2026 End of Session Report

Overview

Federal politics continue to ripple through Colorado's political landscape, as the Second Regular Session of the 75th Colorado General Assembly made clear. While President Trump and congressional Republicans work to reshape policy at the national level, Colorado's Democratic majorities position themselves as a counterbalance. Democrats have controlled Colorado continuously since 2018 — when the first Trump midterm election flipped the state — and their trifecta of the Colorado House, Colorado Senate, and Governor's Office has allowed them to pass sweeping legislation across nearly every policy area. However, as often happens under prolonged single-party rule, dissent has begun to emerge from within the party itself. Legislators on both sides are now fighting for "the heart of their party," a dynamic in full swing as Colorado transitions from a prominent swing state into one waging its political battles internally.

Against this backdrop, the 2026 session addressed several major policy areas:

- Immigration and law enforcement
- Energy
- Health care
- Technology
- Labor
- State revenue

Immigration and Law Enforcement

Progressive legislators drove a cluster of bills — SB26-005 "Rights Violation in Immigration Enforcement Remedy", SB26-176 "State Remedies for Constitutional Rights Violation", HB26-1275 "Law Enforcement Identification and Immigration Training Requirements", and HB26-1276 "Protect Safety of Individuals Who Are Immigrants" — aimed at curtailing federal immigration enforcement authority in Colorado and placing additional constraints on local officials. Collectively, these bills would have restricted immigration officials operating in Colorado, including banning face coverings for enforcement agents and authorizing state inspections of immigration detention facilities. They also sought to create accountability measures for state entities, either requiring officials to intervene in federal enforcement activities or exposing state entities to new or expanded liability. Legislators moderated all of these proposals, narrowing their scope or postponing them entirely.

Energy

The green energy legislation Colorado passed in the late 2010s and early 2020s is now producing tangible effects — most visibly in the progress of the public transportation and electrification adoption. But that legislation has also driven up energy costs, sparking significant debate in 2026. The most prominent flashpoints were SB26-002 "Energy Affordability", SB26-022 "Challenges Meeting 2030 Emissions Reduction Goals", and HB26-1326 "Sunset Public Utilities Commission". SB26-002 and SB26-

022 took opposing approaches to energy affordability: SB26-002 created subsidy programs for low-income consumers, while SB26-022 sought to delay some green energy mandates. HB26-1326 brought these competing concerns together, as legislators debated what guidance to give the Public Utilities Commission — the primary regulatory body overseeing the investor-owned utilities that generate most of Colorado's energy. The legislature ultimately negotiated a moderate outcome on all three bills.

Health Care

The 2026 health care debate was shaped primarily by a resource shortfall. Higher-than-expected Medicaid costs, combined with reductions in federal health care funding, forced the General Assembly to restructure Colorado's health care programs for lower-income residents. These pressures surfaced most prominently in the state budget process and in SB26-178 "Health Insurance Affordability Measures". The Joint Budget Committee was forced to cut hundreds of millions of dollars from Medicaid, including reductions to provider reimbursement rates, curtailed services for Coloradans with intellectual and developmental disabilities, and partial rollbacks of recently enacted programs. SB26-178 faced the parallel challenge of generating one-year revenue to offset the loss of federal subsidies. The legislature ultimately approved program cuts alongside one-time accounting measures designed to create off-ramps from those programs.

Technology

Colorado has attracted significant investment from the technology sector while also leading the nation in technology regulation. The 2026 session centered on SB26-189 "Automated Decision Making Technology", SB26-102 "Large Load Data Centers", and HB26-1030 "Data Center and Utility Modernization". SB26-189 continued a conversation that began with SB24-205 in 2024. After years of negotiation, consumer advocates and artificial intelligence proponents reached a tentative agreement requiring some level of AI disclosure to consumers while eliminating some of SB24-205's more contentious liability provisions. SB26-102 and HB26-1030 addressed growing concerns about data centers in Colorado, but stakeholders on both sides failed to reach consensus — and both camps have since taken their fights to the local government level.

Labor

Labor policy, predictably active in an election year, generated considerable debate. SB26-121 "Overtime Threshold for Agricultural Employees" marginally rolled back previously instituted labor protections, while HB26-1005 "Worker Protection Collective Bargaining", and HB26-1054 "Protections for Worker Safety" laid the groundwork for increased labor protections in future years. HB26-1054 targeted working conditions directly, while HB26-1005 reiterated a long-term desire of organized labor organizations to change the overall ability to form a union. Governor Polis, in his final year in office, is expected to veto many of these bills.

