts to disproportionately impacted communities; and (c) community engagement activities. A constructability, access, and maintenance report must be approved by the Department for a developer to receive a state highway right-of-way use permit.

A transmission developer seeking to locate a high voltage line within a state highway right-of-way within the exterior boundaries of an Indian reservation must first obtain the written consent of the applicable tribal government. Transmission developers are not required to select an existing utility corridor or a state highway right-of-way for development of high voltage lines or facilities.

Beginning in 2027, a transmission developer is required to make a report with the following information available on a public-facing website within 30 days of filing for a local permit for the construction or development of high voltage lines or facilities necessary for high voltage transmission: (a) a description of the analysis undertaken for route selection; (b) information demonstrating that the developer considered existing utility corridors, state highway rights-of-way, and new utility corridors; and (c) an evaluation of the economic impacts, engineering considerations, and reliability of the electric system.

Finally, the bill requires the Colorado Electric Transmission Authority (CETA) to collaborate with CDOT, the CEO, the Colorado Public Utilities Commission (PUC), the Division of Parks and Wildlife, and other agencies to study state highway corridors to identify potential corridors that may be suitable for high voltage transmission line development. The funding for the study will be provided by private partners and the study must be completed within 18 months of securing funding.

Thermal and Nuclear Energy

HB25-1040 **Adding Nuclear Energy as a Clean Energy Resource |** Reps. Valdez & Winter, Sens. Roberts & Liston

HB25-1040 updates two statutory definitions of clean energy to include nuclear energy. First, the bill updates the statutory definition of "clean energy" projects eligible for Colorado's Rural Clean Energy Project Finance Program to include nuclear energy, including nuclear energy projects awarded funding through the U.S. Department of Energy's advanced nuclear reactor programs. Second, the bill updates the statutory definition of "clean energy resource" that utilities may use to meet Colorado's 2050 clean energy targets to include nuclear energy. However, for property valuations made for tax purposes, the bill exempts

nuclear energy from the definition of "clean energy resource."

HB25-1165* **Geologic Storage Enterprise & Geothermal Resources** | Reps. Paschal & Soper, Sens. Simpson & Kipp

This bill addresses regulation and management of carbon capture and sequestration (CCS) (also known as geologic storage) and geothermal energy. As to CCS, the bill creates the Geologic Storage Stewardship Enterprise for the purposes of: (1) determining and assessing long-term stewardship fees; (2) funding the long-term stewardship of geologic storage facilities in the state; (3) funding the plugging, abandonment, reclaiming, and remediating orphaned geologic storage facilities if financial assurance is insufficient; and (4) ensuring that the costs associated with long-term stewardship of geologic storage facilities are borne by geologic storage operators in the form of stewardship fees. The bill establishes, that beginning in April 2026 and annually thereafter, geologic storage operators must pay a stewardship fee for each ton of injected carbon dioxide in Colorado, which is used to fund the Geologic Storage Stewardship Enterprise cash fund. The cash fund may be used for: long-term stewardship expenses; plugging, abandoning, reclaiming, and remediating orphaned geologic storage facilities; and the Enterprise's reasonable operating expenses.

Further, the bill authorizes the Colorado Energy & Carbon Management Commission (ECMC) to issue and enforce permits for geologic storage operations and to regulate geologic storage operations. The bill also establishes that, before ECMC may approve site closure, the title to the injected carbon dioxide stored by a geologic storage operator remains with that operator (or any party to which the operator transfers title); however, once ECMC approves a site closure plan, ownership of the injected carbon dioxide and any remaining geologic storage facilities transfers to the State without payment and the Enterprise is then responsible for the long-term stewardship of the injected carbon dioxide and any associated geologic storage facility.

The bill also contains an update to the regulation of geothermal energy in Colorado, including additional protections for recreational hot springs. The bill reaffirms the State Engineer and the newly-renamed Board of Examiners of Water Well and Ground Heat Exchange Contractors have the authority to regulate shallow geothermal operations. It requires the State Engineer to maintain a tributary geothermal notification list and an applicant for a new geothermal well permit withdrawing tributary groundwater at a rate higher than 50 gallons per minute to provide notice to all parties on the notification list. A party may submit a claim of material injury that would result from the permit and request conditions be imposed on the well permit to prevent such injury. If a geothermal well would withdraw tributary groundwater at a rate great than 50 gallons per minute and the proposed well is in a hydrogeologic setting where it could materially injury a historic hot spring, the applicant must provide evidence that the proposed well will not materially injure the historic hot spring. Further, any applicant for a deep geothermal permit must provide notice to prior geothermal operations within a quarter mile of the proposed deep geothermal operations.

