



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 26-091: EXCLUSION OF NEWSPAPER DELIVERERS AS EMPLOYEES

Prime Sponsors:

Sen. Snyder; Cutter
Rep. Soper

Fiscal Analyst:

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

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Fiscal note status: This revised fiscal note reflects the reengrossed bill.

Summary Information

Overview. The bill requires the employee status of newspaper deliverers to be determined based on certain conditions.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis starting in FY 2026-27:

- Minimal State Revenue
- State Expenditures

Appropriations. For FY 2026-27, the bill requires an appropriation of \$32,536 to the Department of Labor and Employment. The bill does not currently include an appropriation.

**Table 1
State Fiscal Impacts**

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	\$39,912	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.3 FTE	0.0 FTE

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

**Table 1A
 State Expenditures**

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28
General Fund	\$32,536	\$0
Cash Funds	\$0	\$0
Federal Funds	\$0	\$0
Centrally Appropriated	\$7,376	\$0
Total Expenditures	\$39,912	\$0
Total FTE	0.3 FTE	0.0 FTE

**Table 1B
 Comparison of LCS Fiscal Note Estimate and
 FY 2026-27 Appropriations Included in Bill**

Department	LCS Estimate	Current Appropriation	Difference
Department of Labor and Employment	\$32,536	\$0	-\$32,536
Total Appropriations	\$32,536	\$0	-\$32,536

Note: Fiscal notes reflect the nonpartisan fiscal assessment of Legislative Council Staff. However, fiscal notes are decision-making tools for the General Assembly and it is the General Assembly that determines how much funding is appropriated to state agencies. Table 1B highlights the differences between the LCS estimate identified in this fiscal note and appropriation decisions made by the General Assembly for the bill thus far in the legislative process.

Summary of Legislation

Under current law, an individual is considered an employee for the purposes of unemployment insurance if they perform any service for another person, unless the Colorado Department of Labor and Employment (CDLE) determines that the individual is an independent contractor and free from control and direction in the performance of their service. This is known as the "independent contractor test."

The bill modifies this test specifically for newspaper deliverers by excluding operational requirements, such as the assignment of a pickup location and delivery route, or application of safety or customer privacy standards, from consideration. The absence of a business registration for a newspaper deliverer, or similar criteria, does not preclude a determination that they are an independent contractor. The application of the independent contractor test to other forms of employment is unaffected.

Finally, the bill modifies the definition of “employee” for the purposes of state law related to wages, such that the employee status of newspaper deliverers must be determined according to the independent contractor test for these individuals, as modified by the bill.

State Revenue

Starting in FY 2026-27, the bill may minimally increase state revenue in the Judicial Department from filing fees if deliverers choose to file a civil case for contract disputes, since other administrative dispute resolution processes available under current law would no longer apply. Given the narrow set of individuals to which the bill applies, and an assumption that most businesses will follow the law, any increase in state revenue is expected to be minimal. Revenue from filing fees is subject to TABOR.

State Expenditures

The bill increases state expenditures in the Department of Labor and Employment (CDLE) by about \$40,000 in FY 2026-27 only. These costs, paid from the General Fund, are summarized in Table 2 and discussed below. The bill also minimally affects workload in the Judicial Department.

Table 2
State Expenditures
Department of Labor and Employment

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28
Personal Services	\$32,536	\$0
Centrally Appropriated Costs	\$7,376	\$0
Total Costs	\$39,912	\$0
Total FTE	0.3 FTE	0.0 FTE

Department of Labor and Employment

The department requires 0.3 FTE Policy Advisor VI in FY 2026-27 only to implement the bill. The CDLE will need to make one-time updates to two sets of rules to reflect the changes to the definition of employee, namely the [Colorado Overtime and Minimum Pay Standards Order \(COMPS Order\)](#) and the [Wage Protection Rules](#). CDLE will also update various sets of published guidance related to labor laws and regulations, and handle increased inquiries from affected parties. This work is expected to take around 720 hours of staff time.

Judicial Department

Similar to the State Revenue impact, workload in the trial courts of the Judicial Department may minimally increase starting in FY 2026-27 if deliverers choose to pursue a civil case for grievances, since other administrative dispute resolution processes available to them under current law would no longer apply. No change in appropriations is required.

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.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed, and applies to services provided on or after this date.

State Appropriations

For FY 2026-27, the bill requires a General Fund appropriation of \$32,536 to the Department of Labor and Employment, and 0.3 FTE. The bill does not currently include an appropriation.

Departmental Difference

The CDLE estimates that the bill requires a General Fund appropriation of \$43,382 and 0.4 FTE for FY 2026-27. The fiscal note assumes that this work can be accomplished in slightly fewer hours of staff time.

State and Local Government Contacts

Judicial

Labor

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](#).