Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

2026 Fiscal Impact Statements

This document includes fiscal impact statements prepared by Legislative Council Staff for measures on the November 2026 statewide ballot, as shown in the table below.

Measure	Title
Amendment 81	Law Enforcement Communication with Federal Immigration Authorities
Amendment 82	Constitutional Right to Purchase and Sell Natural Gas
Amendment 83	Constitutional Right to Hunt and Fish
Amendment 84	Mail Ballot Voter Identification
Amendment 85	Plain Language Ballot Titles
Amendment 86	Requirements for Off-Cycle Congressional Redistricting
Amendment 87	Graduated Income Tax
Proposition NN	Keep and Spend Money for Education and Other Purposes
Proposition 132	Increase Penalties for Fentanyl Crimes
Proposition 133	Penalties for Human Trafficking of a Minor
Proposition 134	Male and Female Participation in School and Collegiate Sports
Proposition 135	Prohibit Surgery on Minors in Response to Perception of Sex or Gender
Proposition 136	Income Tax Rate Limit
Proposition 137	Direct Sporting Goods Sales Tax Revenue for Conservation

Fiscal Impact Statement

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

AMENDMENT 81: LAW ENFORCEMENT COMMUNICATION WITH FEDERAL IMMIGRATION AUTHORITIES

Analyst: Brendan Fung, brendan.fung@coleg.gov, 303-866-4781

Date: September 10, 2026

Summary Information

Overview. The measure amends the state constitution to require law enforcement officers to notify federal agencies when undocumented immigrants or persons with indeterminate immigration status are charged with a crime of violence or have been convicted of a prior felony.

Types of impacts. The measure is projected to affect the following areas:

- State Expenditures
- Local Government
- Statutory Public Entity

Disclaimer. This fiscal impact statement has been prepared for a statewide ballot measure appearing at the 2026 statewide election. Any appropriations required to implement this measure will be addressed through the annual or supplemental budget process if this measure is approved by voters. For more information about this measure, please see the ballot information booklet.

Table 1
State Fiscal Impacts

Type of Impact	Current Year FY 2026-27	Budget Year FY 2027-28
State Revenue	$0	$0
State Expenditures	$60,000	$0
Transferred Funds	$0	$0
Change in TABOR Refunds	$0	$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Measure

This measure amends the state constitution to require certified peace officers employed by a law enforcement agency, correctional officers, and district attorney personnel to notify the federal Department of Homeland Security within 72 hours of charging someone with a crime if the charge is a crime of violence or if the individual has a prior felony conviction. The notification requirement applies if the charged individual is not lawfully present in the U.S., or if their lawful status cannot be determined.

State Expenditures

In FY 2026-27, expenditures in the Department of Revenue are estimated to increase by $50,000 to access federal databases and make programming changes to integrate data and processes. Similarly, expenditures will also increase in the Department of Natural Resources by about $10,000 to make computer system updates. The measure does not specify a funding source to pay for these costs and it is assumed that they will be paid from the General Fund.

Workload may also increase in these departments, as well as the departments of Higher Education, Human Services, Judicial, Law, and Public Safety, to the extent they are required to determine a charged individual's immigration status and communicate with the federal government on affected cases; however, this work will be primarily conducted by local governments

Local Government and Statutory Public Entity Impacts

Local law enforcement agencies, including police, district attorney offices, and Regional Transportation District officers, will have increased workload and expenditures. As with the state, the added workload involves determining a charged individual's immigration status and communicating with the federal government on affected cases. Because this determination happens after charges are filed, most of the workload will fall on district attorney offices. The amount of work will vary by jurisdiction depending on how many individuals are charged there. Expenditures, if incurred, will be on systems updates.

Technical Note

The measure requires law enforcement officers to notify federal agencies after charging certain undocumented individuals with a crime. However, law enforcement officers only arrest suspected offenders, who are then charged by prosecuting attorneys. The fiscal note assumes that it will be primarily district attorneys notifying federal agencies after an individual is charged with a crime.

Effective Date

If approved by voters at the 2026 general election, this measure takes effect upon proclamation of the Governor, no later than 30 days after the official canvass of the vote is completed.

State and Local Government Contacts

Corrections

Counties

District Attorneys

Higher Education

Human Services

Judicial

Law

Municipalities

Natural Resources

Police Chiefs

Public Safety

Regional Transportation District

Revenue

Sheriffs

Amendment 82

Fiscal Impact Statement

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

AMENDMENT 82: CONSTITUTIONAL RIGHT TO PURCHASE AND SELL NATURAL GAS

Analyst: Colin Gaiser, colin.gaiser@coleg.gov, 303-866-2677

Date: September 10, 2026

Summary Information

Overview. The measure creates a constitutional right for distributors to sell and consumers to purchase natural gas for cooking and heating.

Types of impacts. The measure is projected to affect the following areas:

- State Expenditures
- Local Government

Disclaimer. This fiscal impact statement has been prepared for a statewide ballot measure appearing at the 2026 statewide election. Any appropriations required to implement this measure will be addressed through the annual or supplemental budget process if this measure is approved by voters. For more information about this measure, please see the ballot information booklet.

Table 1
State Fiscal Impacts

Type of Impact	Current Year FY 2026-27	Budget Year FY 2027-28
State Revenue	$0	$0
State Expenditures	$0	$0
Transferred Funds	$0	$0
Change in TABOR Refunds	$0	$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Measure

Amendment 82 creates a constitutional right for consumers to purchase natural gas for cooking or heating, and for distributors and utilities to sell natural gas for use in homes and businesses.

State Expenditures

The measure may increase expenditures for state agencies to revise technical assistance to local governments concerning building codes that conflict with the right to purchase or sell natural gas. The measure may also increase workload and legal services for state agencies implementing the state's greenhouse gas emissions reduction plan.

Local Government

Local governments that currently have or are considering building codes that prohibit or restrict natural gas in commercial and residential development will have increased costs to conform the codes with state law, and to modify permitting, inspection, and compliance activities.

Effective Date

If approved by voters at the 2026 general election, this measure takes effect upon proclamation of the Governor, no later than 30 days after the official canvass of the vote is completed.

State and Local Government Contacts

Law	Public Health and Environment
Local Affairs	Regulatory Agencies

Amendment 83

Fiscal Impact Statement

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

AMENDMENT 83: CONSTITUTIONAL RIGHT TO HUNT AND FISH

Analyst: Alexa Kelly, alexa.kelly@coleg.gov, 303-866-3469

Date: September 10, 2026

Summary Information

Overview. The measure establishes the right to hunt and fish in the Colorado Constitution.

Types of impacts. The measure is projected to affect the following areas:

- Minimal State Workload

Disclaimer. This fiscal impact statement has been prepared for a statewide ballot measure appearing at the 2026 statewide election. Any appropriations required to implement this measure will be addressed through the annual or supplemental budget process if this measure is approved by voters. For more information about this measure, please see the ballot information booklet.

Table 1
State Fiscal Impacts

Type of Impact	Current Year FY 2026-27	Budget Year FY 2027-28
State Revenue	$0	$0
State Expenditures	$0	$0
Transferred Funds	$0	$0
Change in TABOR Refunds	$0	$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Measure

The measure establishes the constitutional right to hunt and fish using traditional methods. The right applies to all species except for nongame, endangered, or species that are illegal to hunt under federal law. The measure does not limit the ability of a state agency or the General Assembly to regulate hunting, fishing, and wildlife management so long as it is necessary for sound scientific wildlife conservation and management, public safety, or to preserve the future of hunting and fishing. Additionally, the measure does not establish the right to trespass on private property.

Background

Colorado Parks and Wildlife (CPW) in the Department of Natural Resources (DNR) is tasked with the management and regulation of wildlife in Colorado. The Colorado Parks and Wildlife Commission is a citizen board, appointed by the Governor, that sets regulations and policies for wildlife management. Policies set by the Commission are implemented and enforced by CPW.

State Revenue and Expenditures

The measure is not expected to increase or decrease near-term state revenue or expenditures. CPW, in coordination with the Parks and Wildlife Commission, will continue to set rules and regulations around hunting and fishing that can be implemented and enforced. CPW may see some increased workload to seek legal advice from the Department of Law on how to appropriately apply the measure’s language when developing new rules and regulations.

If CPW sees an increase in parties challenging rules and regulations based on the new constitutional language, expenditures will increase for litigation costs.

Effective Date

If approved by voters at the 2026 general election, this measure takes effect upon proclamation of the Governor, no later than 30 days after the official canvass of the vote is completed.

State and Local Government Contacts

Natural Resources	Law

Fiscal Impact Statement

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

AMENDMENT 84: MAIL BALLOT VOTER IDENTIFICATION

Analyst: Hamza Syed, hamza.syed@coleg.gov, 303-866-4976

Date: September 10, 2026

Summary Information

Overview. The measure requires that voters add additional identifying information when returning mail ballots.

Types of impacts. The measure is projected to affect the following areas:

- State Revenue
- State Expenditures
- Local Government

Disclaimer. This fiscal impact statement has been prepared for a statewide ballot measure appearing at the 2026 statewide election. Any appropriations required to implement this measure will be addressed through the annual or supplemental budget process if this measure is approved by voters. For more information about this measure, please see the ballot information booklet.

Table 1
State Fiscal Impacts

Type of Impact	Current Year FY 2026-27	Budget Year FY 2027-28	Out Year FY 2028-29
State Revenue	$0	$0	$0
State Expenditures (Cash Funds)	$1,241,228	$260,000	$555,500
Transferred Funds	$0	$0	$0
Change in TABOR Refunds	$0	$0	$0
Change in State FTE	0.0 FTE	0.0 FTE	0.0 FTE

Summary of Measure

Under current law, voters add their signature and self-affirm their mail ballots before returning to the county clerk. The measure requires additional forms of identification for mail ballots, including either the last for digits of a social security number, Colorado Real Identification number, or Colorado driver's license number. If a voter fails to fill out the additional identification, or if an election judge cannot confirm the identification information when reviewing the mail ballot, the ballot is sent back to the voter to cure any discrepancy. Until the discrepancy is resolved the ballot is not counted.

State Revenue

Under current law, the Department of State is authorized to adjust fees so that the revenue generated approximates its direct and indirect costs. The department is primarily funded through business filing fees. To cover the costs described in the State Expenditures section below, fees may need to be raised to cover all or some of the costs of this measure. The fees affected, the timing of any increase, and the actual amount of fee charges will be set administratively by the department based on cash fund balance and total program costs.

State Expenditures

The Department of State will have costs of $1.2 million in FY 2026-27, $260,000 in FY 2027-28, $555,500 in FY 2028-29, and varying amounts in future years based on the election cycle. These costs, paid from the Department of State Cash Fund, are summarized in Table 2 and discussed below.

Table 2
State Expenditures
Department of State

Cost Component	Current Year FY 2026-27	Budget Year FY 2027-28	Out Year FY 2028-29
Initial Outreach Campaign	$100,000	$200,000	$0
Election Information and Material	$0	$60,000	$20,000
County Reimbursement	$1,141,228	$0	$535,500
Total Costs	**$1,241,228**	**$260,000**	**$555,500**
Total FTE	**0.0 FTE**	**0.0 FTE**	**0.0 FTE**

Public Outreach and Election Information

The Department of State will need to inform voters of the changes to mail voting across the state. This requires an initial outreach and communication campaign with a cost of $100,000 in FY 2026-27, and $200,000 in FY 2027-28. In future years, the department will also have ongoing workload and costs to conduct voter outreach and provide election information and materials, estimated at $20,000 per election, with this cost incurred for each presidential primary, statewide primary, and general election. These ongoing costs will vary based on the election calendar.