State Budget

No summary of the 2026 session would be complete without addressing the state's structural budget deficit. Facing more than a billion dollars in annual cuts, legislators have struggled to realign expenditures with revenues. They have pursued relief through both spending reductions and tax policy changes — including HB26-1289 "Modification of Certain Tax Expenditures" and HB26-1223 "Modifying

Certain Tax Expenditures" — but the Colorado Taxpayer Bill of Rights (TABOR) requires voter approval to raise taxes, limiting their options. This constraint has fueled proposals like SB26-135 "State Public K-12 Education Funding" which would ask voters if the state could retain tax revenue that TABOR would otherwise refund to taxpayers in surplus years. The final resolution will come after the 2026 election, when voters will consider multiple ballot measures to increase state revenue. If those measures fail, the legislature will have only one remaining option: cut spending.

Budget

Budget cycles since 2024 have been shaped by recurring billion-dollar shortfalls driven by Colorado's mismatch between revenue and expenditures, also known as a structural budget deficit. State budgeters began addressing this systemic financial concern during the 2025–26 budget cycle. Ultimately, members of the Joint Budget Committee (JBC) and the Governor's Office of State Planning and Budgeting (OSPB) concluded that they wanted to lessen the impact of reducing or eliminating services for Coloradans and would need to rely on one-time funding to accomplish that goal.

This plan was briefly disrupted by unexpected growth in Colorado Medicaid costs and the passage of HR1 by the federal government. The General Assembly responded by returning for a special session in late 2025 to grant Governor Polis additional authority to cut spending and to pass legislation changing tax policy to raise revenue. Despite these actions, state budgeters continued to face a significant budget deficit, including a roughly $1 billion shortfall for the 2026–27 fiscal year.

The JBC chose to follow the same approach as before by pairing ongoing cuts with one-time funding in order to lessen the impact of service reductions on Coloradans. Of the $1 billion deficit, the JBC addressed roughly $200–300 million through ongoing reductions while relying on one-time solutions for the remaining $700–800 million. Some of the key actions taken by the General Assembly include:
Ongoing

- A 1% across the board increase for state employee salaries intended to only impact step pay increases. This increase is below the COWINs negotiated 2% increase on top of step pay increases. The JBC also chose to cover 100% of the additional cost for state employee health insurance costs with the stated goal of ensuring every state employee either receives a step increase or no reduction in take-home pay in 2026-27.
- A 2% decrease in community provider rates. The reduction does not apply to Medicaid codes for NICU, maternal health services, or pediatric behavioral therapy (PBT) services. PBT rates were reduced by 5.5% in a separate action. The JBC also approved additional targeted provider rate reductions.
- A cap on caregiver hours at 80 per week, decreasing to 50 hours weekly by July 1, 2027. This reduction was part of many of the other Medicaid reductions the JBC sustained from Governor Polis's executive orders following the 2025 Special Session.
- A delay in planned increases to contract attorney rates for Judicial Independent Agencies.
- No General Fund contribution to K-12 total program funding, meaning all state funding must come from the State Education Fund which already has solvency concerns according to state economists.

- An $11 million restoration of funding to public institutions of higher education (IHE) and public school student financial aid. This restoration returns IHEs to their original 2025-26 funding levels. The JBC chose to eliminate financial aid to private and proprietary schools to fund this restoration.
- $13 million in reductions to Medicaid benefits for undocumented adults and children.
- A reorganization of severance tax expenditures in the Department of Natural Resources resulting in an annual severance tax transfer of $14.2 million to the General Fund.
- A $10 million ongoing reduction to multimodal transportation funding in the Department of Transportation.
- A $1.5 million reduction to local public health agencies.
- $150 million funding of capital construction projects, covering only part of the controlled maintenance level 1 list and the last phases of three projects.
- Caps on kinship care reimbursements.
- Where possible, refinancing General Fund support for the Supplemental Nutrition Assistance Program (SNAP) with Healthy School Meals for All (HSMA) funding.
- Elimination or reduction of numerous grant programs across state government including but not limited to the Comprehensive Sexual Education Program, the Out of School Time Grant Program, and the Teacher Mentor Grant Program.

One-Time

- $300 million reduction in the General Fund reserve, effectively drawing from state savings to cover expenses in the current year.
- $130 million transfer from Proposition 123 fund to the General Fund.
- $70 million transfer in severance tax to the General Fund. This transfer includes severance tax from both the Department of Local Affairs and the Department of Natural Resources.
- $74 million from the Unclaimed Property Trust Fund to the General Fund. This transfer diverts the planned transfers to the Housing Development Grant Fund and adult dental services in Medicaid from the Unclaimed Property Trust Fund.
- $15 million transfer from the Office of Economic Development and International Trade (OEDIT) CLIMBER Fund to the General Fund.
- $21 million transfer from the Office of Information Technology (OIT) Revolving Fund to the General Fund.
- $15 million transfer from the Decarbonization Tax Credit Administration Fund to the General Fund.
- $15 million from the Infrastructure Investment and Jobs Act Fund to the General Fund. This fund was designed to serve as matching funds for the state and local governments to pull down federal matching dollars for infrastructure projects.
- $36 million recapture of unused American Rescue Plan Act (ARPA) funds.
- $12 million transfer from the Legislative Department Cash Fund to the General Fund. This funding would otherwise have been used to upgrade and restore the Colorado State Capitol.
- $10 million refinance of General Fund for the Universal Preschool Program with Proposition EE tobacco cessation dollars

Going forward, state budgeters will likely focus on making ongoing cuts to major cost drivers in the Colorado budget, including Medicaid, K–12 education, higher education, and human services programs.