Hb25-1165 also renames the state Board of Examiners of Water Well Construction and Pump Installation Contractors as the Board of Examiners of Water Well and Ground Heat Exchanger Contractors within the Division of Water Resources at the Department of Natural Resources (DNR). The Board has general supervisory authority over construction and abandonment of ground heat exchangers (in addition to its previous responsibilities), including disseminating information to ground exchanger contractors to protect and preserve groundwater resources. "Ground heat exchangers" are defined as: "a continuous, sealed, subsurface heat exchanger consisting of a closed loop through which a heat-transfer fluid passes to and returns from a heat pump or manifold; a ground heat pump may be vertically or horizontally configured or submerged in surface water." The bill also establishes the basic principles to govern the construction, repair, or abandonment of a ground heat exchanger. The bill also provides the Board the authority to adopt implementing regulations and monitor compliance by inspecting ground heat exchanger installation.

Battery Disposal

SB25-163* **Battery Stewardship Programs**
Sens. Cutter & Ball, Reps. Brown & Stewart

SB25-163 requires battery producers to finance and implement a coordinated, state-approved system for the safe disposal of batteries in Colorado. The bill also creates a duty for retailers to ensure any batteries they sell are subject to the state-approved system, and forbids producers and retailers from charging point-of-sale fees to consumers to cover the administrative costs of participation in the system. Finally, beginning in 2030, the bill places requirements upon consumers for proper battery disposal. Excluded from coverage under the bill are medical device batteries; electrolyte-containing batteries; lead-acid batteries weighing more than 11 pounds; embedded batteries; damaged, defective, or recalled batteries; and electric car batteries.

Battery producers must either create their own "battery stewardship organization" to implement their own "battery stewardship plan," or must work under a nonprofit battery stewardship organization's plan. Under the bill, battery stewardship organizations who implement battery stewardship plans on behalf of producers will implement a system to collect charges from participating producers to cover the cost of administration of the plan. Plans must include specified information and are due July 2027 and every 5 years thereafter.

The bill provides procedures for submitting or amending a plan to the Department of Public Health and Environment (CDPHE), specifies that plans will be made available for public review and comment, and provides a fee schedule associated with plan submittal and review.

Beginning August 2027, battery producers selling, or distributing batteries must participate in and finance a battery stewardship organization in order to sell or distribute batteries in Colorado. And starting July 2029, retailers will be forbidden from selling, offering for sale, or distributing batteries that are not produced by a producer participating in a battery stewardship organization with an approved plan. Battery stewardship organizations will provide retailers with information and materials about proper battery disposal, which they may then voluntarily use to inform consumers. The organizations must also carry out certain promotional activities to implement the battery stewardship program.

Battery stewardship organizations must provide permanent battery collection sites and battery collection events for consumers. Retailers who serve as a battery collection site must have an approved battery stewardship plan, and may be able to seek reimbursement from a battery stewardship organization for certain costs. Local governments are not required to act as collection sites. Battery stewardship organizations are required to report noncompliant battery collection sites.

Strating June 2029, battery stewardship organizations must submit annual reports to CDPHE covering the prior year's activities. By December 2028, battery stewardship organizations must assess management of currently excluded embedded batteries in Colorado. These assessments will be submitted by the Department to the General Assembly for consideration by March 1, 2028.

In addition to creating the battery stewardship system, the bill also creates requirements for marking batteries. After January 1, 2028, producers and retailers of batteries may not sell, offer for sale, or distribute batteries that do not meet certain marking/labeling requirements.

Finally, the bill creates requirements for battery disposal enforceable directly upon consumers. Starting January 2030, consumers must dispose of batteries either to a collection site, or pursuant to federal or state hazardous waste laws. Specifically, after January 1, 2030, a person shall not knowingly cause or allow batteries: to be disposed with recyclables or waste, disposed into a sanitary landfill, to be mixed with waste that will be burned or incinerated, or to be burned or incinerated. The bill creates protections for solid waste facility owners and collectors. Also beginning on January 1, 2030, fees no longer may be charged to consumers at battery collection sites.