County Reimbursement

Counties will also have additional costs, a portion of which will be reimbursed by the state. This is estimated to cost $1,141,228 in the first year, and $535,500 in years when there is a general election.

Local Government

The new verification process under the measure will increase county spending by up to $2.5 million in the 2026-27 budget year and up to $1.2 million in future years. About 45 percent of these county costs will be reimbursed by the state government. These costs are driven from several new requirements. First, election judges must review identification numbers provided by voters, which increases staff hours and overtime during elections. Second, county election offices must notify voters of any discrepancies involving their identification information, which requires postal or digital notification to voters and segregating ballots until valid identification is provided. Lastly, county election offices must update ballot materials and envelopes and modify various elections systems, and conduct voter outreach.

Effective Date

If approved by voters at the 2026 general election, this measure takes effect upon proclamation of the Governor, no later than 30 days after the official canvass of the vote is completed.

State and Local Government Contacts

County Clerks

Secretary of State

Amendment 85

Fiscal Impact Statement

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

AMENDMENT 85: PLAIN LANGUAGE BALLOT QUESTIONS

Analyst: Hamza Syed, hamza.syed@coleg.gov, 303-866-4976

Date: September 10, 2026

Summary Information

Overview. The measure requires ballot questions be written in plain language and at an eighth-grade reading level.

Types of impacts. The measure is projected to affect the following areas:

- Minimal State Workload

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Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	$0	$0
State Expenditures	$0	$0
Transferred Funds	$0	$0
Change in TABOR Refunds	$0	$0
Change in State FTE	0.0 FTE	0.0 FTE

Amendment 85

Summary of Measure

The measure requires that ballot questions, submitted to voters for approval, be written in plain language, at no more than an eighth-grade reading level.

State Expenditures

The measure may minimally increase workload for the Title Board, which includes representatives from the Department of State, the Department of Law, and the state legislature, to determine standards for plain language and what constitutes an eighth-grade reading level.

Effective Date

If approved by voters at the 2026 general election, this measure takes effect upon proclamation of the Governor, no later than 30 days after the official canvass of the vote is completed.

State and Local Government Contacts

Judicial

Secretary of State

Legislative Council Staff

Amendment 86

Fiscal Impact Statement

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

AMENDMENT 86: REQUIREMENTS FOR OFF-CYCLE CONGRESSIONAL REDISTRICTING

Analyst: Hamza Syed, hamza.syed@coleg.gov, 303-866-4976

Date: September 10, 2026

Summary Information

Overview. The measure amends the constitution to require the Colorado Independent Congressional Redistricting Commission to review and approve off-cycle changes to congressional maps.

Types of impacts. The measure is projected to affect the following areas:

- State Expenditures

Disclaimer. This fiscal impact statement has been prepared for a statewide ballot measure appearing at the 2026 statewide election. Any appropriations required to implement this measure will be addressed through the annual or supplemental budget process if this measure is approved by voters. For more information about this measure, please see the ballot information booklet.

Table 1
State Fiscal Impacts

Type of Impact	Non-Impacted Years	Impacted Years
State Revenue	$0	$0
State Expenditures (Cash Funds)	$0	$367,603
Transferred Funds	$0	$0
Change in TABOR Refunds	$0	$0
Change in State FTE	0.0 FTE	1.0 FTE

Impacted years refers to any year when off-cycle congressional redistricting occurs.

Summary of Measure

Under current law, the Colorado Independent Congressional Redistricting Commission (commission) meets every ten years, after the decennial census, to create new district maps to divide the state into congressional districts. Any changes to the district maps after approval by the commission, and before the next decennial census, is considered off-cycle.

The measure requires that any off-cycle changes to congressional districts, should they occur, be approved by the commission and adopted by the Colorado Supreme Court. Before approving any changes, the commission must hold at least three public hearings. The measure also prohibits off-cycle changes to congressional districts that intentionally favor a political party or unnecessarily divide communities of interest.

State Expenditures

If approved by voters, the measure increases state expenditures by about $370,000 in any fiscal year where the commission must convene and review changes to congressional maps outside of its usual redistricting schedule. These costs will be incurred in the Legislative Department as shown in Table 2 and described in the sections below. Costs are paid from the Legislative Department Cash Fund. The measure will also increase workload for the Judicial Department.

Table 2
State Expenditures
Legislative Department

Cost Component	Non-Impacted Years	Impacted Years
Personal Services	$0	$75,756
Operating Expenses	$0	$1,280
Capital Outlay Costs	$0	$7,000
Commissioner Costs	$0	$11,664
Legal Services	$0	$250,000
Employee Insurance and Supplemental PERA	$0	$21,903
Total Costs	**$0**	**$367,603**
Total FTE	**0.0 FTE**	**1.0 FTE**

Staff

The Legislative Department requires 0.8 FTE Research Analyst and 0.2 FTE Staff Attorney to provide staff support to the commission and facilitate the selection of commissioners to fill any vacancies since the commission last convened. Staff support includes administrative, legal, geographic information services, and policy research and analysis.

Commissioner Costs

Commissioners receive a per diem of $200 for each meeting and $124 for travel expenses and milage reimbursement. For an assumed three meetings at the state capitol, this cost totals about $11,000.

Legal Services

The commission will contract with outside legal counsel to provide legal assistance in reviewing maps, complying with the measures criteria, and defending any legal challenges.

Employee Insurance and Supplemental Retirement Payments

The measure increases various centrally appropriated costs associated with state employees, including employee insurance, supplemental employee retirement payments, and other costs.

Judicial Department

The measure will minimally increase workload for the Colorado Supreme Court to review any modified maps outside of a redistricting year.

Effective Date

If approved by voters at the 2026 general election, this measure takes effect upon proclamation of the Governor, no later than 30 days after the official canvass of the vote is completed.

State and Local Government Contacts

Judicial

Secretary of State

Legislative Council Staff

Amendment 87

Fiscal Impact Statement

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

AMENDMENT 87: GRADUATED INCOME TAX

Analyst: Elizabeth Ramey, elizabeth.ramey@coleg.gov, 303-866-3522

Date: September 10, 2026

Summary Information

Overview. The measure creates a graduated income tax beginning in tax year 2027 and uses the new tax revenue to provide funding for K-12 education, health care, and early child care and education.

Types of impacts. The measure is projected to affect the following areas:

- State Revenue
- State Expenditures
- School Districts

Disclaimer. This fiscal impact statement has been prepared for a statewide ballot measure appearing at the 2026 statewide election. Any appropriations required to implement this measure will be addressed through the annual or supplemental budget process if this measure is approved by voters. For more information about this measure, please see the ballot information booklet.

Table 1
State Fiscal Impacts

Type of Impact	Current Year FY 2026-27	Budget Year FY 2027-28	Out Year FY 2028-29
State Revenue	$958.4 million	$1,972.0 million	$2,085.8 million
State Expenditures	$0	$98,000	$17,600
Transferred Funds	$0	$0	$0
Change in TABOR Refunds	$0	$0	$0
Change in State FTE	0.0 FTE	0.0 FTE	0.0 FTE

Table 1A
State Revenue

Fund Source	Current Year FY 2026-27	Budget Year FY 2027-28	Out Year FY 2028-29
General Fund	$0	$0	$0
Cash Funds – Colorado Future's Account	$958.4 million	$1,972.0 million	$2,085.8 million
Total Revenue	**$958.4 million**	**$1,972.0 million**	**$2,085.8 million**

Table 1B
State Expenditures

Fund Source	Current Year FY 2026-27	Budget Year FY 2027-28	Out Year FY 2028-29
General Fund	$0	$98,000	$17,600
Cash Funds	$0	$0	$0
Federal Funds	$0	$0	$0
Total Expenditures	**$0**	**$0**	**$17,600**
Total FTE	**0.0 FTE**	**0.0 FTE**	**0.0 FTE**

Summary of Measure

The measure creates a graduated state income tax starting in tax year 2027. Under current law, individual and corporate taxpayers are taxed at a single rate of 4.40 percent. The measure amends the state constitution to allow for different levels of taxable income to be taxed at different rates.

Tax rates under the measure and current law are shown in Table 2. The new tax rates apply to both individual and corporate taxpayers. The tax rate is graduated. For example, a taxpayer with taxable income of $600,000 would pay a tax of 3.7 percent on the taxpayer's first $25,000 in taxable income, 4.2 percent on the next $75,000, 4.4 percent on the next $400,000, and 7.4 percent on the last $100,000. The tax brackets in Table 2 are permanent and not adjusted for inflation in future years.

Table 2
Income Tax Rates Under Current Law and Amendment 87

Taxable Income	Income Tax Rate Under Current Law	Tax Rates Under Amendment 87
Up to $25,000	4.40%	3.70%
$25,001 to $100,000	4.40%	4.20%
$100,001 to $500,000	4.40%	4.40%
$500,001 to $750,000	4.40%	7.40%
$750,001 to $1,000,000	4.40%	7.90%
$1,000,000 and above	4.40%	8.40%

Increased income tax revenue is credited to the Colorado Future's Account, created in the measure. The new tax revenue will be used for the following purposes:

- K-12 public school education, including improving kindergarten through 12th grade education, increasing access to career and technical education programs, and increasing teacher pay;
- health care, including programs to help families afford health care, replacing Medicaid funding previously provided by the federal government and to pay for the implementation of new federal requirements, increasing funding for primary care, behavioral health and rural health care, supporting health care, long-term care, and other supports for older adults and people with disabilities; and
- early child care and education, including programs to help families afford child care, increasing pay and support for the child care workforce, and improving access to high-quality early childhood education programs.

State Revenue

By replacing the state flat income tax with a graduated income tax, the measure increases state income tax revenue by $958.4 million in FY 2026-27 and by $1,972.0 million in FY 2027-28, and increasing amounts in future years based on income and population growth. The estimate for FY 2026-27 represents a half-year impact for tax year 2027. Additional revenue will be credited to the Colorado Future's Account, as shown in Table 1A. The revenue estimate does not account for the impacts of 2025 H.R. 1, the One Big Beautiful Bill Act, due to insufficient data. The increased revenue is exempt from TABOR as a voter-approved revenue change.

Maximum Dollar Change

The estimates in the previous paragraph represent the revenue impact of the measure under the current LCS revenue forecast. Based on forecast error that could occur, the maximum dollar amount of the increase in state government revenue and fiscal year spending for FY 2027-28 is estimated to be $2.7 billion.

Interaction with Proposition 136

Proposition 136 limits the state income tax rate at the current law rate of 4.4 percent. If both Amendment 87 and Proposition 136 are approved by voters, the proposed tax rates for income over $500,000 in Amendment 87 would be higher than the 4.4 percent limit in Proposition 136. In this case, the revenue impacts may be different than those identified in this analysis, depending upon the resolution of this conflict.

Taxpayer Impacts

Amendment 87 will decrease the amount of income tax owed by taxpayers with Colorado taxable income of less than $510,834 and increase the amount of income tax owed by taxpayers with Colorado taxable income of $510,834 and above. An estimated 3.4 million individual and corporate taxpayers will have taxable incomes of less than $510,834 annually in 2027, with an average decrease in taxes paid of $176. An estimated 64,000 individual and corporate taxpayers will have taxable incomes of $510,834 or more annually in 2027, with an average increase in taxes paid of $39,171.

State law requires Legislative Council Staff to estimate the potential tax burden on affected taxpayers within specified federal adjusted gross income categories. Federal adjusted gross income is total income from all sources, with certain adjustments, as determined when filing federal income taxes. Colorado taxable income, calculated when filing state income taxes, is based on federal taxable income, which includes federal income tax deductions, and other adjustments required or allowed under state law. Table 3 shows the expected change in tax burden by federal adjusted gross income category. The measure has no impact on current TABOR refunds or TABOR refund mechanisms.