Many legislators also hope voters will approve additional revenue measures at the ballot box so the state can avoid cutting these programs altogether.

Longmont Chamber Priority Bill

HB26-1012 Consumer Protections to Promote Fair Market Pricing
Sponsors: Reps. Brown and Zokaie; Senators Lindstedt and Weissman
Would have expanded HB25-1090 by adding two new requirements to merchants' price disclosures. First, the bill would have required a delivery service platform to provide a comparison of the price of the good being delivered versus the in-store price. Second, the bill would have created a class of consumers as "captive consumers" and prohibits a seller from charging a captive consumer a price higher than the average surrounding market price for the same good. The enforcement for the bill would have been with the Attorney General's Office as a deceptive trade practice. ***The bill was postponed indefinitely. The Longmont Chamber contributed to this bill's defeat through testimony and active engagement with our delegation members.***

Bills of Interest

Energy

HB26-1226 Manage Emissions from Electric Generating Units
Sponsors: Reps. Froelich and Willford; Senators Weissman and Cutter
Requires coal-fired power plants that continue to operate on or after December 31, 2034, to install pollution control devices and meet the emission limits adopted by the Air Quality Control Commission. ***The bill passed both chambers.***

HB26-1272 Extreme Temperatures Worker Protections
Sponsors: Rep. Froelich and Velasco; Senators Cutter and Weissman
Requires the Colorado Department of Labor and Employment (CDLE) to begin collecting data on temperature-related injuries, illnesses, and emergencies at worksites in the state by January 15, 2027. The department must collect this data directly from employers and use other data available. Using this data, CDLE must develop a model temperature-related injury and illness prevention plan (TRIIPP) by July 1, 2028. ***The bill passed both chambers.***

HB26-1326 Sunset Public Utilities Commission
Sponsors: Reps. Duran and Willford; Senators Rodriguez and Cutter
Continues the Public Utilities Commission (PUC) for seven years through September 1, 2033, and implements recommendations from the 2025 sunset review. The bill expands the PUC director's powers to include personnel management and budget submission, and requires the Governor to consider diversity of experience and industry knowledge when making commissioner appointments. The bill requires the PUC to hire an equity impact analyst to identify proceedings that may disproportionately impact low-income communities and to manage a newly created equity task force. The bill reduces the

timeline for the PUC to act on applications from 130 days to 90 days, with failure to act constituting automatic approval.

On energy policy, the bill increases civil penalties on utilities from $2,000 to $7,500 per violation, requires the PUC to establish minimum quality-of-service metrics by December 2027, and modernizes the Renewable Energy Standard. On transportation, the bill increases the annual permit fee cap on transportation network companies (TNCs) by $50,000, requires TNCs to conduct periodic facial recognition checks to prevent driver impersonation, and creates a new criminal offense for impersonating a TNC driver. The bill also expands background check requirements for contract and common carrier drivers and updates rail, transit, and telecommunications statutes. ***The bill passed both chambers.***

SB26-002 Energy Affordability

Sponsors: Senators Exum and Kipp; Rep. Willford and Bacon

Requires investor-owned electric utilities to develop and submit a "First Allotment of Residential Electricity" (FARE) service program to the Public Utilities Commission. The FARE program would provide a minimum baseline level of electricity at a marginal cost rate for income-qualified customers, creating a percentage-of-income payment plan (PIPP) structure to ensure that low-income households' electricity bills do not exceed an affordable share of their income. The program design must include the amount of the baseline electricity allotment, the marginal cost rate, and how costs will be allocated across the utility's customer base. ***The bill passed both chambers.***

SB26-022 Challenges Meeting 2030 Emissions Reduction Goals

Sponsors: Senators Simpson and Snyder; Reps. Caldwell and Paschal

Would have provided a pathway for electric utilities and rural electric cooperatives that are encountering or expect to encounter challenges in meeting the state's requirement of an 80% reduction in greenhouse gas emissions from electricity sales by 2030 (compared to 2005 levels) to formally notify the state. Would have extended the notification deadline from March 31, 2026, to May 31, 2026, and clarifies that voluntary clean energy plan filers may also report challenges. Would have prohibited regulators from taking actions that would impair grid reliability or raise average annual electric rates excessively. ***The bill was postponed indefinitely.***

