



House Bill 22-1394

Fund Just Transition Community and Worker Supports

Legislative Fact Sheet
May 2, 2022

Background

- The Office of Just Transition (OJT) – the first of its kind in the nation – was created by HB19-1314 to help fulfill the state’s “moral commitment” to coal transition communities and workers.
- Using a community-driven approach, OJT seeks more family-sustaining jobs, a broader property tax base, and greater economic diversity for these communities and workers.
- This is a long-term challenge – most closures of Colorado’s remaining coal-fired power plants (7) and coal mines (7) will occur in the second half of this decade. Most job, income, and property tax losses won’t happen until 2025 or later.
- ***Advance planning and early funding will help communities and workers get ahead of the curve to minimize impacts and maximize opportunities.***

Impact of Closing Coal Plants and Mines

- Community impacts include lost property taxes, lost sales for local supply chain businesses, lost wages for working families, and a potential drop in population.
- Worker impacts include lost jobs, lost income, and uncertainty about future employment and economic stability.
- A study by Colorado Mesa University¹ estimates the economic contribution of coal in Moffat, Rio Blanco, and Routt counties is 2,862 jobs, more than \$228 million in labor income, and more than \$621 million in regional GDP.
 - These numbers represent 22% of GDP and 8% of jobs in the three county region. In Moffat County, it’s 47% of GDP and nearly 20% of jobs.

Annual Property Taxes Paid by Coal Power Plants to Tier One Communities²

Plant	Closure/Conversion	Property Taxes
Craig Station - 3 units	2025-2029	\$10.84 million
Hayden Station - 2 units	2027-2028	\$4.98 million
Comanche Station (Pueblo) - 3 units	2023-2031	\$30.89 million
Pawnee (Morgan County) <i>(converting to natural gas)</i>	2026	\$13.15 million
Nucla Station	2019	\$1.17 million
TOTAL		\$61.03 million

¹ [Economic Transition in Northwest Colorado. Dr. Nathan Perry, Colorado Mesa University](#)

² Data from county assessors offices in Moffat, Montrose, Morgan, Pueblo and Routt counties. Data for Nucla station is for tax year 2019 (last year of operation). Other data is for tax year 2020.

Funding

- **State Funding:** The state has committed over \$20 million to the early transition efforts. HB22-1394 would increase state funding to over \$35 million.
 - OJT received initial funding on July 1, 2021, and right now is using a little over \$9 million for community grants as well as to promote private investment, provide technical and coordinated assistance, and design strategies and programming for assisting workers with *individual* transition plans that meet their personal and family goals.
 - OJT released guidance for community grants³ in December 2021, and began accepting applications in January 2022 on a monthly, rolling basis. OJT approved over \$2M in funding in the first two monthly cycles, and is processing more than \$3.5M in requests for the next two cycles.
 - Applications have come from every Tier One community and one Tier Two community for a wide range of projects, including:
 - Capacity building and planning
 - Business park development and business improvement
 - River infrastructure development for recreation and tourism
 - Community infrastructure improvement and replacement
 - Matching funds for related DOLA and EDA grants
 - The FY23 budget also appropriated \$5M in General Funds to OEDIT's Strategic Fund for economic planning and investing in transition communities.
- **Other funding**
 - Under a proposal now before the Public Utilities Commission (PUC), Public Service Company of Colorado (PSCo) has committed to pay the equivalent of 10-years of lost property taxes to Pueblo and the equivalent of six-years of lost property taxes to Morgan and Routt counties. These commitments conservatively total well over \$250 million.
 - PSCo also has a robust workforce plan under which no plant employees would be laid off. *This agreement has not yet been approved by the PUC.*
 - Under another agreement at the PUC, Tri-State Generation and Transmission is participating in discussions with OJT and other state agencies, as well as Craig and Moffat County, to identify potential community assistance options.

Legislation Summary

- Transfers \$15M from the General Fund to the OJT cash fund – \$5M to implement the Just Transition Action Plan and provide community assistance (spending deadline of FY26) and \$10M for workforce assistance (spending deadline of FY27). This transfer equalizes the state's overall commitment to community assistance and workforce assistance at OJT at \$15M each.
- Removes prior spending timelines, including 70% spend requirement for HB21-1290 funds by end of FY22.
- **Proposed Amendment:** Aligns the funding guidance between HB21-1290 (first \$15 million) and HB22-1394 (2nd \$15 million). This will ensure strategies developed and funded under HB21-1290 can continue if they are working well.

Fiscal Impact: \$15 million general fund.

Prime Sponsors:

Representative D. Esgar, Representative D. Roberts, Senator F. Winter, Senator K. Donovan

³ [Guidance for Colorado Just Transition Community Funding Opportunities](#)

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