Table 3
Estimated Impact on Individual Taxpayers by Income

Income Category	Estimated Number of Taxpayers	Total Change in Tax Burden	Average Change in Tax Burden
$14,999 or less	579,309	-$638,951	-$1
$15,000 to $29,999	408,924	-$16,093,434	-$39
$30,000 to $39,999	272,616	-$29,611,480	-$109
$40,000 to $49,999	238,539	-$38,651,945	-$162
$50,000 to $69,999	443,000	-$85,925,358	-$194
$70,000 to $99,999	408,912	-$93,232,609	-$228
$100,000 to $149,999	408,912	-$115,554,178	-$283
$150,000 to $199,999	238,532	-$77,522,900	-$325
$200,000 to $249,000	102,228	-$33,224,100	-$325
$250,000 to $499,999	204,456	-$66,448,200	-$325
$500,000 to $999,999	55,900	-$15,893,609	-$284
$1,000,000 or more	46,328	$1,208,468,497	+$26,085

Income is federal adjusted gross income, not Colorado taxable income; therefore, the income ranges and tax rates do not align with those in Table 2. The estimated number of taxpayers column counts joint filers as one taxpayer. Estimates are based on Colorado Department of Revenue data for all residents for tax year 2023 and Legislative Council Staff estimates.

State Expenditures

The measure requires new General Fund expenditures in the DOR of $98,000 in FY 2027-28 and $27,600 ongoing in later years to implement the graduated income tax. These impacts are shown in Table 4 and detailed below.

Table 4
State Expenditures
Department of Revenue

Cost Component	Current Year FY 2026-27	Budget Year FY 2027-28	Out Year FY 2028-29
Computer Programming and Form Changes	$0	$60,000	$10,000
Research and Analysis	$0	$38,000	$7,600
Total Costs	**$0**	**$98,000**	**$17,600**

The measure requires computer programming and form changes estimated at $60,000 in FY 2027-28 and $10,000 ongoing in later years for annual updates for DOR to program, test, and update the GenTax software system and to update forms for taxpayers. Expenditures in the Office of Research and Analysis are required for changes in the related GenTax reports so that the department can access and document tax statistics related to the new tax policy. These costs are estimated to be $38,000 in FY 2027-28, representing 1,000 hours, and $7,600 ongoing in later years, representing 200 hours for data management and reporting at $38 per hour.

School District

The measure increases available state funding to school districts. The exact amount distributed to school districts will depend on decision made by the General Assembly when allocating money from the Colorado Future's Account.

Effective Date

If approved by voters at the 2026 general election, this measure takes effect upon proclamation of the Governor, no later than 30 days after the official canvass of the vote is completed.

State and Local Government Contacts

Revenue

Proposition NN

Fiscal Impact Statement

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

PROPOSITION NN: KEEP AND SPEND MONEY FOR EDUCATION AND OTHER PURPOSES

Analysts: Anna Gerstle, anna.gerstle@coleg.gov, 303-866-4375; and
Emily Dohrman, emily.dohrman@coleg.gov, 303-866-3687

Date: September 10, 2026

Summary Information

Overview. The measure allows the state to retain revenue collected above the current TABOR limit, up to a newly established limit. Revenue retained under the measure must initially be used to fund reimbursements for the homestead property tax exemption, K-12 education, and programs that support children. After ten years, the retained revenue must be spent in part on K-12 education, with the remaining amount available to be spent or saved as determined by the state legislature.

Types of impacts. The measure is projected to affect the following areas:

- State Diversions
- State Expenditures
- TABOR Refunds
- School Districts

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Table 1
State Fiscal Impacts

Type of Impact[1]	Current Year FY 2026-27	Budget Year FY 2027-28
State Revenue	$0	$0
State Expenditures	$329.9 million	$521.0 million
Diverted Funds	$153.1 million	$153.1 million
Change in TABOR Refunds	-$329.9 million	-$521.0 million
Change in State FTE	0.0 FTE	0.0 FTE

Fund sources for these impacts are shown in the tables below.

Table 1A
State Expenditures

Fund Source	Current Year FY 2026-27	Budget Year FY 2027-28
General Fund	-$153.1 million	$53.0 million
Children's Account in General Fund	$483.0 million	$468.0 million
Cash Funds	$0	$0
Federal Funds	$0	$0
Total Expenditures	**$329.9 million**	**$521.0 million**
Total FTE	**0.0 FTE**	**0.0 FTE**

Table 1B
State Diversions

Fund Source	Current Year FY 2026-27	Budget Year FY 2027-28
General Fund	-$153.1 million	-$153.1 million
Cash Funds	$153.1 million	$153.1 million
Net Diversions	**$0**	**$0**

Table 1C
Change in TABOR Refunds

Fund Source	Current Year FY 2026-27	Budget Year FY 2027-28
Property Tax Refunds	-$206.1 million	-$213.2 million
Income Tax Rate Reduction	$0	-$148.7 million
Six-tier Sales Tax Refund	-$123.9 million	-$159.1 million
Net Change in TABOR Refunds	**-$329.9 million**	**-$521.0 million**

Summary of Measure

Proposition NN would allow the state to retain and spend additional revenue under TABOR above the Referendum C cap ("current TABOR limit"), beginning in FY 2026-27. The additional retained revenue, after paying for the homestead property tax exemption, is deposited in the newly created Children's Account in the General Fund, and spent as discussed below. The retained revenue is spent in the fiscal year in which it is retained.

Retain and Spend Additional Revenue

Proposition NN allows the state to retain and spend revenue in excess of the current TABOR limit, which would otherwise be refunded to taxpayers as TABOR refunds under current law. The additional amount that may be retained and spent is equal to the amount spent on state public education funding, including the amount spent on the newly created positive factor, in the highest previous year. State public education funding includes appropriations for the state share of school finance and categorical programs paid from sources that are subject to TABOR, as determined by Legislative Council Staff no later than August 1 each year.

For FY 2026-27 through FY 2035-36, any revenue that is retained under this measure must be spent as follows:

- first, to reimburse local governments for their lost revenue due to the homestead property tax exemption;
- then, on a newly established "positive factor" for K-12 education (described below);
- if the positive factor is less than half of the amount credited to the account, the difference between the positive factor and half of the amount credited to the account must be spent on K-12 education for school services, disability services, and increasing annual instructional hours; and
- the remaining revenue must be spent on programs that support children, prioritizing child care, full-day preschool, and other programs that help children be successful in school.

The requirement that at least half the amount credited to the account be spent on K-12 education, with the remainder spent on children programs, ends after FY 2035-36. Beginning in FY 2036-37, revenue retained under the measure is first spent on homestead property tax reimbursements and then as determined by the state legislature. The distribution of the positive factor for K-12 education also continues provided that sufficient revenue is deposited in the Children's Account.

Positive Factor

Beginning in FY 2026-27, retained revenue is distributed to school districts through the newly created positive factor. The positive factor must be used to fund increased teacher pay, teacher retention, smaller class sizes, and access to career and technical courses. Local education providers must post information online about how they spend the positive factor distributions.

For FY 2026-27 through FY 2035-36, the positive factor equals two percent of the program foundation, plus the prior year positive factor. Beginning in FY 2036-37, the positive factor in each year is a constant amount equal to the FY 2035-36 positive factor. Program foundation is equal to the state share of school finance until the new school finance formula is fully phased in, and is equal to the statewide total program after the new formula is phased in.

A school district's distribution through the positive factor is equal to the district's percent of statewide total program funding under the new school finance formula fully implemented, multiplied by the total amount of the positive factor. The positive factor is not included in a district's total program funding.

State Audit

Proposition NN requires the Office of the State Auditor to prepare a report for each fiscal year describing how much revenue was retained under the measure and how the state spent the additional revenue.

Background

Homestead Property Tax Exemption

Under current law, certain seniors, veterans with a disability, and Gold Star spouses are eligible for property tax exemptions. The state is required to reimburse local governments for lost property tax revenue due to the exemption. Under current law, in years where revenue exceeded the current TABOR limit in the prior year, reimbursements to local governments are considered a TABOR refund mechanism of the prior year's revenue. In years where prior year revenue was below the current TABOR limit, reimbursements must be paid from another source.

Triggered Tax Credits

There are four tax credits in current law, known as triggered tax credits, whose availability or amounts are dependent on state revenue conditions. Changes to state revenue subject to TABOR may affect the availability or level of these triggered tax credits. The measure increases the amount of revenue that the state is permitted to retain and spend, but it is not expected to impact the amount of nonexempt revenue that is collected. As a result, the measure is not expected to impact the availability or amounts of triggered tax credits. The measure also includes conforming amendments to ensure that the availability and amounts of the family affordability tax credit and the expanded earned income tax credit are not changed.

Affordable Housing Diversion

Under Proposition 123, a portion of taxable income is diverted to the Office of Economic Development and International Trade (OEDIT) for affordable housing, and is exempt from TABOR. Under current law, if the Legislative Council Staff March forecast anticipates that revenue will fall below the current TABOR limit in the upcoming year, the General Assembly may reduce the amount diverted to OEDIT to balance the state budget. The measure maintains the requirement that revenue must fall below the current TABOR limit, not the new cap created in this measure, for the General Assembly to be permitted to reduce the amount diverted to OEDIT to balance the state budget.

Assumptions

State Public Education Funding

This analysis assumes that state public education funding includes appropriations for the state share of total program and categorical programs from the General Fund, and the Kids Matter Account within the State Education Fund (SEF). It does not include spending from the SEF that is already exempt from TABOR under Amendment 23 or from the State Public School Fund, which receives various sources of TABOR-exempt revenue. Based on current forecasts, the state is estimated to spend $4.6 billion in FY 2025-26 and $4.7 billion in FY 2026-27 on state public education funding.

School Finance Assumptions

This analysis assumes continued implementation of the school finance formula as specified under current law for FY 2026-27 and FY 2027-28, and the December 2025 LCS K-12 Enrollment and Assessed Values Forecast. Any future changes to the school finance formula will impact the estimates in the State Expenditures and School District sections of this fiscal impact statement.

Recent Legislation and Current Forecast

This analysis reflects the June 2026 LCS revenue forecast and incorporates all legislation adopted from the 2026 legislative session.

TABOR Refunds

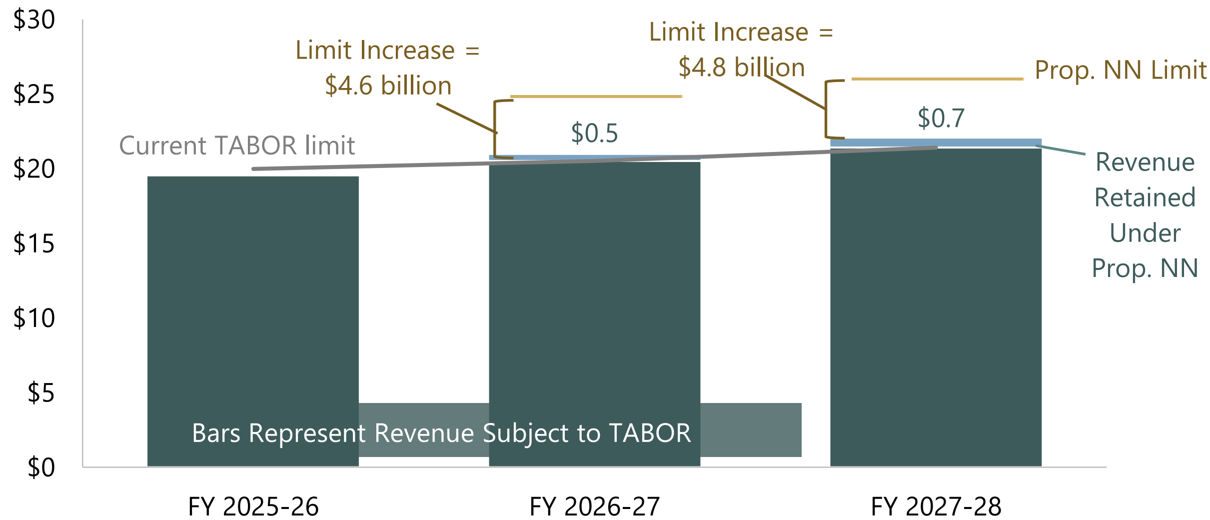
Proposition NN is expected to reduce TABOR refunds by $329.9 million in FY 2026-27, $521.0 million in FY 2027-28, and by varying amounts in future years. A forecast of state revenue subject to TABOR is not available beyond FY 2027-28.