SB26-182 Updated Clean Energy Plan Municipally Owned Utility

Sponsors: Senators Simpson and Snyder; Reps. Caldwell and Paschal

Allows a municipally owned utility that cannot meet its previously filed clean energy plan's emission reduction goals to submit a revised plan to the Department of Public Health and Environment (CDPHE) by December 31, 2026. The revised plan must achieve an 80% reduction in greenhouse gas emissions, compared to 2005 levels, between December 31, 2029, and December 31, 2032. ***The bill passed both chambers.***

General Business

HB26-1031 Protections for Agricultural Products Grown in Colorado
Sponsors: Reps. Martinez and Soper; Senators Catlin and Roberts
Prohibits anyone from marketing or selling an agricultural product as "Colorado-grown" or using the "Colorado Proud" designation unless the product was actually grown in the state and the use of that logo is authorized by the Department of Agriculture. A violation constitutes a deceptive trade practice under state law. ***The Governor signed the bill.***

HB26-1138 Retail Theft Prevention Program
Sponsors: Reps. Espenoza and Woog; Senators Rodriguez and Kirkmeyer
Establishes an advisory board and grant program to address retail theft prevention in the Colorado Department of Public Safety. ***The bill passed both chambers.***

HB26-1210 Prohibit Surveillance Price and Wage Setting
Sponsors: Reps. Bacon and Mabrey; Senators Jodeh and Weissman
Prohibits the use of automated decision systems that employ "surveillance data" — information gathered through observation, inference, or surveillance related to an individual's personal characteristics, behaviors, or biometrics — to set individualized prices for consumers or individualized wages for workers. Exemptions apply where price differences reflect actual cost differences in service delivery, and for insurers using actuarially relevant data and credit decisions governed by the Fair Credit Reporting Act. ***The bill passed both chambers.***

HB26-1416 Transfers to General Fund and Colorado Economic Development Fund
Sponsors: Reps. Brown and Nguyen; Senators Amabile and Carson
Transfers a total of $3.5 million from the Universal High School Scholarship Fund. $900,000 of this funding is transferred to the Colorado Economic Development Fund to support the Small Business Development Centers. ***The bill passed both chambers.***

HCR26-1001 Charitable Gaming Constitutional Amendment
Sponsors: Reps. Ricks and Suckla; Senator Hinrichsen
The concurrent resolution would have referred a constitutional amendment to the voters to repeal the constitutional licensing procedures and requirements for charitable gaming and instead establish by law the oversight of the operations of charitable gaming. ***The resolution was postponed indefinitely.***

SB26-062 Rodenticide Use Restrictions
Sponsors: Senators Cutter and Kipp; Rep. Velasco
Would have restricted the use of certain rodenticides — particularly second-generation anticoagulant rodenticides. The bill would have made a violation of this restriction a violation of the Colorado Consumer Protection Act. ***The bill was postponed indefinitely.***

SB26-134 Payment Card Networks' Fees

Sponsors: Senators Jodeh and Lindstedt; Reps. Duran and McCluskie

Prohibits payment card networks from charging interchange fees — the per-transaction percentage fee paid by merchants — on the sales tax portion of a transaction. Requires large retailers with 500 or more employees statewide to pass the resulting cost savings on to consumers through lower prices, or to their employees through higher wages or improved benefits. ***The bill passed both chambers.***

SB26-137 Measures to Reduce Administrative Burdens

Sponsors: Senators Coleman and Simpson; Reps. Caldwell and McCluskie

Modifies the State Administrative Procedure Act (APA) by requiring rule reviews to happen at least every five years, specifies additional criteria for determining a rule's effectiveness, requires departments to report on rule reviews during their annual SMART Act hearing, and allows department to establish their own rule review schedule without consulting the Department of Regulatory Agencies (DORA). ***The bill passed both chambers.***

Health Care

HB26-1267 Limitations on Collection Actions for Medical Debt

Sponsors: Reps. Joseph and Mabrey; Senators Jodeh and Weissman

Would have expanded impermissible collection actions that medical creditors may utilize in collecting a medical debt, including targeting non-patients, seizing personal property or retirement assets, garnishing wages, threatening arrest, deportation or immigration consequences, or reducing a patient's bank funds below a protected threshold. It also would have established affirmative obligation for health care facilities and medical creditors, including verifying that patients have been screened for public insurance and financial assistance and offering reasonable payment plans to all patients. Medical creditors would have also been required to notify a patient 30 days before collecting, transferring, selling, or assigning a medical debt. ***The bill was postponed indefinitely.***

