



## Fiscal Note

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## HB 26-1054: PROTECTIONS FOR WORKER SAFETY

**Prime Sponsors:**

Rep. Rutinel; Velasco

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**Fiscal note status:** This revised fiscal note reflects the introduced bill, as amended by the House Business Affairs and Labor Committee. It has also been updated to reflect additional information about conditional costs.

### Summary Information

**Overview.** The bill creates state occupational health and safety regulations in the event standards under the federal Occupational Safety and Health Act are repealed.

**Types of impacts.** The bill may affect the following areas on an ongoing basis, conditional upon future federal action:

- State Revenue
- State Expenditures
- Local Government

**Appropriations.** No appropriation is required.

**Table 1**  
**Conditional State Fiscal Impacts**

Type of Impact	Budget Year FY 2026-27	Conditional Fiscal Year One	Conditional Fiscal Year Two
State Revenue	\$0	\$0	\$0
State Expenditures	\$0	\$808,617	\$1,060,689
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$0	\$0
Change in State FTE	0.0 FTE	5.6 FTE	8.7 FTE

Fund sources for these impacts are shown in the table below. The impacts of the bill are conditional upon future federal action. The fiscal note does not assume when or if that action will occur; therefore, if these impacts occur, costs will be addressed through the annual budget process.

**Table 1A  
 Conditional State Expenditures**

<b>Fund Source</b>	<b>Budget Year FY 2026-27</b>	<b>Conditional Fiscal Year One</b>	<b>Conditional Fiscal Year Two</b>
General Fund	\$0	\$674,768	\$863,877
Cash Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0
Centrally Appropriated	\$0	\$133,850	\$196,812
<b>Total Expenditures</b>	<b>\$0</b>	<b>\$808,617</b>	<b>\$1,060,689</b>
<b>Total FTE</b>	<b>0.0 FTE</b>	<b>5.6 FTE</b>	<b>8.7 FTE</b>

### Summary of Legislation

The bill creates state occupational health and safety regulations in the event standards under the federal Occupational Safety and Health (OSH) Act are repealed. In the event any federal standard is repealed after September 1, 2025, the CDLE is authorized to adopt, by rule, state standards that are as stringent or more stringent than the repealed federal standard. Under the bill, private sector employers have a general duty to maintain a safe workplace and comply with any statutory safety standards.

The bill authorizes the Attorney General to refer workplace health and safety concerns about any state standards adopted to relevant state and local authorities. The Attorney General, a labor organization, a worker organization, or an individual that is aggrieved by a violation of any state standard adopted may file a civil action for relief. The bill establishes remedies available to aggrieved parties, and includes a penalty of up to \$1,000 for a violation, up to \$10,000 for subsequent violations, and up to \$70,000 for willful violations. These penalties are credited to the new Workplace Health and Safety Fund in the CDLE. The fund is continuously appropriated to the CDLE, including for the purpose of rulemaking, public outreach, and any necessary enforcement actions.

Finally, the bill makes conforming amendments such that the procedures for violations under this bill are distinct from other procedures for violations of labor laws.

### Assumptions

The fiscal note assumes that the current federal OSH Act and Occupational Health and Safety Administration (OSHA) will remain in effect. However, in the event the law or any individual standard is repealed, the bill will increase state revenue and expenditures. The estimates in this fiscal note represent the total cost of replacing OSHA with state level regulation of occupational

safety. All estimates use data for FY 2026-27 and FY 2027-28; the cost to implement the bill after these dates will be higher.

## State Revenue

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The bill may increase state revenue from civil penalties and filing fees as discussed below.

### Civil Penalties

The bill may increase state revenue from civil penalties to the newly created Workplace Health and Safety Fund in the CDLE. Violations may be subject to penalties of up to \$1,000, \$10,000, or \$70,000. This revenue would be subject to TABOR. Given the uncertainty about the number of cases that may be pursued, as well as the wide range in potential penalty amounts, the fiscal note cannot estimate the potential impact of these civil penalties.

### Filing Fees

The bill may increase revenue to the Judicial Department from an increase in civil case filings. Revenue from filing fees is subject to TABOR.