As discussed in the Assumptions section, the state is estimated to spend $4.6 billion in FY 2025-26 and $4.8 billion in FY 2026-27 from nonexempt sources of state public education funding. As a result, the state would be permitted to retain and spend up to $4.6 billion in excess of the current TABOR limit in FY 2026-27 and $4.8 billion in FY 2027-28. The amount that will actually be retained depends on the amount of revenue collected. The measure does not affect revenue collections.

The state is projected to collect $20.99 billion in revenue subject to TABOR in FY 2026-27 and $22.08 billion in FY 2027-28 under the June LCS forecast. Under these assumptions, revenue subject to TABOR is expected to exceed the current TABOR limit by $483.0 million in FY 2026-27 and by $674.1 million in FY 2027-28. The measure allows the state to retain and spend this amount as described in the State Expenditures section. However, due to House Bill 26-1419, TABOR refunds are expected to be $153.1 million less than the amount of the TABOR surplus in FY 2026-27 and FY 2027-28 under current law. As a result, TABOR refunds are expected to be only $329.9 million in FY 2026-27 and $521.0 million in FY 2027-28 under current law, and this measure is expected to eliminate these TABOR refunds.

In FY 2026-27, the entire amount retained is deposited in the Children's Account in the General Fund. Beginning in FY 2027-28, the amount retained is first used to pay for homestead exemption reimbursements, and any amount remaining after paying for the reimbursements is deposited in the Children's Account in the General Fund.

Figure 1
State Revenue Limits and Additional Retained Revenue under Proposition NN
Dollars in Billions



Source: Office of the State Controller and Legislative Council Staff.

State Diversions

Proposition NN diverts $153.1 million from the General Fund to the Children's Account. HB 26-1419 is assumed to reduce TABOR refunds by $153.1 million in FY 2026-27 and FY 2027-28, making $153.1 million available to be spent from the General Fund under current law. If Proposition NN is approved by voters, the entire TABOR surplus is retained under the measure and spent as described in the next section, and HB 26-1419 has no effect until revenue exceeds the new Proposition NN limit. Because voter approval of Proposition NN causes HB 26-1419 not to take effect in FY 2026-27 and FY 2027-28, the measure reduces the amount available to spend or save from the General Fund by $153.1 million in FY 2026-27 and FY 2027-28. Instead, this revenue is credited to the Children's Account and spent as required by this measure.

State Expenditures

Proposition NN increases state expenditures by $329.9 million in FY 2026-27 and $521.0 million in FY 2027-28, and by varying amounts in subsequent years. Expenditures are from the General Fund and the Children's Account in the General Fund. Impacted departments include Education, Legislative, Local Affairs, Treasury, Revenue, Personnel, and other state agencies as determined by the General Assembly. Costs are as shown in Table 2 and described in the sections below.

Table 2
State Expenditures
All Departments

Use	Current Year FY 2026-27	Budget Year FY 2027-28
General Government Purposes	-$153.1 million	-$153.1 million
Property Tax Reimbursements (Treasury)	$0	$206.1 million
K-12 Education – Positive Factor (CDE)	$107.4 million	$218.8 million
K-12 Education – Other (CDE)	$134.1 million	$15.2 million
Programs That Support Children	$241.5 million	$234.0 million
Office of State Auditor	$0	$20,000
Total Costs	**$329.9 million**	**$521.0 million**

General Government Purposes

The measure reduces the amount available to be spent from the General Fund by $153.1 million in each of FY 2026-27 and FY 2027-28, due to its interaction with HB-26 1419, as discussed above.

Property Tax Reimbursements to Local Government

The measure is expected to increase General Fund expenditures for property tax reimbursements to local governments by $206.1 million in FY 2027-28. Under current law, local reimbursements for homestead property tax exemptions are expected to paid as a TABOR refund mechanism in FY 2027-28. By allowing the state to retain and spend revenue above the current TABOR limit, the measure eliminates the TABOR refund requirement for FY 2026-27, such that no FY 2027-28 reimbursements will be counted as a TABOR refund mechanism. Instead, reimbursements are paid from retained revenue under the measure beginning in FY 2027-28.

The measure does not impact the FY 2026-27 property tax reimbursements because they will be paid by the FY 2025-26 TABOR refund obligation, or by the General Fund if the FY 2025-26 refund obligation is insufficient. The FY 2025-26 TABOR refund is not affected by the measure.

Department of Education

K-12 Education – Positive Factor

Positive factor distributions are estimated to be $107.4 million in FY 2026-27 and $218.8 million in FY 2027-28, paid from the Children's Account in the General Fund. CDE must distribute this funding to school districts using the calculations specified in the measure.

K-12 Education – Other

If the positive factor is less than half of the amount credited to the Children's Account, the difference between the amount of the positive factor and half of the amount credited to the account must be spent on public K-12 education, in addition to the positive factor. This amount must be used for school services, disability services for students with disabilities, and increasing annual contact hours. This requirement ends after ten years.

In FY 2026-27, the positive factor is expected to be less than half the amount credited to the account, such that $134.1 million is expected to be available for this purpose. In FY 2027-28, $15.2 million from the Children's Account must be spent on public K-12 education, in addition to the positive factor. The allocation of this money for the state's school finance obligation or other K-12 uses will be determined by the General Assembly.

Administrative Costs

CDE will have increased workload to distribute positive factor funding to school districts and state Charter School Institute schools. This analysis assumes that school districts are not required to report specifically how the funds are used to CDE. As a result, no change in appropriations is required.

Programs That Support Children

After making distributions for the positive factor and other K-12 funding, revenue remaining in the Children's Account must be spent on programs that support children, prioritizing childcare, full day preschool, and other programs that prepare children to be successful in school. This requirement ends after ten years.

In FY 2026-27, $241.5 million is expected to be available for programs supporting children after making the positive factor and other K-12 spending distributions. In FY 2027-28, $234.0 million is expected to be available after paying homestead exemption reimbursements from the General Fund, making the positive factor distributions, and other K-12 spending.

Legislative Department

The measure increases General Fund expenditures by $20,000 in the Office of the State Auditor beginning in FY 2027-28. The Office of the State Auditor requires a contractor to prepare the excess state revenues legislative report required by the measure following each year in which the state retains additional revenue as a result of the measure.

Additionally, Legislative Council Staff will have increased workload to annually calculate the amount that is counted as fiscal year spending and appropriated by the General Assembly for categorical programs and the state share of school finance in the prior year. No change in expenditures is required for Legislative Council Staff.

Office of the State Controller

The measure minimally increases workload for the State Controller's Office in the Department of Personnel to account for the new revenue limit and to create a new account within the General Fund. No change in expenditures is required.

School District

As discussed in the State Expenditures section, positive factor distributions to school districts are estimated to be $107.4 million in FY 2026-27 and $218.8 million in FY 2027-28, paid from the Children's Account in the General Fund. This money must be spent on increased teacher pay, teacher retention, smaller class sizes, and access to career and technical courses. Districts will have increased workload to post information on their websites about how they spend the positive factor.

In addition, the measure is expected to provide $134.1 million in FY 2026-27 and $15.2 million in FY 2027-28 for K-12 education for school services, disability services for students with disabilities, and increasing annual contact hours. The method for distributing this funding will be determined by the General Assembly.

Effective Date

If approved by voters at the 2026 general election, this measure takes effect upon proclamation of the Governor, no later than 30 days after the official canvass of the vote is completed.

State and Local Government Contacts

Counties

Education

Legislative Council Staff

Local Affairs

Office of Economic Development

Personnel

Revenue

State Auditor

Treasury

Proposition 132

Fiscal Impact Statement

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

PROPOSITION 132: INCREASE PENALTIES FOR FENTANYL CRIMES

Analyst: Aaron Carpenter, aaron.carpenter@coleg.gov, 303-866-4918

Date: September 10, 2026

Summary Information

Overview. The measure increases penalties for crimes related to selling and possessing synthetic opiates.

Types of impacts. The measure is projected to affect the following areas:

- State Revenue
- State Expenditures
- TABOR Refunds
- Local Government

Disclaimer. This fiscal impact statement has been prepared for a statewide ballot measure appearing at the 2026 statewide election. Any appropriations required to implement this measure will be addressed through the annual or supplemental budget process if this measure is approved by voters. For more information about this measure, please see the ballot information booklet.

Table 1
State Fiscal Impacts

Type of Impact	Current Year FY 2026-27	Budget Year FY 2027-28	Out Year FY 2028-29
State Revenue	$23,025	$73,231	$73,231
State Expenditures	$876,488	$8,923,227	$24,782,566
Transferred Funds	$0	$0	$0
Change in TABOR Refunds	$23,025	$73,231	$73,231
Change in State FTE	6.0 FTE	11.7 FTE	11.7 FTE

Fund sources for these impacts are shown in the tables below.

Table 1A
State Revenue

Fund Source	Current Year FY 2026-27	Budget Year FY 2027-28	Out Year FY 2028-29
General Fund	$0	$0	$0
Cash Funds	$23,025	$73,231	$73,231
Total Revenue	**$23,025**	**$73,231**	**$73,231**

Table 1B
State Expenditures

Fund Source	Current Year FY 2026-27	Budget Year FY 2027-28	Out Year FY 2028-29
General Fund	$876,488	$8,923,227	$24,782,566
Cash Funds	$0	$0	$0
Federal Funds	$0	$0	$0
Total Expenditures	**$876,488**	**$8,923,227**	**$24,782,566**
Total FTE	**6.0 FTE**	**11.7 FTE**	**11.7 FTE**

Summary of Legislation

The measure increases the penalties for distributing, manufacturing, dispensing, selling, and possessing fentanyl, carfentanil, and benzimidazole opiate (synthetic opiates), and limiting judicial discretion in these cases.

Unlawful Distribution, Manufacturing, Dispensing, or Sale

The measure makes distribution, manufacturing, dispensing, or sale of synthetic opiates a level 1 drug felony. Under current law, defendants convicted of a level 1 drug felony must be sentenced to a term in the DOC of between 8 and 32 years. Currently, this offense is classified as follows:

- a level 1 drug felony if the distribution, manufacturing, dispensing, or sale is of more than 50 grams of a substance with a synthetic opiate, or if someone died in relation to the distribution;
- a level 2 drug felony if the distribution, manufacturing, dispensing, or sale is between 4 and 50 grams of a substance that contains a synthetic opiate; or
- a level 3 drug felony if the distribution, manufacturing, dispensing, or sale is of less than 4 grams of a synthetic opiate.

The measure also removes the reduction in charges to a misdemeanor under "Good Samaritan" protections, which reduce criminal penalties for offenders that report an overdose and stay until help arrives.