SB26-041 Consumer Protections Medical Care Entities

Sponsors: Senators Kipp and Weissman; Reps. Brown and McCormick

Would have modified reporting requirements for health care entities involved in certain transactions and would have expanded the Attorney General's authority to review and take action against health care mergers and acquisitions that may harm competition. The bill would have extended the pre-merger notification period from 60 to 90 days and would have authorized the Attorney General to assess a filing fee of up to $5,000 per filing party. The Attorney General could have prohibited covered transactions that would substantially lessen competition or create a monopoly in health care markets, with civil penalties and injunctive relief available for noncompliance. Lastly, the bill would have required health care providers to disclose financial relationships when referring patients for medical services and to offer alternative referral options upon request. ***The bill was postponed indefinitely.***

Housing and Development

HB26-1001 Housing Developments on Qualifying Properties
Sponsors: Reps. Boesenecker and Mabrey; Senators Exum and Gonzales
Known as the "Housing Opportunities Made Easier (HOME) Act," this bill requires local jurisdictions to allow residential development on "qualifying properties" — land no larger than 5 acres owned by schools, higher education institutions, public housing authorities, transit agencies, and housing-adjacent nonprofits — beginning December 31, 2027, subject to an administrative approval process. The bill does not require a full rezoning process. Local governments may apply local building standards and may require confirmation that a nonprofit has a demonstrated history of providing affordable housing. The bill places no limit on density or number of units on qualifying properties. The owner of a qualifying property must notify the county assessor when a local government has approved the residential development. ***The Governor signed the bill.***

HB26-1036 Local Taxes on Vacant Residential Property
Sponsors: Reps. Titone and Velasco
Would have authorized local governments to impose an excise tax or property tax on vacant residential properties. The revenue would have been used to support affordable, attainable, or workforce housing projects. ***The bill was postponed indefinitely.***

HB26-1065 Transit and Housing Investment Zones
Sponsors: Reps. McCluskie and Woodrow; Senators Exum and Roberts
Creates the "Transit Investment Area Act," allowing local governments — in partnership with transit agencies — to establish transit investment zones beginning January 2027. A local government and transit agency may apply to the Office of Economic Development and International Trade for state approval to designate a transit investment area and undertake a transit investment project. Financing entities (county revitalization authorities, urban renewal authorities, metropolitan districts, or newly created transit investment authorities) may receive and use the increment of state sales tax revenue generated within the designated area above a baseline amount. The state may approve up to 6 projects total, with no more than 3 new approvals in any calendar year, and a cumulative cap of $75 million in sales tax increment revenue diversions. A companion tax credit — the Colorado affordable housing in transit investment zones tax credit — is created for affordable housing development within these zones, administered in the same manner as the existing transit-oriented communities tax credit. FY 2026-27 requires an appropriation of $239,849 to OEDIT. The Office of Economic Development must publish a transit and housing investment zone map by October 30, 2026. ***The bill passed both chambers.***

HB26-1114 Allowed Minimum Lot Size for Subject Jurisdictions
Sponsors: Reps. R. Stewart and Woodrow; Senator Ball
Would have restricted municipalities with a population higher than 1,000 and a county with a population higher than 40,000 from requiring a lot size for a single family home be larger than 2,000 square feet. The bill would have exempted certain lots due to water and sewage circumstances and historic properties located outside of a historic district. ***The bill was postponed indefinitely.***

SB26-001 Workforce Housing and Housing Tax Credit
Sponsors: Senators Bridges and Roberts; Reps. Boesenecker and Richardson
Makes changes to increase housing production and affordability. Clarifies that boards of county commissioners may appropriate money from the county general fund (not limited to ad valorem tax revenue) for housing authorities and workforce housing initiatives — authority that was previously restricted under state statute. Authorizes home rule counties and statutory cities and towns to sell, lease, or acquire public buildings and real property for developing affordable or workforce housing. Creates a sales and use tax exemption for construction materials used in workforce housing projects. Also makes the middle-income housing tax credit available to "transferees" — parties who acquire interest in a qualified affordable housing development — even if they do not hold an ownership stake in the project. ***The Governor signed the bill.***

SB26-093 Workers' Compensation Insurance Coverage Verification
Sponsors: Senator Sullivan; Reps. Mauro and Lindsay
Requires governmental entities to receive signed declarations regarding workers' compensation coverage or rejection of coverage for all applicants, general contractors, and subcontractors before issuing a building or construction permit or a license. Prior to commencing any work under a building or construction permit, a general contractor permit holder is required to collect and retain proof of workers' compensation coverage or rejection of coverage for every person performing work under the permit. ***The bill passed both chambers.***