Water Use & Funding

HB25-1113* **Limit Turf in New Residential Development |** Reps. Smith & McCormick, Sen. Roberts

In 2024, the Legislature passed SB24-005, which prohibits local entities starting in 2026 from installing, planting, or placing, or allowing others to do so, any nonfunctional turf, including artificial turf, or invasive plant species as part of a new development or redevelopment project, and to enact conforming ordinances. HB25-1113 expands the list of applicable properties subject to this restriction to include multifamily housing projects starting in 2028, and requires local entities to adopt conforming ordinances. The bill also provides that native, low-water grasses are excluded from the restriction.

SB25-283* **Funding Water Conservation Board Projects |** Sens. Roberts & Simpson, Reps. McCormick & Soper

SB25-283 makes several appropriations for the coming year, and eliminates the Colorado Water Conservation Board's Office of Water Conservation and Drought Planning. To start, SB25-283 makes an appropriation for the Division of Water Resources for stream gauges for water rights administration.

The bill also makes several appropriations for the Colorado Water Conservation Board: to continue revising and improving floodplain studies and maps; to continue developing cloud seeding programs; to replenish the litigation fund; to support Colorado Mesonet, which is Colorado Climate Center's network of ninety research-grade weather stations; to continue the Water Supply Measurement and Forecasting partnership program; to continue implementing the Arkansas River decision support system of 2011; to provide technical assistance for applicants seeking competitive federal grant funds; to support efforts to refine and extend the existing decision support system and update the Colorado Water Plan; to support development of updated basin implementation plans for the eight major river basins; to continue the Colorado Watershed Restoration Program; to analyze and better understand outdoor and landscape water use and savings opportunities associated with turf replacement; to continue the Colorado Soil Health Program; to perform a large-scale restoration at the Yampa River and Walton Creek confluence in Steamboat Springs; to retire irrigated acreage in compliance with the Republican River compact administration resolution; and for grants for projects implementing the Colorado Water Plan.

SB25-283 also authorizes the Colorado Water Conservation Board to loan money to the North Poudre Irrigation Company to complete the Park Creek Reservoir expansion project. The bill eliminates the water efficiency grant program and the Board's Office of Water Conservation and Drought Planning, reassigning that office's responsibilities back to the Board. Finally, the bill updates the statute to require the Governor or Executive Director of DNR to appoint a director of compact negotiations within thirty days of a vacancy of the position.

SB25-040* **Future of Severance Taxes & Water Funding Task Force |** Sens. Roberts & Simpson, Reps. McCormick & Martinez

SB25-040 establishes the Future of Severance Taxes & Water Funding Task Force in DNR. The purpose of the Task Force is to consult and coordinate with a third-party hired by DNR in developing a study regarding the future of severance taxes and water funding in the State. The purpose of the study is to explore ways to continue funding water needs and energy impact grants in light of decreasing availability of severance tax revenue and to develop related recommendations. The study must focus on identifying ways to alleviate the need for transfer revenues derived from severance taxes to the general fund and to replace severance tax revenue previously transferred.

The bill requires appointment of Task Force members by September 2025, to be supported by DNR staff. The Task Force will consist of: (i) the Executive Director of DNR (or designee); (ii) the Director of the Colorado Water Conservation Board (or designee); (iii) the Commissioner of Agriculture (or designee); (iv) an environmental advocacy organization representative appointed by the House Speaker; (v) an oil and gas industry representative with experience in severance tax issues appointed by the House Minority Leader; (vi) a water conservation district representative appointed by the Senate President; (v) an agricultural industry representative with experience at the intersection of agriculture, water projects, and the oil and gas industry

appointed by the House Minority Leader; (vi) a county commissioner from a county that contains oil and gas operations appointed by the Governor; (vii) an elected official or city or town manager from a city, town, or city and county that has been socially or economically impacted by oil and gas operations appointed by the Governor; and (viii) the Executive Director of Local Affairs (or designee).

The third-party's draft report, including findings and recommendations, is due to DNR and the Task Force by January 15, 2026. The final report—incorporating input from DNR and the Task Force—must be submitted to a Water Resources and Agriculture Review Committee by July 15, 2026. Following submission, the Task Force will also present a summary of the report to the Committee during the 2025 legislative term.