Possession of Synthetic Opiate

The measure makes possession of a substance with a synthetic opiate a level 3 drug felony if the person possesses 1 to 4 grams of a synthetic opiate and a level 4 treatment-mandated drug felony for possession of less than 1 gram. Currently, possession of a substance with a synthetic opiate is classified as follows:

- a level 4 drug felony if a person possesses between 1 and 4 grams of a substance with a synthetic opiate in it; or
- a level 1 drug misdemeanor if a person possesses less than a gram of a substance that has a synthetic opiate in it, or if the defendant establishes that they did not know a controlled substance had a synthetic opiate.

Additionally, the measure removes the possibility of vacating a felony for possession of a synthetic opiate between 1 and 4 grams, and instead allows possession of less than a gram to be vacated. Finally, the measure reinstates habitual criminal punishment provision for level 4 drug felonies for possession of a synthetic opiate.

Comparable Crime Analysis

The following section outlines crimes that are comparable to the offense in this measure and discusses assumptions on future rates of criminal convictions resulting from the measure. Because this offense was recently reclassified, only two years of data are available.

Unlawful Distribution, Manufacturing, Dispensing, or Sale

This measure reclassifies the existing offense of unlawful distribution, manufacturing, dispensing, or sale of less than 50 grams of a synthetic opiate from a level 2 or 3 drug felony to a level 1 drug felony. From FY 2022-23 to FY 2024-25:

- an average of 193 individuals per year have been convicted and sentenced for the level 2 felony drug offense.
- an average of 202 individuals per year have been convicted and sentenced for the level 3 felony drug offense.

Possession of Synthetic Opiate

This measure reclassifies the existing offenses of unlawful possession of less than a gram of a substance with a synthetic opiate, and possession of 1 to 4 grams of a substance with a synthetic opiate where the defendant was unaware from a level 1 drug misdemeanor to a level 4 drug felony. From FY 2022-23 to FY 2024-25:

- an average of 825 individuals per year have been convicted and sentenced for possession of less than a gram of a substance with an opiate offense.

- an average of 25 individuals per year have been convicted of possessing 1 to 4 grams of a substance with a synthetic opiate in it, and did not know the substance contained a synthetic opiate.

This measure also reclassifies the existing offense of unlawful possession of 1 to 4 grams of a substance with a synthetic opiate from a level 4 drug felony to a level 3 drug felony. From FY 2022-23 to FY 2024-25, an average of 261 individuals per year have been convicted of this offense.

Assumptions

By changing the criminal offenses described above, the measure impacts the criminal justice system in four ways.

1. It will increase the time of incarceration for level 2 and level 3 drug felonies by increasing the classification for these crimes to level 1 drug felonies.
2. For individuals who are currently convicted for a level 2 and 3 drug felonies and receive a sentence other than incarceration in a state prison, the measure's reclassification of these offenses to a level 1 drug felony requires a mandatory CDOC sentence.
3. By reclassifying a level 4 drug felony to a level 3 drug felony for possession, the measure will increase incarceration time for persons convicted of level 4 drug felonies.
4. By reclassifying a level 1 drug misdemeanor to a level 1 drug felony, costs will shift from Denver County Court and jails, which are funded at the county level, to Denver District Court and CDOC, which is funded at the state level.

Unlawful Distribution, Manufacturing, Dispensing, or Sale

Based on the sentencing data detailed in the Comparable Crime Analysis section, estimates from the CDOC, and 2025 average length of stay data, the fiscal note makes the following assumptions about the measures changes to distribution, manufacturing, dispensing, and sale offenses.

Of the 193 individuals convicted for the existing level 2 drug felony distribution offense:

- 131 individuals currently sentenced to CDOC will have sentences lengthened from an average of 28 months to 83 months as a result of the reclassification to a level 1 drug felony; and
- the remaining 62 individuals will be sentenced to the CDOC under the measure instead of receiving an alternative sentence outside of CDOC.

Of the 202 individuals convicted for the existing level 3 drug felony distribution offense:

- 93 individuals currently sentenced to the CDOC will have sentences lengthened from an average of 19 months to 83 months as a result of the reclassification to a level 1 drug felony; and
- the remaining 109 individuals will be sentenced to the CDOC under the measure instead of receiving an alternative sentence outside of CDOC.

Possession of Synthetic Opiate

Of the 825 individuals convicted for the existing level 1 drug misdemeanor for possession, about 60 percent of cases receive a sentence to incarceration in local jail. Of the 25 individuals convicted for the existing level 4 drug felony for possession, about 25 percent of cases result in a CDOC sentence.

However, because Section 18-1.3-104.5, C.R.S., requires courts to exhaust all reasonable and appropriate alternative sentences before sentencing someone to the CDOC for a level 4 drug felony, and because the measure mandates a treatment sentence the fiscal note assumes that incarceration for possessing less than 1 gram of fentanyl will be less than half of the current CDOC rate for a level 4 drug felony, resulting in about 50 additional sentences to the CDOC.

Of the 261 individuals convicted for the existing level 4 drug felony unlawful possession of 1 to 4 grams of a substance with a synthetic opiate:

- 66 individuals currently sentenced to the CDOC will have sentences lengthened from an average of 8 months to 19 months as a result of the reclassification to a level 3 drug felony.

Cases from the City and County of Denver

In the last two years, the Denver County Court has seen an annual average of 450 cases with a level 1 drug misdemeanor possession of less than 1 gram of a substance with a synthetic opiate charge. Due to the measure's reclassification of this offense, these cases will be prosecuted in Denver District Court, which is funded and administered by the state.

Visit the General Assembly website for more information about criminal justice costs in fiscal notes.

State Revenue

The measure will increase state revenue by an estimated $20,000 in FY 2026-27 and $72,000 in FY 2027-28 and future years. All revenue collected from criminal fines and fees are deposited into various cash funds and the General Fund, and are subject to TABOR. Based on Judicial revenue data, level 4 drug felonies are assessed, on average, about $2,084 more in criminal fines and fees than level 1 drug misdemeanors. This revenue increase is based on the sentencing assumptions in the outlined above, and factor in assumed indigency and collection rates. Revenue increases in the second year due to collections from assessments from the previous years.

State Expenditures

The measure increases state expenditures by $876,000 in FY 2026-27, $8.9 million in FY 2027-28, $24.8 million in FY 2028-29, and increasing amounts in future years as prison costs for the CDOC compound from increased admissions and longer lengths of stay. Costs will also be incurred in the Judicial Department and the Office of the State Public Defender. These impacts are summarized in Table 2 described in the sections below. All costs are paid from the General Fund.

Table 2
State Expenditures
All Departments

Department	Current Year FY 2026-27	Budget Year FY 2027-28	Out Year FY 2027-28
Judicial Department	$240,965	$271,939	$271,939
Office of the State Public Defender	$635,523	$1,122,421	$1,122,421
Department of Corrections	$0	$7,528,868	$23,388,206
Total Costs	**$876,488**	**$8,923,227**	**$24,782,566**

Judicial Department

The measure increases expenditures in the Judicial Department to hire additional court staff, and will impact Division of Probation workload. Costs in FY 2026-27 are prorated for a January 1 start date.

Court Staff Impact

Based on the assumed number of 470 Denver County Court cases moving to Denver District Court, as outlined in the Comparable Crime and Assumptions section, the Judicial Department will require 2.0 FTE. One judge can handle about 936 drug felony cases, and each judge requires a 1-to-3 ratio of support staff. This results in a need of 0.5 FTE magistrate, and 1.5 FTE support staff. In addition to standard operating and capital outlay costs, magistrates also receive additional operating expenses for robes, law library set up and maintenance, and travel.

Probation

Workload in the Probation Division is impacted in two ways. First, expenditures will decrease as a result of the measure’s reclassification of several offenses to level 1 drug felonies, since individuals sentenced to probation under current law will instead be sentenced to the CDOC. Second, expenditures will increase due to cases moving from Denver County Court probation to Denver District Court probation. On net, this offsetting increase and decrease in caseload is expected to have a minimal impact on total workload for the Probation Division.

Table 2A
State Expenditures
Judicial Department

Cost Component	Current Year FY 2026-27	Budget Year FY 2027-28	Out Year FY 2028-29
Personal Services	$122,616	$217,581	$217,581
Operating Expenses	$2,944	$5,120	$5,120
Capital Outlay Costs	$88,050	$0	$0
Supplemental Insurance	$27,355	$49,238	$49,238
Total Costs	**$240,965**	**$271,939**	**$271,939**
Total FTE	**1.1 FTE**	**2.0 FTE**	**2.0 FTE**

Office of the Public Defender

The measure increases expenditures in the Office of the Public Defender (OSPD) by about $600,000 in FY 2026-27 and $1.1 million per year starting in FY 2027-28 to hire additional staff to defend indigent offenders, as described below. Costs in FY 2026-27 are prorated for a January 1 start date.

Staff

By increasing the crime classification level and mandating sentences to the CDOC, the OSPD requires additional attorneys to handle more complex and longer cases. Based on the assumed number of cases and current workload models, it is estimated the office will require an additional 5.3 FTE public defenders.

The addition of 5.3 FTE public defenders requires 4.4 FTE for support staff, including investigators (at a 1-to-3 attorney ratio), legal assistants (at a 1-to-6 attorney ratio), administrative assistants (at a 1-to-4 attorney ratio), and central staff (at 4.5 percent of trial office staff). The fiscal note assumes all staff will start January 1.

Table 2B
State Expenditures
Office of the State Public Defender

Cost Component	Current Year FY 2026-27	Budget Year FY 2027-28	Out Year FY 2028-29
Personal Services	$443,271	$877,074	$877,074
Operating Expenses	$6,272	$12,416	$12,416
Capital Outlay Costs	$63,000	$0	$0
Attorney Registration and Training	$10,699	$10,669	$10,669
Centrally Appropriated Costs	$112,281	$222,231	$222,231
Total Costs	**$635,523**	**$1,122,421**	**$1,122,421**
Total FTE	**4.9 FTE**	**9.7 FTE**	**9.7 FTE**

Department of Corrections

Based on the assumptions provided in the Comparable Crime Analysis section, this measure increases prison operating costs for the CDOC by a total of $141.6 million over the five-year period beginning in FY 2026-27. The fiscal note assumes no prison operating impacts will occur in the first year due to the amount of time required for criminal filing, trial, disposition and sentencing of each case. Once an offender is released from prison, he or she is assigned to parole. The parole impact is assumed to first occur in FY 2028-29. Table 2C shows the estimated cost of the measure over the next five fiscal years.

Table 2C
Prison and Parole Operating Costs

Fiscal Year	Prison ADP Impact	Prison Cost	Parole ADP Impact	Parole Cost	Total Cost
FY 2026-27	0.0	$0	0.0	$0	$0
FY 2027-28	110.50	$7,528,868	0.00	$0	$7,528,868
FY 2028-29	344.78	$23,491,430	-12.31	-$103,225	$23,388,206
FY 2029-30	629.31	$42,877,810	-54.75	-$459,248	$42,418,563
FY 2030-31	1,024.31	$69,790,958	-185.95	-$1,559,720	$68,231,237
Total Five-Year Cost		**$143,689,066**		**-$2,122,193**	**$141,566,873**

ADP=average daily population.

In addition to the five-year operating and parole impacts discussed above, the measure may require additional funds to construct additional state prison space. The need for additional prison space and the exact cost will depend on a variety of factors such as the use of private prisons, future incarceration and parole rates, and legislative decisions. If additional state prison space is required, the cost is estimated to be $412,500 per bed, based on a 2024 survey solicited by DOC on the cost to build a medium security facility. Based on this, costs could increase by up to $422.5 million if the General Assembly decides to build sufficient state prison beds to accommodate the full increase in average daily prison population outlined in Table 2C.

