HB 26-1273

Fiscal Note

Legislative Council Staff

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HB 26-1273: TRANSP NETWORK CO MAXIMUM PERCENT FARE RETENTION

Prime Sponsors:
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Sen. Cutter; Wallace

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Fiscal note status: The revised fiscal note reflects the introduced bill, as amended by the House Business Affairs and Labor Committee and the House Appropriations Committee.

Summary Information

Overview. The bill prohibits a transportation network company from retaining more than 20 percent of a consumer fare for any transportation task.

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

- Minimal State Revenue
- State Expenditures

Appropriations. For FY 2026-27, the bill requires a decrease in appropriations of $5,508 to the Department of Labor and Employment. It currently includes a decrease of $16,343.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	$0	$0
State Expenditures	-$6,020	-$16,314
Transferred Funds	$0	$0
Change in TABOR Refunds	$0	$0
Change in State FTE	-0.1 FTE	-0.1 FTE

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

Table 1A
State Expenditures

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28
General Fund	-$5,508	-$13,599
Cash Funds	$0	$0
Federal Funds	$0	$0
Centrally Appropriated	-$512	-$2,715
Total Expenditures	**-$6,020**	**-$16,314**
Total FTE	**-0.1 FTE**	**-0.1 FTE**

Summary of Legislation

The bill prohibits a transportation network company (TNC) from retaining more than 20 percent of a consumer fare—excluding tips and pass-throughs such as toll payments—for any transportation task. In addition, a TNC cannot impose a fee on a driver unless the take amount plus the percentage amount of the fee does not exceed 20 percent of the consumer fare paid for the transportation task.

Under current law, TNCs are required to make semiannual disclosures to the Division of Labor Standards and Statistics on consumer payments for transportation tasks. The bill makes the disclosures annual rather than semiannual, and requires TNCs to include information on certain taxes and fees, take rates, and take amounts as part of a disclosure. The bill also requires a hearing officer to adjudicate appeals of DLSS decisions concerning complaints against TNCs.

Background

The Public Utilities Commission is the primary regulator of TNCs; however, the Department of Labor Standards and Statistics (DLSS) in the Department of Labor and Employment (CDLE) enforces TNC transparency provisions affected by this bill, which were initially established in Senate Bill 24-075.

State Revenue

The bill may increase state revenue to the General Fund from fines collected from TNCs. Overall, any revenue is expected to be minimal, as the Colorado Wage Act encourages the DLSS to waive most fines assessed against employers if the employer becomes compliant with the law. Any revenue from court filing fees is also expected to be minimal, and any new revenue is subject to TABOR.

State Expenditures

The bill decreases state expenditures on net in the CDLE by about $6,000 in FY 2026-27 and $16,000 in FY 2027-28 and future years. These costs, paid from the General Fund, are summarized in Table 2 and discussed below.

Table 2
State Expenditures
Department of Labor and Employment

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28
Personal Services	-$5,508	-$13,599
Operating Expenses	$0	$0
Capital Outlay Costs	$0	$0
Centrally Appropriated Costs	-$512	-$2,715
Total Costs	**-$6,020**	**-$16,314**
Total FTE	**-0.1 FTE**	**-0.1 FTE**

Department of Labor and Employment

On net, the bill decreases staffing costs in the DLSS in the CDLE by 0.1 FTE in FY 2026-27 and ongoing years. By changing TNC disclosure requirements from semiannual to annual, the bill reduces the existing workload of a policy advisor by 0.4 FTE. The bill also reduces existing compliance investigator workload by 0.1 FTE beginning in FY 2027-28 by modifying the appeals process to have certain appeals adjudicated by a hearing officer.

At the same time, the DLSS requires 0.4 FTE in FY 2026-27 and 0.5 FTE in FY 2027-28 and future years for staff to implement and enforce the bill. This includes 0.1 FTE in FY 2026-27 and 0.2 FTE in subsequent years for a policy advisor to oversee rulemaking and make updates to public guidance. The DLSS also requires 0.2 FTE annually for a compliance investigator to investigate take rate complaints and collaborate with the policy advisor on rulemaking. First-year costs are prorated to reflect a September 2026 start date.

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.

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Effective Date

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

State Appropriations

As amended, the bill currently includes a reduction in General Fund appropriations of $16,343 to the Department of Labor and Employment, and a decrease of 0.1 FTE for FY 2026-27; however, the bill requires a reduction in General Fund appropriations of $5,508 and a decrease of 0.1 FTE.

State and Local Government Contacts

Personnel	Labor	Regulatory Agencies