(See also the discussion of SB25-040 under the Oil and Gas section below.)

Utility Rates, Meters & Consumer Protection

HB25-1177* **Utility Economic Development Rate Tariff Adjustments** | Sens. Hinrichsen & Pelton, Reps. Mauro & Winter

HB25-1177 adjusts the economic development rate tariff for investor-owned electric utilities (IOUs). The program allows utilities to offer reduced electricity rates to qualifying commercial or industrial customers that locate or expand their operations in Colorado. The bill requires economic development rates not directly increase electric service costs for other customers. Approval of economic development rates under this bill does not relieve IOUs from complying with GHG emission reduction requirements. The bill allows utilities and qualifying customers to negotiate and enter into agreements related to economic development rates without approval by the PUC for locations at which the addition or expansion of existing load is less than or equal to 40 megawatts (MW), an increase from 20 MW under prior law.

Utilities may offer economic development rates to a qualifying commercial or industrial customers for up to 10 years. The PUC can approve such rates for over 10 and up to 25 years upon consideration of wholesale customer rates, transmission system effects, and broader economic development benefits including economic benefits received by all customer classes served by the utility, local and state taxes to be paid by qualifying commercial or industrial customers, the amount of jobs created, and other economic growth and benefits brought to the surrounding community. After a notice period of 14 business days after a utility files an application for approval of an economic development rate for a load of 41-150 MW or more, the PUC has 120 days to approve or deny. For a load of over 150 MW, that period is 210 days.

HB25-1234* **Utility Consumer Protection**
Reps. Ricks & Joseph, Sens. Winter & Wallace

This bill prohibits the Department of Human Services from requiring applicants for the Low-income Energy Assistance Program (LEAP) to provide their citizenship or immigration status on any application for payment assistance, unless the information is required as a condition of eligibility for assistance payments. It also prohibits the Department of Human Services (DHS) from sharing information related to citizenship or immigration status of an applicant with any federal law enforcement agency, unless disclosure is required by law or a court order. Further, the bill requires DHS to provide applicants an opportunity to correct or complete an application if it is deemed to be incomplete or have insufficient documentation. If DHS denies an application as incomplete or insufficient, it must inform the investor-owned utility of which the applicant is a customer that the application is pending review. Upon receiving this notice, the utility must place a disconnection hold on the service provided to the customer.

HB25-1175* **Smart Meter Opt-In Program**
Sens. Rodriguez, Jodeh, Reps. Lieder and Joseph

This bill requires investor-owned utilities with more than 500,000 customers that deploy advanced metering infrastructure (AMI) for residential customers on or after September 1, 2025 to submit a customer communications plan to the PUC by December 31, 2025. The customer communications

plan must include the utility's plan for deploying AMI to residential customers and communicating with customers in advance of the installation of AMI including information about the right to opt-out. The utility must also maintain a phone line and public website with information regarding a customer's right to have AMI removed and replaced with a traditional, non-communicating meter. The utility must also maintain a website with information about customer data privacy and radio frequency communications. Finally, the utility may only install AMI that complies with the Federal Communication Commission's requirements for radio frequency.

HB25-1161* **Labeling Gas-Fueled Stoves**
Rep. Valdez, Sens. Kpp & Wallace

HB25-1161 requires retailers of new gas stoves to include the following disclaimer on the yellow adhesive label located on its display model: "Understanding the Air Quality Implications of Having an Indoor Gas Stove." The label must also include a website link or QR code that consumers can use to access CDPHE's webpage dedicated to this issue, as discussed below. The label must be fixed prominently on the model stove so that it can be easily read by a potential customer and is easily accessible by a cellphone camera. For online sales, retailers must prominently post the disclaimer on the website where the online sale occurs. Notably, these requirements only apply to new gas-fueled stoves marketed and sold to consumers in the State. As noted above, the bill directs CDPHE to create a website that includes credible, evidence-based information on the health impacts of gas-fueled stoves. A retailer that fails to comply with these requirements commits a deceptive trade practice under Colorado law.