TABOR Refunds

The measure is expected to increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in the State Revenue section above. This estimate assumes the June 2026 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2027-28. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will reduce the amount of General Fund available to spend or save.

Local Government

The measure is expected to both increase and decrease workload and costs for local governments, as described below. The exact impact to a particular local government will vary depending on the number of offenses committed within its jurisdiction.

District Attorneys

By reclassifying crimes to a higher penalty level, the measure will increase workload and costs for district attorneys to prosecute these cases. District attorney offices are funded by counties, with each county in a judicial district contributing based on its population.

County Jails

By moving a misdemeanor to a felony, the measure may decrease expenditures to county jails. The exact decrease is unknown. Jails are funded by county governments.

Denver County Court

The measure decreases expenditures to Denver County Courts due to moving cases from Denver County Court, which is funded by the City and County of Denver, to Denver District Court, which is funded by the state.

Effective Date

If approved by voters at the 2026 general election, this measure takes effect on January 1, 2027.

State and Local Government Contacts

Corrections

District Attorneys

Judicial

Public Defender

Sheriffs

Proposition 133

Fiscal Impact Statement

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

PROPOSITION 133: PENALTIES FOR HUMAN TRAFFICKING OF A MINOR

Analyst: Clayton Mayfield, clayton.mayfield@coleg.gov, 303-866-5851

Date: September 10, 2026

Summary Information

Overview. The measure makes the crime of human trafficking of a minor for sexual servitude a class 1 felony instead of a class 2 felony.

Types of impacts. The measure is projected to affect the following areas:

- State Expenditures
- Local Government

Disclaimer. This fiscal impact statement has been prepared for a statewide ballot measure appearing at the 2026 statewide election. Any appropriations required to implement this measure will be addressed through the annual or supplemental budget process if this measure is approved by voters. For more information about this measure, please see the ballot information booklet.

Table 1
State Fiscal Impacts

Type of Impact	Current Year FY 2026-27	Out Year FY 2041-42	Out Year FY 2042-43
State Revenue	$0	$0	$0
State Expenditures (General Fund)	$0	$180,000	$360,000
Transferred Funds	$0	$0	$0
Change in TABOR Refunds	$0	$0	$0
Change in State FTE	0.0 FTE	0.0 FTE	0.0 FTE

Summary of Measure

Starting January 1, 2027, the measure increases the penalty level for the crime of human trafficking of a minor for sexual servitude from a class 2 felony to a class 1 felony. It clarifies that the statutory penalty of life imprisonment without the possibility of parole for other class 1 felonies applies to this offense. Finally, it includes knowingly trading anything of monetary value to buy or sell sexual activity with a minor as an element of the offense of human trafficking of a minor for sexual servitude.

Comparable Crime Analysis

Legislative Council Staff is required to include certain analysis in the fiscal note for any measure that creates a new crime, or that either reclassifies or creates a new factual basis for an existing crime. This section identifies comparable crimes and discusses assumptions on future conviction rates resulting from the measure.

Prior Conviction Data

This measure reclassifies the existing offense of human trafficking of a minor for sexual servitude, a class 2 felony, as a class 1 felony. It also creates a new factual basis for this existing offense by including knowingly trading anything of monetary value to buy or sell sexual activity with a minor as an element of this offense. From FY 2022-23 to FY 2024-25, eight persons have been convicted and sentenced for this offense, roughly three per year. Of the persons convicted, six were male, one was female, and one did not have a gender identified. Demographically, three were White, four were Black/African American, and one did not have a race identified.

Assumptions

This analysis assumes that there are approximately three offenders per year convicted and sentenced to the Department of Corrections (DOC) for the existing offense. The average Department of Corrections (DOC) length of stay for a class 2 felony is about 15 years with an average parole length of stay of about 3 years once the offender is released from prison, while the average length of stay for a class 1 felony is 40 years, with no parole. Thus, the measure increases the average stay in prison by about 25 years for the assumed 3 offenders sentenced per year.

Although the measure adds an element to the existing offense, this analysis assumes this will not lead to an increase in criminal case filings or convictions. Current law provides for the crime of soliciting a child for prostitution, and so case filings could occur under the offense as modified by the measure or other offenses. Filing criminal charges is at the discretion of district attorneys and also depends on the exact fact pattern of cases. Visit the Fiscal Notes website for more information about criminal justice costs in fiscal notes.

Proposition 133

State Expenditures

On net, the measure increases state expenditures in the DOC beginning in about 15 years, or around FY 2041-42, based on current sentencing patterns. At that time, costs will increase to keep about three individuals per year in prison longer for a class 1 felony who would have otherwise been released on parole after serving their sentence for a class 2 felony. In the first year of this impact, costs will increase by about $180,000 after accounting for longer incarceration and the reduced parole population. This estimate is based on the current cost for state-run beds; actual costs in the future will likely be higher.

This cost will compound each year by an additional $180,000 as more offenders remain incarcerated instead of being released. Eventually, costs will reach an equilibrium when the population increase from new offenders serving longer prison sentences is offset by a decrease from life sentences ending.

Table 2 shows the estimated cost of the measure in its first five years of impact.

Table 2
State Expenditures
Prison and Parole Operating Costs

Fiscal Year	Prison ADP Impact	Prison Cost	Parole ADP Impact	Parole Cost	Total Cost
FY 2026-27	0.0	$0	0.0	$0	$0
FY 2041-42	3.0	$204,405	-3.0	-$25,164	$179,241
FY 2042-43	6.0	$408,810	-6.0	-$50,328	$358,482
FY 2043-44	9.0	$613,215	-9.0	-$75,492	$537,723
FY 2044-45	12.0	$817,620	-12.0	-$100,656	$716,964
FY 2045-46	15.0	$1,022,025	-15.0	-$125,820	$896,205
Total 5-year Cost		**$3,066,075**		**($377,460)**	**$2,688,615**

ADP=Average Daily Population. The five-year cost estimate reflects the five-year period beginning in FY 2041-42.

In addition to operating and parole impacts discussed above, if the measure requires capital construction costs for the DOC to house additional inmates, these costs are currently estimated at $412,500 per bed, based on a 2024 survey solicited by DOC on the cost to build a medium security facility.

Lastly, workload in the trial courts in the Judicial Department and the Office of the State Public Defender will minimally increase to try and defend longer cases with enhanced penalties.

Local Government

Workload will minimally increase for county-funded district attorneys to prosecute longer cases with enhanced penalties.

Effective Date

If approved by voters at the 2026 general election, this measure takes effect on January 1, 2027. It applies to offenses committed on or after this date.

State and Local Government Contacts

Corrections

Judicial

District Attorneys

Fiscal Impact Statement

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

PROPOSITION 134: MALE AND FEMALE PARTICIPATION IN SCHOOL AND COLLEGIATE SPORTS

Analyst: Anna Gerstle, anna.gerstle@coleg.gov, 303-866-4375

Date: September 10, 2026

Summary Information

Overview. The measure requires that K-12 and collegiate sports be designated as male, female, or coeducational and limits participation based on the participants' biological sex.

Types of impacts. The measure is projected to affect the following areas:

- Minimal State Workload
- School District

Disclaimer. This fiscal impact statement has been prepared for a statewide ballot measure appearing at the 2026 statewide election. Any appropriations required to implement this measure will be addressed through the annual or supplemental budget process if this measure is approved by voters. For more information about this measure, please see the ballot information booklet.

Table 1
State Fiscal Impacts

Type of Impact	Current Year FY 2026-27	Budget Year FY 2027-28
State Revenue	$0	$0
State Expenditures	$0	$0
Transferred Funds	$0	$0
Change in TABOR Refunds	$0	$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Measure

Effective January 1, 2027, the measure requires that any school-based team or sport be explicitly designated as being:

- for biological males only;
- for biological females only; or
- coeducational or mixed.

Under the measure, students must compete on teams that match their biological sex or on a coeducational team. Biological females are allowed to participate on a team or sport designated for biological males if there is no equivalent female team offered for that sport. Participation on a coeducational or mixed team or sport is open to all. In addition, the measure prohibits any government entity, licensing or accrediting organization, or athletic association from investigating or penalizing a school for designating a team or sport as being only for biological females.

The governing body of each school must adopt a policy to implement the measure. If the Commissioner of Education determines that a school district has intentionally refused to comply, the Commissioner must notify the district and provide reasonable time to comply. If the district does not comply and has not made a good faith attempt to comply, the Commissioner must take remedial action within their existing authority.

State Expenditures

The measure increases workload and costs for enforcement in the Colorado Department of Education if school districts are intentionally out of compliance with the measure and the Commissioner is required to take remedial action. The fiscal note assumes that most school districts will comply with the measure and that enforcement costs will be minimal. Costs may include staff to handle complaints and conduct investigations, and costs for legal services provided by the Department of Law. If any additional costs for enforcement are required, they will be requested through the annual budget process.

In addition, state institutions of higher education will have increased costs to adopt or update policies for all interscholastic or intramural athletics programs. The fiscal note assumes that any costs will be covered by institutional revenue, such as tuition, fees, or athletic department revenue. No change in state appropriations is required.

School Districts

The measure will increase expenditures for schools, school districts, and charter schools that offer interscholastic or intramural athletic athletics programs to update policies. These costs are expected to be minimal. To the extent the Colorado Department of Education takes remedial action against school districts, legal or other costs may also increase for school districts.

Proposition 134

Effective Date

If approved by voters at the 2026 general election, this measure takes effect January 1, 2027.

State and Local Government Contacts

Education

Higher Education

Law

Fiscal Impact Statement

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

PROPOSITION 135: PROHIBIT SURGERY ON MINORS IN RESPONSE TO PERCEPTION OF SEX OR GENDER

Analyst: Kristine McLaughlin, kristine.mclaughlin@coleg.gov, 303-866-4776

Date: September 10, 2026

Summary Information

Overview. The measure prohibits surgeries on minors that alter their biological sex characteristics as a treatment in response to a minor's perception of sex or gender, with certain exceptions. It also prohibits the use of state or federal funds or insurance coverage to pay for these surgeries.

Types of impacts. The measure is projected to affect the following areas:

- Minimal State Revenue
- Minimal State Expenditures

Disclaimer. This fiscal impact statement has been prepared for a statewide ballot measure appearing at the 2026 statewide election. Any appropriations required to implement this measure will be addressed through the annual or supplemental budget process if this measure is approved by voters. For more information about this measure, please see the ballot information booklet.

Table 1
State Fiscal Impacts

Type of Impact	Current Year FY 2026-27	Budget Year FY 2027-28
State Revenue	$0	$0
State Expenditures	$0	$0
Transferred Funds	$0	$0
Change in TABOR Refunds	$0	$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Measure

The measure prohibits gender-affirming surgery on minors for the purpose of altering biological sex characteristics as a treatment in response to the minor's perception of sex or gender. The prohibition includes gender affirming surgeries, which are a range of procedures that may be provided to transgender individuals to make their physical appearance match their gender identity. The measure may also limit other surgeries for minors, including non-transgender minors, if the treatment is interpreted as being in response to the minor's sex or gender perception.

The measure allows male circumcision and treatments for medically verifiable disorders of sex development or acquired physical or chemical abnormalities. Non-surgical gender-related treatments, such as social transition options and counseling, are also not restricted by the measure.

Finally, the measure prohibits the government and insurance carriers from paying for these prohibited surgeries.

