Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1324: SUNSET DIVISION OF PROFESSIONS & OCCUPATIONS

Prime Sponsors:
Rep. McCormick; Gilchrist
Sen. Daugherty

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

Published for: House Health & Human Services
Drafting number: LLS 26-0370

Version: Initial Fiscal Note
Date: March 17, 2026

Fiscal note status: This fiscal note reflects the introduced bill.

Summary Information

Overview. The bill makes changes to various programs in the Division of Professions and Occupations in the Department of Regulatory Agencies, as recommended in the division's sunset review.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- Minimal State Workload

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out 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 Legislation

The bill makes several changes to the Division of Professions and Occupations (DPO) in the Department of Regulatory Agencies (DORA), as recommended in the division's sunset review. Specifically, the bill:

- allows a regulator to delegate authority for certain administrative tasks authorized through the policies of a board or commission to a designee at the regulator's discretion;

- extends the amount of time for a licensee who receives a letter of admonition to request a hearing from 20 to 25 days;

- authorizes the DPO to send correspondences to licensees electronically; and

- raises the amount of excise tax collected upon payment of license renewal fees and used for legal defense purposes from $1 to $2.

Background and Assumptions

Atypical Sunset Review

DORA conducted a sunset review of the DPO in accordance with the 10-year review schedule established in state law. However, unlike the standard sunset process, the DPO is not scheduled to repeal, thus, the fiscal note does not include continuation costs.

For informational purposes, the DPO was appropriated $24.0 million and 240.2 FTE in the 2025 Long Bill, and, as a cash-funded agency, collected the equivalent amount of revenue from approximately 340,000 regulated individuals and businesses.

Excise Tax Assumptions

Under Article X, Section 20 of the Colorado Constitution (TABOR), increases in tax rates require voter approval. Because the bill increases an existing tax rate without submitting the increase to the voters, this provision is assumed to be unenforceable. Therefore, the fiscal note assumes that the DPO will not implement the increased excise tax and that renewal fees will continue to include the existing $1 tax.

For informational purposes, if the provision were enacted and enforced as written, revenue in DORA would increase by about $298,000 in FY 2026-27 and $482,000 in FY 2027-28 based on current rates and a $1 increase.

State Expenditures

The bill minimally increases workload in DORA to conduct education and outreach to regulators and licensed professionals regarding the bill's provisions. Workload may also increase in the Office of Administrative Courts in the Department of Personnel and Administration and the Department of Law if additional licensees request, and are granted, a hearing related to disciplinary actions. This workload is expected to be minimal and no change in appropriations is required.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Law   Regulatory Agencies