Just Transition & Environmental Justice

SB25-037 **Coal Transition Grants**
Sens. Roberts & Kirkmeyer, Reps. Taggart & Mauro

SB25-037 requires the Office of Just Transition Office (OJT) to provide administrative, logistical, research, and policy support to the Just Transition Advisory Committee's work, participate in the presentation to the General Assembly during the State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act hearings, and report out to legislative committees about the grants awarded by the OJT during the preceding state fiscal year, their recipients, and the purpose for which they were awarded. The OJT must also report them same information about awarded grants to the Joint Budget Committee after the close of the fiscal year.

In expending funding, the bill directs the OJT to place a heavy emphasis on investment in tier one and tier two coal communities experiencing socioeconomic impacts of coal closures, opportunities for economic diversification, local community input, feasibility studies of proposed projects, and needs assessments. The bill also directs the OJT to establish a timeline for reviewing project proposals and applications with decisions to be issued within 90 days of a final project proposal.

The bill specifies that 70% of the funds in the local government severance tax fund must be distributed to political subdivisions that are socially or economically impacted by the development, processing, or energy conversion of minerals and mineral fuels subject to taxation and used for the planning, construction, and maintenance of public facilities and for the provision of public services. Such funds must also compensate political subdivisions for loss of property tax revenue resulting from the deduction of severance taxes paid in the determination of the valuation for assessment of producing mines. The OJT may establish an administrative policy giving preference to just transition coal communities for 3 years beginning January 1, 2026.

Finally, the bill includes a requirement that municipal utilities submit the acquisition or erection of gasworks, gas distribution systems, or electric power works and distribution systems at a regular or special election. This is distinct from waterworks, electric light works, heating and cooling works, and distribution systems for geothermal, solar, wind, hydroelectric, or renewable resources which do not require to be submitted and approved at an election.

SB25-055* **Youth Involvement in Environmental Justice** | Sens. Winter & Marchman, Reps. Joseph & Bacon

This bill replaces one of the member on the Environmental Justice Advisory Board at CDPHE with a youth voting member and adds on youth nonvoting member, each of whom must be between 14 and 21 years of age. The bill also requires the CEO to develop and periodically update best practices for the adoption and financing of clean energy resources in schools.

Electric Vehicles, Vehicle Emissions & Transit

HB25-1267* **Support for Statewide Energy Strategies |** Reps. Paschal & McCormick, Sens. Winter & Amabile

This bill requires the Division of Oil and Public Safety, within the Department of Labor and Employment, to adopt and enforce rules related to retail EV charging by July 1, 2026. The rules must set forth minimum standards relating to specifications and tolerances for retail EV charging equipment and methods of retail sale for publicly accessible EV charging stations. The rules must go into effect on July 1, 2027 for all retail EV charging stations installed after July 1, 2026; retail EV charging stations installed before July 1, 2026 must comply with a scheduled as established in the rules. The bill also modifies CEO's EV grant fund to allow use of the fund to support or engage in operational and policy work to support EV adoption, EV charging, and affordable, clean electricity for EVs; and to support the development and enforcement of retail EV charging rules by the Division of Oil and Public Safety.

HB25-1197* **Sale of Electric Assisted Bicycle Requirements** | Sens. Amabile & Ball, Reps. Smith & Taggart

HB25-1197 requires multiple mode electric assisted bicycles (e-bikes) to be properly labeled to identify the highest class, or each of the classes, of which the bicycle is capable of operation. The bill also makes it illegal to sell, offer to sell, or advertise (in a store or online) a vehicle that is falsely labeled as an e-bike. If a dealer advertises a vehicle as an e-bike, the dealer must make a clear and legible written disclosure—either in the store or on the website it is sold, or on any social media marketing—stating that the vehicle is not an e-bike and is subject to applicable motor vehicle laws if used on public roads or lands. Sellers must also disclose: (i) e-bike motor power (in watts), (ii) e-bike maximum speed, (iii) e-bike class, and (iv) a statement that it is illegal for anyone under 16 years old to operate a Class 3 e-bike or a multiple mode e-bike capable of operating as a Class 3 e-bike. HB25-1197 further clarifies that a vehicle which has been modified, or can easily be modified, so as not to meet the requirements of "electric assisted bicycles" is not considered an "electric assisted bicycle" by law.