Background

On June 20, 2025, the Centers for Medicare and Medicaid issued a rule removing sex-trait modification, known as gender-affirming care, from the federal list of Essential Health Benefits. Therefore, the Department of Health Care Policy and Financing (HCPF) is no longer required to cover these services.

The three large pediatric surgical providers in Colorado—Children's Hospital Colorado, Rocky Mountain Children's, and Denver Health—report that they do not perform gender- or sex-based surgeries on transgender patients under 18 years of age.

State Revenue

To the extent that the measure results in additional complaints being filed against regulated medical professionals, or that these complaints result in administrative actions or fines, revenue may increase to the Department of Regulatory Agencies (DORA) and the Judicial Department. Given that regulated professionals are assumed to have a high level of compliance, any impact is anticipated to be minimal.

State Expenditures

The measure potentially decreases costs for HCPF and state employee insurance, and minimally impacts workload in DORA and the Judicial Department.

Department of Health Care Policy and Financing

The measure potentially decreases costs in HCPF for Medicaid to no longer cover certain gender-affirming surgeries for minors. Given recent data on utilization by minors through Medicaid, these savings are expected to be minimal.

State Employee Insurance

The measure potentially decreases costs for state employee health plans to no longer cover certain gender-affirming surgeries for minors which may result in a decrease in insurance premiums paid by state agencies. Given recent data on utilization by minors, these savings are expected to be minimal.

Department of Regulatory Agencies

The measure will increase workload for the Division of Insurance, the State Medical Board, and other professional boards in DORA to update materials, conduct outreach, and to promulgate rules; no change in appropriations is required. Workload may also increase to the extent that complaints against regulated professionals and insurance carriers increase. This analysis assumes that regulated professionals and insurance carriers will comply with the law.

Judicial Department

The Judicial Department may handle additional civil cases if any individuals or entities do not comply with the measure. Since DORA regulates most affected medical providers and insurance carriers, it is assumed that trial court workload will be minimal.

Local Governments

Similar to the state, local governments may have reduced premium costs for employee health insurance to the extent the prohibition under the measure lowers utilization of certain surgeries by minors covered on these plans. Overall, this local impact is expected to be minimal.

Effective Date

If approved by voters at the 2026 general election, this measure takes effect on January 1, 2027.

State and Local Government Contacts

Health Care Policy and Financing	Personnel
Judicial	Public Health and Environment
Law	Regulatory Agencies

Proposition 136

Fiscal Impact Statement

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

PROPOSITION 136: INCOME TAX RATE LIMIT

Analyst: Elizabeth Ramey, elizabeth.ramey@coleg.gov, 303-866-3522

Date: September 10, 2026

Summary Information

Overview. The measure establishes the 4.40 percent income tax rate in current law as the maximum rate.

No fiscal impact. The bill has no fiscal impact on state or local government.

Disclaimer. This fiscal impact statement has been prepared for a statewide ballot measure appearing at the 2026 statewide election. Any appropriations required to implement this measure will be addressed through the annual or supplemental budget process if this measure is approved by voters. For more information about this measure, please see the ballot information booklet.

Table 1
State Fiscal Impacts

Type of Impact	Current Year FY 2026-27	Budget Year FY 2027-28
State Revenue	$0	$0
State Expenditures	$0	$0
Transferred Funds	$0	$0
Change in TABOR Refunds	$0	$0
Change in State FTE	0.0 FTE	0.0 FTE

Proposition 136

Summary of Measure

The measure establishes the 4.40 percent income tax rate in current law as the maximum rate starting in tax year 2027.

Assessment of No Fiscal Impact

The measure limits the state income tax rate to the current 4.40 percent rate. This results in no change to state or local government revenue or expenditures. For this reason, the measure is assessed as having no fiscal impact.

Effective Date

If approved by voters at the 2026 general election, this measure takes effect upon proclamation of the Governor, no later than 30 days after the official canvass of the vote is completed.

State and Local Government Contacts

Revenue

Fiscal Impact Statement

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

PROPOSITION 137: DIRECT SPORTING GOODS SALES TAX REVENUE FOR CONSERVATION

Analyst: Amanda Liddle, amanda.liddle@coleg.gov, 303-866-5834

Date: September 10, 2026

Summary Information

Overview. The measure designates certain sales tax revenue as wildfire and conservation revenue and exempts it from state constitutional revenue limits.

Types of impacts. The measure is projected to affect the following areas:

- State Revenue
- State Transfers
- State Expenditures
- TABOR Refunds
- Constitutional Public Entity
- Local Government

Disclaimer. This fiscal impact statement has been prepared for a statewide ballot measure appearing at the 2026 statewide election. Any appropriations required to implement this measure will be addressed through the annual or supplemental budget process if this measure is approved by voters. For more information about this measure, please see the ballot information booklet.

Table 1
State Fiscal Impacts

Type of Impact	Current Year FY 2026-27	Budget Year FY 2027-28	Out Year FY 2028-29
State Revenue	$0	$0	$0
State Expenditures	$18,598	$73.7 million	$131.8 million
Transferred Funds	$0	$175.0 million	$180.2 million
Change in TABOR Refunds	$0	-$175.0 million	not estimated
Change in State FTE	0.0 FTE	5.9 FTE	14.5 FTE

Fund sources for these impacts are shown in the tables below. Note: transferred funds includes money transferred to the GOCO Trust Fund. However, distributions from the GOCO Trust Fund, except funds received and spent by state agencies, are excluded from the state expenditure impact to avoid double counting. GOCO distributions and spending are described in the Constitutional Public Entity section.

Table 1A
State Transfers

Fund Source	Current Year FY 2026-27	Budget Year FY 2027-28	Out Year FY 2028-29
General Fund	$0	-$175.0 million	-$180.2 million
GOCO Trust Fund	$0	$83.1 million	$85.6 million
Cash Funds	$0	$91.9 million	$94.6 million
Net Transfers	**$0**	**$0**	**$0**

Table 1B
State Expenditures

Fund Source	Current Year FY 2026-27	Budget Year FY 2027-28	Out Year FY 2028-29
General Fund	$18,598	$8,702	$8,702
Cash Funds	$0	$73.7 million	$131.8 million
Total Expenditures	**$18,598**	**$73.7 million**	**$131.8 million**
Total FTE	**0.0 FTE**	**5.9 FTE**	**14.5 FTE**

Summary of Measure

The measure designates state sales tax revenue collected from sporting goods and equipment sales as wildfire and conservation revenue. Beginning in FY 2027-28, it exempts this revenue from state's constitutional revenue limit under the Taxpayer's Bill of Rights (TABOR), and distributes it from the Conserve and Protect Colorado's Water, Land, and Forests Fund created by the measure as follows:

- 47.5 percent to Great Outdoors Colorado (GOCO) Trust Fund;
- 47.5 percent to the Colorado Wildfire Prevention and Water Fund;
- 2.5 percent to the Outdoor Equity Fund; and
- 2.5 percent to the Outdoor Recreation Economic Development Cash Fund.

The measure requires Legislative Council Staff and/or the Office of State Planning and Budgeting to estimate and determine the amount of wildfire and conservation revenue to be exempted and distributed in the upcoming fiscal year in their March revenue forecasts. Sporting goods and equipment revenue to be designated as wildfire and conservation revenue may be reduced in years when exemption of the revenue results in a lower level of availability for certain state income tax credits allowed under current law. The wildfire and conservation revenue created by the measure must supplement and not supplant existing wildfire and conservation funding.

State Revenue

The measure has a neutral impact on state revenue.

The measure designates sales tax revenue from sporting goods and equipment sales as wildlife and conservation revenue, estimated at $175.0 million in FY 2027-28, $180.2 million in FY 2028-29, and similar amounts in future years. While the measure designates this revenue for a specific purpose, the total amount of sales tax revenue remains the same as under current law.

State Transfers

Based on the estimated amount of wildlife and conservation revenue designated by the measure discussed above, the measure transfers $175.0 million in FY 2027-28, $180.2 million in FY 2028-29, and similar amounts in future years from the General Fund to the newly created Conserve and Protect Colorado's Water, Land, and Forests Fund. This annual transfer occurs on July 1 each year starting in 2027. Money is distributed from the Conserve and Protect Colorado's Water, Land, and Forests Fund to other cash funds in the following shares:

- 47.5 percent to the Colorado Wildfire Prevention and Water Fund, which is then distributed to other cash funds as discussed below;
- 47.5 percent to the Great Outdoors Colorado Trust Fund; and
- 2.5 percent to each of the Outdoor Recreation Economic Development Cash Fund and the Outdoor Equity Fund.

The resulting transfers are presented in Table 2 and discussed below.

Table 2
State Transfers

Fund Source	Current Year FY 2026-27	Budget Year FY 2027-28	Out Year FY 2028-29
General Fund	$0	-$175.0 million	-$180.2 million
GOCO Trust Fund	$0	$83.1 million	$85.6 million
Outdoor Recreation Economic Development Cash Fund	$0	$4.4 million	$4.5 million
Outdoor Equity Fund	$0	$4.4 million	$4.5 million
Prescribed Fire Claims Cash Fund	$0	$10.0 million	$0
Colorado Water Conservation Board Construction Fund	$0	$18.3 million	$21.4 million
Wildfire Mitigation Capacity Development Fund	$0	$18.3 million	$21.4 million
Forest Restoration and Wildfire Risk Mitigation Grant Program Cash Fund; and/or Vibrant Communities Fund	$0	$36.5 million	$42.8 million
Net Transfers	**$0**	**$0**	**$0**

Colorado Wildfire Prevention and Water Fund

The measure creates the Colorado Wildfire Prevention and Water Fund, which receives 47.5 percent of wildfire and conservation revenue from the Conserve and Protect Colorado's Water, Land, and Forests Fund. On July 1 of each fiscal year beginning in FY 2027-28, the money in the Colorado Wildfire Prevention and Water Fund is transferred as follows:

- $10.0 million to the Prescribed Fire Claims Cash Fund (FY 2027-28 only);
- 50 percent of money remaining to the following two cash funds, in amounts determined by the State Forester:
  - Forest Restoration and Wildfire Risk Mitigation Grant Program Cash Fund, and
  - Healthy Forests and Vibrant Communities Fund;
- the other 50 percent of money remaining to the following two cash funds, in amounts determined by the executive director of the Department of Natural Resources (DNR):
  - Wildfire Mitigation Capacity Development Fund, and
  - Colorado Water Conservation Board Construction Fund.

Based on consultation with the department, it is assumed that each fund within DNR will receive half of the total money in the fund to be transferred to the department.

Great Outdoors Colorado Trust Fund

The measure transfers 47.5 percent of wildfire and conservation revenue from the Conserve and Protect Colorado's Water, Land, and Forests Fund to the GOCO Trust Fund, resulting in transfer of $83.1 million in FY 2027-28, $85.6 million in FY 2028-29, and similar amounts ongoing to the fund. Use of money by GOCO is described in the Constitutional Public Entity section below.

Other Transfers

Lastly, the measure transfers $4.4 million in FY 2027-28, $4.5 million in FY 2028-29, and similar amounts ongoing to both the Outdoor Recreation Economic Development Cash Fund and the Outdoor Equity Fund.

Constitutional Public Entity

The GOCO program, created in the state constitution, is a political subdivision of the state that operates separately from state agencies and departments. The measure is expected to increase expenditures from the GOCO Trust Fund by $83.1 million in FY 2028-29 and similar amounts in future years. Because spending from the GOCO Trust Fund must be approved by the GOCO Board, money credited to the trust fund in FY 2027-28 is expected to be allocated for spending in FY 2028-29.