SB26-129 Mitigate Impacts of Tax Increment Financing
Sponsors: Senator Marchman; Rep. Boesenecker
Would have required entities subject to tax increment financing to file either a certification of, or a technical rebuttal to, an impact report within 45 days of submission or the impact report is presumed certified. The Legislative Council Staff would have also been required to prepare a report or issue brief on the impact of tax increment financing on the state and local shares of education funding. ***The bill was postponed indefinitely.***

Labor/Workforce

HB26-1005 Worker Protection Collective Bargaining
Sponsors: Reps. Bacon and Mabrey; Senators Danielson and Jodeh
Amends Colorado's "Labor Peace Act" by adjusting procedural thresholds and requirements governing collective bargaining between employers and unions. Eliminates the requirement for a second election to negotiate a union security agreement clause, specifies that employees' bargaining rights include mandatory subjects of bargaining, and requires both employers and employees' exclusive representatives to bargain in good faith. ***The bill passed both chambers.***

HB26-1054 Protections for Worker Safety
Sponsors: Reps. Rutinel and Velasco; Senator Wallace

Establishes a state occupational health and safety regulations in the event standards under the federal Occupational Safety and Health Act (OSHA) are repealed. In the event any federal standard is repealed after September 1, 2025, the Attorney General and Department of Law are authorized to adopt, by rule, state standards that are as stringent or more stringent than the repealed federal standard. ***The bill was postponed indefinitely.***

HB26-1143 Non-Employment Educational Opportunities Background Check Information
Sponsors: Reps. Joseph and Ricks; Senators Benavidez and Weissman
Requires higher education institutions, nonprofits, K-12 schools, and certain health care entities to accept individual taxpayer identification numbers or a fingerprint background check in lieu of a social security number if the entity requires a background check for a non-employment based educational opportunity, unless certain exceptions are met. ***The bill passed both chambers.***

HB26-1283 Protections Regarding Seizures of Identification Documents
Sponsors: Reps. Joseph and Ricks; Senators Benavidez and Marchman
Prohibits an employer or employer's agent from demanding, confiscating, retaining, or otherwise requiring an individual to surrender their government-issued identification card. An employer may temporarily retain the card for no more than ten hours to verify employment eligibility status and to make a copy of the card. The bill clarifies that if a copy is being made of an identification card, the employee must be informed in English and their native language, if the employer knows that their primary language is not English. Lastly, the bill adds confiscation to the class 2 misdemeanor crime of criminal possession of an identification document with the ability to be a bias motivated crime if the employer or employer's agent threatens to provide the identification to federal immigration authorities. ***The bill passed both chambers.***

HB26-1327 Large Employer Worker Health Care Support
Sponsor: Rep. Feret; Senator Mullica
Would have created the Large Employer Health-Care Support Enterprise within the Department of Health Care Policy and Financing (HCPF) to collect fees from large employers whose employees are enrolled in the state's Medicaid program. The bill applied to employers with 500 or more Medicaid-enrolled employees, with exemptions for employers that provide ACA-compliant affordable health coverage, registered nonprofits, public employers, franchisees, and employers with collective bargaining agreements that include affordable health care coverage. Fees would have been due no later than August 1, 2028. Fees would have been determined by a report detailing workforce and employment data created in early 2028 but designed not to collect above $100 million in the first 5 years of the program. Funding collected by the enterprise would be used to support Medicaid costs or provide reimbursement grants to employers whose workers buy into employer-sponsored health plans. ***The bill was postponed indefinitely.***

SB26-127 Family Medical Leave Insurance Duration Extensions
Sponsors: Senator Bridges; Rep. Zokaie
Would have extended the duration of benefits available under Colorado's Family and Medical Leave Insurance (FAMLI) program, allowing workers to take an additional two weeks following the death of a

family member and for the duration of time an employee's child is receiving care in the neonatal intensive care unit. ***The bill was postponed indefinitely.***

Tax Policy

HB26-1014 Extend Colorado Job Growth Incentive Tax Credit

Sponsors: Reps. Boesenecker and Taggart; Senators Ball and Frizell

Extends the Colorado Job Growth Incentive Tax Credit, which rewards businesses that create new jobs in the state. Under current law, the Economic Development Commission could only authorize new credit awards through income tax year 2026. This bill extends the program through income tax year 2034. ***The bill passed both chambers.***

HB26-1119 Authority for Different Mill Levy Rates

Sponsors: Rep. Woodrow; Senator Hinrichsen

Would have provided authority for local taxing districts, except school districts, to set different mill levy rates. The bill would have also modified statute to require and accommodate property and tax reporting for the varying mill levy rates in current certifications and forms. ***The bill was postponed indefinitely.***