HB25-1197 also bars the manufacture, distribution, recondition, sale, offer to sale, lease or rent of a lithium ion battery or second-use lithium ion battery for use in an e-bike, unless the battery has been certified by an accredited testing lab for compliance with a battery standard referenced in UL 2849 or EN 15194 or another safety standard approved by the Director of the Division of Fire Prevention and Control. If certification is obtained, either the certification, the name of the lab, or its logo or watermark must be displayed directly on the e-bike or its packaging. This does not apply to e-bike secondhand sales or rentals.

SB25-321* **Motor Vehicle Emissions Inspection Facilities** | Sens. Kirkmeyer & Rodriguez, Reps. Joseph & Gonzalez

SB25-321 requires the AQCC to adopt rules requiring inspection of vehicles registered in a nonattainment area that have exceeded emissions under the clean screen program, and are within the two-year vehicle inspection cycle or are exempt from inspection. It further permits the AQCC to adopt rules requiring emissions compliance of vehicles registered outside of the program area, but which frequently operate within the program area.

The bill declares that gasoline-powered motor vehicles are a major source of ozone precursors, including nitrogen oxides, hydrocarbons, and carbon monoxide. It defines gas-powered vehicles with emissions control systems that have been tampered with or are otherwise not operating properly as "high-emitting motor vehicles." The bill forbids anyone to

knowingly disconnect, deactivate, otherwise render inoperable a motor vehicle's emission control system, and forbids any car with an inoperable system from being driven on Colorado's highways. The bill requires the clean screen program to not only identify clean, low-emitting vehicles, but also high-emitting vehicles. The bill creates a motor vehicle emissions assistance fund, which will collect up to one million dollars annually from penalties and fines related to violations of the existing air quality control program. The fund will be used to provide grants to individuals participating in public assistance programs for emission inspection fees and for necessary repairs to bring a vehicle into compliance.

SB25-321 also eliminates statutory limits on how long contracts between the state and emissions testers may run, instead letting the Division of Administration in CDPHE determine the length of each contract. Further, it authorizes the AQCC to adjust inspection facility emission testing fee caps, with limitations.

SB25-286* **Petroleum Products Fees & Penalties** Sens. Hinrichsen & Snyder, Rep. Bird

SB25-286 creates, starting on August 1, 2025, a maximum $5,000 per-day civil penalty for the retail distribution of reformulated gasoline in a nonattainment area in Colorado that violates the applicable fuel quality specification. Gas station owners located in a nonattainment area will be notified of the penalty amount by CDPHE.

SB25-161* **Transit Reform** | Sens. Winter & Jodeh, Reps. Lindstedt & Froelich

SB25-161 makes a number of statutory changes aimed at improving the performance of the Regional Transportation District (RTD). It authorizes RTD to enter into a service partnership agreement with various local government or other entities to expand its service territory, and creates an RTD accountability committee. It further requires RTD to align with statewide GHG emissions reductions targets, create worker retention goals, adhere to certain federal directives, develop performance measures, create a 10-year strategic plan by September 2026 and a comprehensive operational analysis at least every 5 years starting in 2026, identify opportunities to increase funding in support of strategic plan objectives, make publicly available certain data metrics, update its service policies and standards, notify the Denver Regional Council of Governments and the Department of Local Affairs of known infrastructure gaps, and modernize and advertise its EcoPass program.

The bill also requires the Transportation Commission to develop best practices and technical assistance materials regarding the creation of regional transportation authorities to increase transit funding and service throughout the state. SB25-161 additionally makes changes to the information that an entity is required to provide to the Clean Transit Enterprise after being awarded money from the local transit operations cash fund.

SB25-030* **Increase Transportation Mode Choice Reduce Emissions** | Sens. Winter & Hinrichsen, Reps. Froelich & Lindstedt

This bill requires CDOT, in coordination with local governments and transit agencies, as well as metropolitan planning organizations (MPOs) to each create a transit and active transportation project inventory by July 1, 2026 that identifies gaps in transit, bicycle, and pedestrian infrastructure and access on state highways and rights-of-way maintained by CDOT or the MPO. CDOT and MPOs must report out to the transportation legislation review committee by October 31, 2026.