After paying for administrative costs, GOCO uses money in the fund for distributions to local governments, distributions to Colorado Parks and Wildlife (CPW) within DNR for wildlife programs, distributions to CPW for outdoor recreation programs, and for GOCO's spending on open space. Based on historical allocations of money from the trust fund, this fiscal impact statement estimates distributions to be roughly equal to each other, as shown in Table 3 below.

Table 3
Great Colorado Outdoors (GOCO) Distributions and Expenditures

Cost Component	Current Year FY 2026-27	Budget Year FY 2027-28	Out Year FY 2028-29
Administrative Expenses	$0	$0	$3.1 million
Open Space Projects	$0	$0	$20.0 million
Wildlife Project Grants to CPW	$0	$0	$20.0 million
Outdoor Recreation Grants to CPW	$0	$0	$20.0 million
Local Government Grants	$0	$0	$20.0 million
Total Distributions and Expenditures	**$0**	**$0**	**$83.1 million**

State Expenditures

The measure is expected to increase state expenditures by $18,598 in FY 2026-27, $54.9 million in FY 2027-28, and $131.8 million in FY 2028-29 with similar amounts in future years. Expenditures are from various funds and agencies as shown in Table 4 and Table 5, and described below. Note that these amounts excludes GOCO spending and distributions from GOCO (which are described above), but includes spending of anticipated grant funding from GOCO received by DNR.

In years where revenue subject to TABOR falls under the Referendum C cap, the measure will correspondingly reduce money in the General Fund available to save or spend. Wildfire and conservation revenue, and corresponding expenditures, may be reduced in FY 2028-29 and future years when exemption of the revenue results in a lower level of availability for certain state income tax credits allowed under current law.

Table 4
State Expenditures by Agency

Agency	CurrentYear FY 2026-27	Budget Year FY 2027-28	Out Year FY 2028-29
Department of Natural Resources	$0	$22.8 million	$84.5 million
Department of Higher Education	$0	$36.5 million	$42.8 million
Department of Public Safety	$0	$10.0 million	$0
Office of Economic Development	$0	$4.4 million	$4.5 million
Department of Revenue	$18,598	$8,702	$8,702
Total Costs	**$18,598**	**$73.7 million**	**$131.8 million**
Total FTE	**0.0 FTE**	**5.9 FTE**	**14.5 FTE**

Table 5
State Expenditures by Fund

Agency	Current Year FY 2026-27	Budget Year FY 2027-28	Out Year FY 2028-29
General Fund	$18,598	$8,702	$8,702
Wildlife CF	$0	$0	$20.0 million
Parks and Outdoor Recreation CF	$0	$0	$20.0 million
Fire Claims CF	$0	$10.0 million	$0
Forest Restoration and Wildfire Risk Mitigation Grant Program CF and Healthy Forests and Vibrant Community Fund	$0	$36.5 million	$42.8 million
Wildfire Mitigation Capacity Development Fund	$0	$18.3 million	$21.4 million
Colorado Water Conservation Board Construction Fund	$0	$0	$18.3 million
Outdoor Equity Fund	$0	$4.4 million	$4.5 million
Outdoor Recreation Economic Development CF	$0	$4.4 million	$4.5 million
Centrally Appropriated	$0	$0.1 million	$0.3 million
Total Costs	**$18,598**	**$73.7 million**	**$131.8 million**
Total FTE	**0.0 FTE**	**5.9 FTE**	**14.5 FTE**

Department of Revenue

The measure is expected to increase General Fund expenditures within the Department of Revenue (DOR) by $18,598 in FY 2026-27, and $8,702 in FY 2027-28 and future years for programming and data reporting. The DOR anticipates creating a new line on the sales tax return form for retailers to report sporting goods and equipment sales. For FY 2026-27, the DOR will additionally incur $4,786 in document management costs to make corresponding changes to the paper sales tax return form. These expenditures will occur in the Department of Personnel and Administration (DPA) using reappropriated funds from the DOR.

Department of Natural Resources

The measure is expected to increase expenditures within DNR by up to $22.8 million in FY 2027-28, and $84.9 million in FY 2028-29 with similar amounts in future years. These expenditures are presented in Table 6 and discussed below.

Table 6
State Expenditures
Department of Natural Resources

Cost Component	Current Year FY 2026-27	Budget Year FY 2027-28	Out Year FY 2028-29
Personal Services	$0	$403,770	$1,082,033
Operating Expenses	$0	$7,552	$67,516
Capital Outlay Costs	$0	$49,000	$63,000
CWCB Projects	$0	$0	$17,881,447
CO Strategic Wildfire Action Program	$0	$17,902,307	$21,017,766
Wildlife Programs (CPW)	$0	$0	$19,854,889
Outdoor Recreation Programs (CPW)	$0	$0	$19,854,889
Outdoor Equity Grant Program (CPW)	$0	$4,286,681	$4,362,750
Employee Insurance and Supplemental PERA	$0	$126,411	$314,199
Total Costs	**$0**	**$22,775,721**	**$84,498,490**
Total FTE	**0.0 FTE**	**5.9 FTE**	**14.5 FTE**

Colorado Water Conservation Board (CWCB)

The measure is expected to increase expenditures from the Colorado Water Conservation Board fund by $17.9 million in FY 2028-29 with similar amounts in future years.

The Colorado Water Conservation Board makes recommendations to the legislature each year for water projects to be supported by the fund, and appropriations are made through the annual water projects bill. Revenue transferred to the fund in FY 2027-28 is expected to be appropriated for spending in the following fiscal year.

Colorado Strategic Wildfire Action Program

The measure is expected to increase Wildfire Mitigation Capacity Development Fund expenditures by $17.9 million in FY 2027-28, and $21.0 million in FY 2028-29 with similar amounts in future years.

The Colorado Strategic Wildfire Action Program supports wildfire risk reduction through Workforce Development Grants and Landscape Resilience Investments. The programs provide entry-level experience and training opportunities in wildfire mitigation and forestry and funds landscape-scale fuels reduction projects.

Wildlife and Outdoor Recreation Programs

Of the wildfire and conservation revenue credited to the GOCO Trust Fund, $20.0 million per year is expected to be distributed to each the Wildlife Cash Fund and the Parks and Outdoor Recreation Cash Fund. Revenue collected in FY 2027-28 and each year thereafter is expected to be available for spending in the following fiscal year, and actual distributions to the funds will be determined by the GOCO Board.

Money in the Wildlife Cash Fund is used by Colorado Parks and Wildlife (CPW) within DNR for educational programs about wildlife, programs to maintain the state's wildlife, and projects to protect and restore wildlife habitats.

Money in Parks and Outdoor Recreation Cash Fund is used by CPW to establish, maintain, and improve state park and recreation areas throughout Colorado.

Outdoor Equity Grant Program

The measure is expected to increase Outdoor Equity Grant Program Fund expenditures within CPW by $4.4 million in FY 2027-28, and $4.5 million in FY 2028-29 with similar amounts in future years.

The Outdoor Equity Grant Program was established by House Bill 21-1318, allowing CPW to provide grant funding to increase outdoor access and opportunities for youth and families from communities traditionally underrepresented in outdoor recreation and conservation.

Staff

The measure is anticipated to drive increased staffing for DNR for the various programs impacted by the measure, including 5.9 FTE in FY 2027-28 and 14.5 FTE in FY 2028-29 and future years. Programs within DNR have support staff to manage budget, accounting, and procurement activities and require additional staff members to administer the increased funding towards DNR programs. Anticipated increases in staff include:

- for CPW, a contract administrator, accountant, budget and policy analyst, and grants specialist (3.8 FTE) starting in FY 2028-29 to support the budget, accounting, procurement, and GOCO liaison workload associated with the increase in funds for the Outdoor Equity Grant Program and wildlife and outdoor recreation programs receiving distributions from the GOCO Trust Fund;
- for the Colorado Water Conservation Board (CWCB), a contract administrator, program assistant, and physical sciences researcher/scientist (3.0 FTE) starting in FY 2028-29 to implement and manage the increased revenue for water projects. This estimate is based on a 50/50 distribution assumption between the CWCB and Colorado Strategic Wildfire Action Program;
- for the Colorado Strategic Wildfire Action Program within DNR, 2.0 FTE program assistants beginning in FY 2027-28 to support the increase in workload associated with increased funding for grantmaking; and
- for the Executive Director's Office, contract administrators and accountants (5.5 FTE) beginning at various dates between July 2027 and July 2028 for administrative and procurement support, contract drafting, and tracking and reporting.

Employee Insurance and Supplemental Retirement Payments

Based on the staffing impacts above, costs will increase in DNR for employee insurance, supplemental employee retirement payments, indirect cost assessments, and other centrally appropriated costs. These costs are listed in Table 6 above.

Department of Higher Education

The measure is expected to increase expenditures for the Colorado State Forest Service within the Department of Higher Education by $36.5 million in FY 2027-28 and $42.8 million in FY 2028-29 with similar amounts in future years. Expenditures will be split between the Forest Restoration and Wildfire Risk Mitigation Grant Program Cash Fund and the Healthy Forests and Vibrant Communities Fund, in an amount to be determined by the state forester. Both funds are continuously appropriated to the Colorado State Forest Service.

Forest Restoration and Wildfire Risk Mitigation Grant Program

Established in 2017, the Forest Restoration and Wildfire Risk Mitigation grant program provides grants for community-level projects that reduce the risk of wildfire in the wildland-urban interface and/or promote forest health. State agencies, local governments, non-profit groups, public or private utilities providers, and local community groups may be eligible for grant awards.

Healthy Forests and Vibrant Communities Fund

The Healthy Forests and Vibrant Communities Fund is continuously appropriated to the Colorado State Forest Service for forest management and fuel reduction projects, loans to forest products businesses, wildfire risk assessments, and developments of wildfire protection plans for communities.

Office of Economic Development and International Trade

The measure is expected to increase Outdoor Recreation Economic Development Cash Fund expenditures within OEDIT by $4.4 million in FY 2027-28, and $4.5 million in FY 2028-29 with similar amounts in future years. This money will be used for outdoor recreation economic development programs to support outdoor industry business advancement and outdoor recreation planning for rural communities in Colorado.

Department of Public Safety

The measure is expected to increase Prescribed Fire Claims Cash Fund expenditures within the Department of Public Safety (CDPS) by $10.0 million in FY 2027-28 only. Established by Senate Bill 25-007, money in the fund is used to pay eligible damage claims resulting from prescribed fire projects.

Departments of Personnel and Treasury

Workload will increase for the Departments of Personnel and Administration (DPA) and Treasury to manage and perform accounting for the cash funds created in the measure. These departments may seek additional funding through the annual budget process based on the cumulative impact of all cash funds created through legislation.

TABOR Refunds

The measure is expected to decrease the amount of state revenue required to be refunded to taxpayers by $175.0 million in FY 2027-28. This estimate assumes the June 2026 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2027-28.

Because TABOR refunds are paid from the General Fund, decreased General Fund revenue subject to TABOR will lower the TABOR refund obligation, but result in no net change to the amount of General Fund otherwise available to spend or save in FY 2027-28, and any future years when the state is over its revenue limit.

Local Government

The measure is expected to increase local government distributions from the GOCO Trust Fund by $20.0 million per year beginning in FY 2028-29. The measure is additionally expected to increase funding available to local governments from certain wildlife and conservation programs beginning in FY 2027-28.

Effective Date

If approved by voters at the 2026 general election, this measure takes effect upon proclamation of the Governor, no later than 30 days after the official canvass of the vote is completed.

State and Local Government Contacts

Forest Service

Information Technology

Local Affairs

Natural Resources

Office of Economic Development

Personnel

Public Safety

Revenue

Treasury