HB26-1221 Tax Expenditure Adjustments

Sponsors: Reps. Sirota and Zokaie; Senators Amabile and Wallace

Would have modified the Executive Compensation Addback and Colorado Net Operating Loss Deduction corporate tax policies beginning in tax year 2027. The bill capped the Executive Compensation Addback at $250,000 when calculating a corporation's state taxable income. The bill reduced net operating loss deductions from 80% of taxable income to 70% of taxable income and extended the years in which these net operating losses could be carried forward for up to 20 years (longer than the current 10 years). The bill used the revenue generated by the changes to the new employee remuneration addback, the repeal of the AMT credit, and modifications to the net operating loss deduction to create a refundable tax credit for those who are or would be eligible for the Family Affordability Tax Credit. ***The bill was postponed indefinitely.***

HB26-1222 Modify Tax Expenditures

Sponsors: Reps. Garcia and McCormick; Senator Kipp

Beginning in tax year 2027, the bill would have required taxpayers to add back certain federal business deductions above and beyond what was originally deducted before the passage of the One Big Beautiful Bill Act (OBBBA). The deductions affected include:

- Business interest expense deductions allowed under Section 163(j) of the Internal Revenue Code (IRC);
- Full expensing of certain business property, or the 100 percent bonus depreciation deduction allowed under Section 168(k) of the IRC;
- The special depreciation allowance for qualified production property allowed under Section 168(n) of the IRC; and

- Full expensing of domestic research and experimentation expenditures allowed under Section 174(a) of the IRC

The bill used the revenue generated by these required addbacks to create a refundable tax credit for those who are or would be eligible for the Family Affordability Tax Credit (FATC). ***The bill was postponed indefinitely.***

HB26-1223 Modifying Certain Tax Expenditures

Sponsors: Reps. Boesenecker and Woodrow; Senators Ball and Roberts

Beginning January 1, 2027, repeals the sales and use tax exemption for downloaded software, subjecting all software available for repeated sale or license to taxation as tangible property. The bill uses the revenue generated by this repeal to create a refundable tax credit for those who are or would be eligible for the Family Affordability Tax Credit (FATC). ***The bill passed both chambers.***

HB26-1289 Modifications of Certain Tax Expenditure

Sponsors: Reps. Brown and Garcia; Senator Weissman

Makes changes to state income taxes, sales and use taxes, cigarette and tobacco excise taxes, and motor fuels taxes, most taking effect in tax year 2027.

Income Tax: Repeals the state deduction for wages and salaries not deductible under IRC Section 280C. Requires an income tax addition for capital gains from non-Colorado Opportunity Fund investments. Allows affiliated C Corporations to make a water's edge election for combined group income. Removes Liechtenstein from the list of presumed tax shelter jurisdictions and requires DOR to contract for periodic review of that list. Creates a refundable option (at 80 cents per dollar, capped at $750,000) for enterprise zone renewable energy investment tax credits. Creates a sustainable aviation fuel purchase credit ($1.50/gallon minimum, capped at $3 million/year) for tax years 2027–2032, and repeals the sustainable aviation fuel production credit after 2026. Repeals the enterprise zone commercial vehicle credit. Bars businesses with 50 or more employees from claiming the enterprise zone employer-sponsored health insurance credit. Raises the minimum investment threshold for the enterprise zone research and experimental activities credit to $150,000. Expands the innovative motor vehicle credit (increased base amounts for 2027–2028, broader MSRP eligibility), wildfire hazard mitigation credit (higher limits, refundable excess), small food business credit (broader claimant eligibility), enterprise zone vacant building credit (reduced vacancy period, increased cap to $200,000), and electric powered lawn equipment, residential energy storage, and industrial clean energy credits. Removes the age cap for the earned income tax credit beginning tax year 2028. Makes several decarbonization tax credits unconditionally available in all future tax years.

Sales and Use Tax: Exempts railroad construction and building materials from the state use tax beginning July 1, 2027. Extends the beetle-kill wood sales and use tax exemption through December 31, 2030. Removes the sales and use tax exemption for property used in space flight from January 1, 2027, through December 31, 2029.

Cigarette, Tobacco, and Nicotine Excise Taxes: Eliminates vendor allowances (ranging from 0.4% to 3.0%) for on-time remittance of cigarette, tobacco, and nicotine excise taxes beginning January 2027.

Motor Fuel and Special Fuel Taxes: Reduces the fuel loss allowance from 2.0% to 1.0% and eliminates the separate 0.5% collection/bad debt allowance beginning January 1, 2027.