Under SB25-030, CDOT must also develop clear definitions for roadway capacity investments and state-of-good repair investments. Local governments with populations of at least 5,000 people within a MPO must submit to the MPO all planned transit, bicycle and pedestrian projects included in any approved plan. The bill also allows local governments to adopt goals for the share of total trips in a certain area by transportation method; submit local transportation demand management strategies to its MPO; and collaborate with CDOT, its MPO and transit agencies to identify unfinished transit, bicycle, and pedestrian projects and to prioritize projects based on their potential to increase transportation mode choice, protect vulnerable road users, reduce vehicle miles traveled and GHG emissions, and improve access to nondriving options.

The bill also clarifies that the Moffat Tunnel Improvement District is controlled and managed by CDOT rather than the Department of Local Affairs.

SB25-320* **Commercial Motor Vehicle Transportation |** Sens. Bridges & Kirkmeyer, Reps. Bird & Taggart

This bill extends sales and use tax exemption for low-emitting heavy-duty motor vehicles or parts that convert the power source for heavy-duty vehicles to a low-emitting source. The bill also updates the Bridge and Tunnel Impact Fee schedule.

SB25-321* **Motor Vehicle Emissions Inspections Facilities |** Sens. Kirkmeyer & Rodriguez, Reps. Joseph & Gonzalez

This bill repeals contract length limits for vehicle emissions testing and allows CDPHE to establish contract lengths. It also allows AQCC to adopt new rules to establish updated emissions testing fees, subject to certain boundaries, and to require emissions compliance for vehicles registered outside of the compliance area, but operating within it, and that have previously failed emissions test. It also requires AQCC to adopt bills requiring inspection of vehicles registered in the nonattainment area and identified as having excessive emissions.

SB25-321 also creates a motor vehicle emissions assistance fund to provide grants for paying emissions inspection fees for individuals participating in public assistance programs or making adjustments or emissions-related repairs necessary for emissions compliance.

Wildfire Prevention and Mitigation

SB25-007* **Increased Prescribed Burns |** Sens. Cutter & Marchman, Reps. Velasco & Weinberg

SB25-007 creates a $1 million prescribed fire claims cash fund and authorizes the Division of Fire Prevention and Control to expend money from the fund to pay claims for damages relating to prescribed burns that are certified by the Division as meeting specified guidelines. The bill also allows for individuals that have met certain out-of-state requirements for prescribed burner training to become certified in Colorado under a reciprocity framework.

This bill also expands the costs allowed to be covered by electric utilities in Colorado energy impact bonds to include PUC-approved programs and projects to mitigate the effects of extreme weather, wildfires, climate change or other hazards, including utility wildfire mitigation plan costs.

SB25-142* **Changes to Wildfire Resiliency Code Board |** Sens. Baisley & Cutter, Rep. Velasco

SB25-142 extends, from three months to nine months, the deadline for "Adopting Governing Bodies" to adopt wildfire resiliency codes and standards after they are adopted by the Wildfire Resiliency Code Board. The bill permits governing bodies who have adopted the Wildfire Resiliency Code Board's code to enter into cooperative agreements with third parties or other governing bodies for wildfire resiliency code enforcement. Adopting Governing Bodies who do not have a cooperative agreement or independent methods of enforcement may request enforcement support from the Division of Fire Prevention and Control, with any resulting fees going to the Board's cash fund. Under the bill, the Board has the power to perform a compliance review of an Adopting Governing Body's application of its adopted wildfire resiliency code. Adopting Governing Bodies may now petition the Board to modify the adopted code. Any granted modification will only apply within that jurisdiction, and will be subject to regular renewal. Denied modifications may be appealed to the Board.

Public Lands

HB25-1332* **State Trust Lands Conservation & Recreation Work Group** | Rep. McCormick, Sens. Roberts & Wallace

HB25-1332 directs DNR to convene a State Trust Lands Conservation and Recreation Work Group to conduct a study to identify opportunities to advance conservation, climate resilience, biodiversity, and sustainable, equitable, and low-conflict recreation as state trust lands in accordance with Colorado's Outdoors Strategy stewarded by the Division of Parks and Wildlife. The Work Group is required to develop a study in a manner consistent with the State Board of Land Commissioners' (Board) fiduciary responsibility to produce reasonable and consistent revenue for trust beneficiaries. The Work Group will be comprised of 24 members, representing a wide array of backgrounds and interests. The Executive Director of DNR is also required to present the group's objectives to the Ute Mountain Ute Tribe and the Southern Ute Indian Tribe and request their participation in the Work Group.