## State Expenditures

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The bill conditionally increases state expenditures in the CDLE by about \$810,000 in the first fiscal year following the modification of the OSH Act and by about \$1.1 million in the second fiscal year and ongoing. These costs, paid from the General Fund, are summarized in Table 2 and discussed below. The bill also minimally affects workload in the Department of Law (DOL) and the Judicial Department.

**Table 2**  
**Conditional State Expenditures**  
**Department of Labor and Employment**

<b>Cost Component</b>	<b>Budget Year FY 2026-27</b>	<b>Conditional Fiscal Year One</b>	<b>Conditional Fiscal Year Two</b>
Personal Services	\$0	\$566,034	\$759,686
Operating Expenses	\$0	\$7,168	\$11,136
Capital Outlay Costs	\$0	\$42,000	\$49,000
Additional Staff and Program Costs	\$0	\$59,566	\$44,055
Centrally Appropriated Costs	\$0	\$133,850	\$196,812
<b>Total Costs</b>	<b>\$0</b>	<b>\$808,617</b>	<b>\$1,060,689</b>
<b>Total FTE</b>	<b>0.0 FTE</b>	<b>5.6 FTE</b>	<b>8.7 FTE</b>

## Department of Labor and Employment

The CDLE will have staff costs beginning in the first fiscal year after any conditional federal action occurs eliminating or weakening the federal OSH Act.

### Staff

The CDLE requires staff to develop workplace safety standards and take other necessary actions if and when the CDLE becomes responsible for developing standards. In the first year, staff will gain expertise on the current OSH Act standards and begin implementation of state standards through rulemaking. In the second year, staff will be needed to investigate violations of adopted rules and standards and monitor further changes in OSH Act standards. Costs include standard operating and capital outlay costs, and reflect a full fiscal year.

If the CDLE receives workplace health and safety complaints while current federal standards remain in effect, the fiscal note assumes that the CDLE will continue to direct individuals to appropriate federal authorities rather than refer them to state or local agencies, as it does currently. This may result in a minimal increase in workload, but no change in appropriations is required.

### Additional Staff Costs

Beyond standard costs, the CDLE requires funding for staff to attend OSH Act trainings to acquire initial expertise on OSH Act standards, specialized software subscriptions, and other staff and program costs. In the second fiscal year, one-time costs for OSH Act training and expertise acquisition are removed and the total amount reflects ongoing program costs.

## Department of Law

Workload in the DOL may minimally increase if violations of the bill occur and the Attorney General pursues enforcement actions. The DOL will review complaints and prioritize enforcement as necessary within the overall number of complaints received and available resources.

## Judicial Department

The trial courts in the Judicial Department may have an increase in civil cases filed if violations occur. It is assumed that most employers will follow workplace health and safety standards and that any violation will result in a minimal number of new cases. The fiscal note assumes that any increase in appropriations will be addressed through the annual budget process.

## **Centrally Appropriated Costs**

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which may include employee insurance, supplemental employee retirement payments, indirect cost assessments, and other costs, are shown in Table 2 above.

## **Local Government**

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If violations occur, appropriate local government agencies may have an increase in workload to investigate complaints and take necessary enforcement actions.

## **Effective Date**

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The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

## **Departmental Difference**

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The CDLE estimates that the bill requires a General Fund appropriation of \$101,048 and 0.8 FTE for FY 2026-27, with \$32,920 General Fund and 0.3 FTE for FY 2027-28 and future years. This is based on the assumption that the CDLE must immediately acquire subject matter expertise to determine if changes to the OSH Act prompt a response by the CDLE to develop a state standard.

The fiscal note does not include these costs based on several assumptions. First, it is assumed that no repeal of an OSH Act standard will occur in the immediate future. Second, if a provision or standard of the OSH Act is repealed, such an event will receive significant attention from the media, members of the public, and policy makers. Therefore, the CDLE does not require additional staff to determine that this event has occurred and the implications of the repeal. Finally, although the bill creates a duty for the CDLE to adopt a state standard should a repeal occur, this duty will only materialize based on future federal action and thus is best addressed through the annual budget process, informed by the conditional estimates included in this fiscal note.

**State and Local Government Contacts**

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Judicial

Personnel

Labor

Treasury

Law

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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).