General Fund Transfers: Reduces the July 1, 2026 General Fund transfer to the State Highway Fund from $50.5 million to $45.6 million, and reduces the annual July 1 transfer for 2027–2031 from $100.0 million to $96.4 million. ***The bill passed both chambers.***

SB26-116 Property Tax Modifications
Sponsor: Senator Weissman; Rep. Zokaie
Repeals the classification of qualified-senior primary residence properties after property tax year 2026. The bill also sets the business personal property tax exemption threshold in current law at $58,000 beginning for property tax year 2027 and repeals the biennial inflation adjustments to the threshold for each reassessment cycle that are required under current law. Lastly, the bill sets reimbursements for reduced property tax revenue related to business personal property tax exemptions for property tax year 2027 and future year to equal the amount reimbursed for property tax year 2026. ***The bill passed both chambers.***

Technology

HB26-1030 Data Center and Utility Modernization
Sponsors: Reps. Duran and Valdez; Senator Mullica
Would have created the "Colorado Data Center Workforce, Clean Energy, Grid Modernization, and Consumer and Environmental Protection Act." The bill would have established a new Colorado Data Center Development Authority within the Office of Economic Development to administer a data center development and incentive program, including the authority to issue sales tax exemption certifications. Lastly, the bill outlined qualifications for entities applying for sales tax exemptions including impact analyses from electric and water utility providers. ***The bill was postponed indefinitely.***

SB26-011 Search Warrants Provided to Covered Platforms
Sponsors: Senators Frizell and Roberts; Reps. Boesenecker and Caldwell
Requires operators of online platforms with at least one million monthly users to establish a streamlined process for Colorado law enforcement to execute search warrants for information associated with user accounts. The process must be available at all times, include a staffed hotline, acknowledge receipt of a search warrant within eight hours, and provide status updates on compliance. Operators have 72 hours to comply with search warrants. Failure to comply may result in a contempt of court finding, and the Attorney General or district attorneys may seek civil penalties of up to $5,000 per violation. ***The Governor signed the bill.***

SB26-102 Large Load Data Centers
Sponsor: Senator Kipp; Rep. Brown
Would have established accountability requirements for large-load data centers regarding development, utility contracts, environmental impact, operations, and location. A large-load data center was defined as new facilities with a peak load exceeding 30 megawatts. Required the Public Utilities Commission to determine by June 30, 2030, whether 100% hourly clean energy matching by large data centers is technically and economically feasible. Data centers would have been required to pay for their full share

of utility costs, including grid reliability and renewable energy integration expenses. ***The bill was postponed indefinitely.***

SB26-189 Automated Decision-Making Technology

Sponsors: Senators Coleman and Rodriguez; Reps. Duran and Bacon

Repeals and replaces the AI consumer protection provisions enacted in 2024 (SB24-205) with a restructured framework governing the use of "automated decision-making technology" (ADMT) in consequential decisions. "Consequential decisions" are defined as those affecting an individual's access to education, employment, housing, financial services, insurance, healthcare, or essential government services. Deployers must provide clear notice to consumers when ADMT is used, and must provide a plain-language explanation and appeals pathway when ADMT contributes to an adverse outcome. The Attorney General has exclusive enforcement authority under the Colorado Consumer Protection Act and must complete stakeholder rulemaking by January 1, 2027. Developers and deployers may be liable for violations of existing anti-discrimination law (including CADA), with fault allocated based on relative responsibility between them. The bill does not create a new private right of action. Routine technologies such as calculators, spell-checkers, and firewalls are expressly excluded. ***The bill passed both chambers.***

Transportation

SB26-150 Modernizing Regional Transportation District

Sponsors: Senators Ball and Jodeh; Reps. Froelich and Jackson

Undertakes significant governance reforms of the Regional Transportation District (RTD), implementing recommendations from the RTD Accountability Committee created by SB25-161. Key changes include: shrinking the RTD board from 15 elected members to 9 total members beginning January 1, 2029 — 5 elected by district voters and 4 appointed by the governor (2 from a list of nominees by the Denver Regional Council of Governments, 2 at the governor's discretion); redrawing director districts based on population and ridership; increasing non-chair board member salaries from $12,000 to $36,000 annually (inflation-adjusted), with the board chairperson receiving 150% of that amount; reducing quorum from 8 to 5 members; and requiring RTD to contract by December 31, 2027, with a third party to complete a comprehensive analysis of paratransit and disability services including a fiscal sustainability plan. Ballot candidates must now collect 1,000 petition signatures (up from 250). ***The bill passed both chambers.***

SB26-172 Front Range Passenger Rail District

Sponsors: Senators Hinrichsen and Kipp; Reps. Boesenecker and Paschal

Makes changes to the boundaries of the Front Range Passenger Rail District to include municipalities and metropolitan districts listed in the bill and any that elect to be a part of the district. Further, the bill requires that board members appointed on or after July 1, 2026, reside within the district, allows the board to establish subdistricts, and requires the Front Range Passenger Rail to conduct their elections at the same time as statewide general or coordinated elections and add ballot initiative information in the statewide blue book. ***The bill passed both chambers.***