The Work Group is required to submit its final recommendations to the Governor, the House Agriculture, Water, and Natural Resources Committee, the Board, and the Executive Director of DNR by September 1, 2026. The report must include recommendations on how to: (i) further the long-term productivity and sound stewardship of all state trust lands (not only those in long-term stewardship trust); (ii) preserve and enhance the beauty, natural values, open space, and wildlife of the State for current and future generations; (iii) promote long-term productivity for agriculture; (iv) provide for sustainable, equitable, and low-conflict recreational opportunities on state trust lands, including an evaluation of how to minimize impacts of recreational access on existing agricultural leases of state trust land; land (v) identify management options for the utilization of natural resources on state trust lands to conserve the long-term value of the state trust lands while the Board carries out its fiduciary duties. The bill outlines a prescriptive set of issues and opportunities for uses of state trust lands that the Work Group is required, at a minimum, to evaluate, as well as minimum set of requisite recommendations.

The bill also requires that the Board to: (a) review all existing leases on long-term stewardship parcels to determine if they are managed primarily to preserve long-term returns and benefits to the State; (b) provide to the Work Group a report listing all instances since 1996 where a lease proposed for a stewardship trust parcel was denied as incompatible with primarily protecting and enhancing beauty, open space, natural values, and wildlife habitat; (c) provide to the Work Group documentation of lease stipulations that highlight measures to protect and enhance beauty, open space, natural values, and wildlife habitat when leasing stewardship trust lands; and (d) provide to the Work Group an analysis of public recreational access and management solutions on state trust lands.

By February 15, 2027, the Board is required to consider the Work Group's recommendations and adopt an administrative policy or rules to establish, at a minimum: (1) a process governing the implementation of conservation leases and related instruments on state trust lands, including a framework for the structure, pricing, and duration of such instruments; (2) a specific process to substantiate how the state board balances revenue generation with conserving the long-term values of state trust lands; (3) any other policies or rules the state board, in its discretion, deems necessary to implement Section 10 of Article IX of the State Constitution; and (4) a schedule to review and update by December 2028, if necessary, all existing stewardship trust management plans or other applicable plans to achieve conservation purposes and require corrective management actions in accordance with the existing stewardship trust policy and lease terms.

Oil and Gas

SB25-307* **Concerning the Decarbonization Tax Credits Administration Cash Fund, and, in Connection Therewith, Requiring that Money Credited to the Fund Not Exceed the Net Revenue from the Collection of Oil and Gas Severance Tax, Transferring Two Million Five Hundred Thousand Dollars from the Energy and Carbon Management Cash Fund to the Fund, and Transferring Two Million Five Hundred Thousand Dollars from the Fund to the Energy and Carbon Management Cash Fund** | Sens. Amabile and Bridges, Reps. Sirota and Bird

For fiscal years 2023-2024 through 2026-2027, state law requires the State Treasurer to credit to the Decarbonization Tax Credits Administration Cash Fund (the Fund) oil and gas severance tax revenue equal to the amount attributable to the decreased severance tax credit allowed for oil and gas production for tax years 2024 through 2026. SB 307 stipulates that, for fiscal years 2024-2025 and 2025-2026, oil and gas severance tax revenue credited to the Fund shall not exceed the net revenue from the oil and gas severance tax collection. Further, SB 307 directs the State Treasurer to: (i) transfer $2.5 million from the Energy and Carbon Management Cash Fund to the Fund on June 30, 2025, and (ii) transfer $2.5 million from the Fund to the Energy and Carbon Management Cash Fund on January 1, 2026.

SB25-040* **Future of Severance Taxes & Water Funding Task Force** | Sens. Roberts & Simpson, Reps. McCormick & Martinez

SB25-040 establishes, for the period from January 1, 2027 through January 31, 2027, an oil and gas tax credit of 87.5% for all ad valorem taxes assessed during the taxable year upon oil and gas leaseholds and leasehold interests and oil and gas royalties and royalty interest for state, county, municipal, school district, and special district purposes, except for ad valorem taxes assessed or paid for facilities and equipment use in the drilling, production, storage, and pipeline transportation of oil and gas.

(See also the discussion of SB25-040 under the Water Use & Funding section above.)