



# Fiscal Note

## Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

### HB 26-1043: TRANS NETWORK CO DISCRIMINATORY PRACTICES

**Prime Sponsors:**

Rep. Rydin

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### Summary Information

**Overview.** The bill increases the maximum penalty for transportation network companies that fail to address violations of discrimination prohibitions, and establishes new reporting requirements.

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

• State Revenue	State Expenditures
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**Appropriations.** No appropriation is required as the Transportation Network Company Fund is continuously appropriated to the Department of Regulatory Agencies.

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

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$65,309	\$72,099
State Expenditures	\$65,309	\$72,099
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$65,309	\$72,099
Change in State FTE	0.4 FTE	0.5 FTE

Fund sources for these impacts are in the tables below.

**Table 1A**  
**State Revenue**

<b>Fund Source</b>	<b>Budget Year</b> <b>FY 2026-27</b>	<b>Out Year</b> <b>FY 2027-28</b>
General Fund	\$0	\$0
Cash Funds	\$65,309	\$72,099
<b>Total Revenue</b>	<b>\$65,309</b>	<b>\$72,099</b>

**Table 1B**  
**State Expenditures**

<b>Fund Source</b>	<b>Budget Year</b> <b>FY 2026-27</b>	<b>Out Year</b> <b>FY 2027-28</b>
General Fund	\$50,894	\$54,867
Cash Funds	\$0	\$0
Federal Funds	\$0	\$0
Centrally Appropriated	\$14,416	\$17,232
<b>Total Expenditures</b>	<b>\$65,309</b>	<b>\$72,099</b>
<b>Total FTE</b>	<b>0.4 FTE</b>	<b>0.5 FTE</b>

## **Summary of Legislation**

Under current law, the Public Utilities Commission (PUC) in the Department of Regulatory Agencies (DORA) may assess a transportation network company (TNC) a civil penalty of up to \$550 if the TNC failed to reasonably address a violation of certain discrimination prohibitions by a driver, as long as the TNC had written notice of the violation. The bill increases the maximum civil penalty to \$5,000 and removes the requirement that the TNC have written notice of the violation before a penalty may be assessed.

The bill also requires a TNC to provide monthly, rather than annual, reports to the PUC on drivers' refusal to provide services. A TNC must allow consumers to report driver violations on the TNC's digital platform, and included any reports received in the TNC's monthly report. The PUC is required to anonymize this data before making it available to the public.

## **State Revenue**

The bill increases state revenue by about \$65,000 in FY 2026-27 and \$72,000 in 2027-28 and ongoing years to cover the PUC's administrative costs discussed below. Revenue is credit to the TNC Fund. The bill may also increase state General Fund revenue from civil penalties. These impacts are shown in Table 2 and described below.

## **Fee Impact on Transportation Network Companies**

Legislative Council Staff is required to estimate the fee impact of bills that create or increase any fee collected by a state agency. These fee amounts are estimates only, actual fees will be set administratively by the PUC. This fee revenue is subject to TABOR.

**Table 2**  
**Fee Impact on TNCs**

<b>Fiscal Year</b>	<b>Type of Fee</b>	<b>Estimated Fee</b>	<b>Number Affected</b>	<b>Total Fee Impact</b>
FY 2026-27	TNC Annual Licensing Fee	\$21,770	3	\$65,309
FY 2027-28	TNC Annual Licensing Fee	\$24,033	3	\$72,099

## **Civil Penalties**

By increasing civil penalties to TNCs for failing to reasonably address a violation of certain discrimination prohibitions, the bill may increase state General Fund revenue starting in FY 2026-27. Given the uncertainty about how much the PUC will assess in civil penalties, the fiscal note cannot estimate this impact. Civil penalties are not subject to TABOR.

## **State Expenditures**

The bill increases state expenditures in the PUC by about \$65,000 in FY 2026-27 and \$72,000 in 2027-28 and ongoing years. These costs, paid from the General Fund, are shown in Table 2 and described below.

**Table 2**  
**State Expenditures**  
**Public Utilities Commission**

<b>Fund Source</b>	<b>Budget Year</b> <b>FY 2026-27</b>	<b>Out Year</b> <b>FY 2027-28</b>
Personal Services	\$43,382	\$54,227
Operating Expenses	\$512	\$640
Capital Outlay Costs	\$7,000	\$0
Centrally Appropriated	\$14,416	\$17,232
<b>Total Expenditures</b>	<b>\$65,309</b>	<b>\$72,099</b>
<b>Total FTE</b>	<b>0.4 FTE</b>	<b>0.5 FTE</b>

## Public Utilities Commission

The PUC requires additional staff to manage civil penalty enforcement.

### Staff

The bill increases expenditures in the PUC by 0.5 FTE beginning in FY 2026-27 for an administrative law judge to administer the adjudication of civil penalty assessment notice actions. First-year costs assume a September 2026 start date, and capital outlay and operating costs are included.

The bill also increases workload for PUC staff to process and review TNC reports at a greater frequency than under current law, issue additional civil penalties to TNCs as necessary, and adjust PUC rules and regulations. This workload impact is absorbable with existing resources.

### Legal Services

The PUC may require legal services, provided by the Department of Law, to address any contested civil penalty assessment notices. The fiscal note assumes these costs are absorbable within existing legal services resources, and if additional legal resources are required, it 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.

## TABOR Refunds

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The bill will increase the amount of state revenue required to be refunded to taxpayers in FY 2026-27 by about \$65,000 in FY 2026-27 and \$72,000 in 2027-28. This estimate assumes the December 2025 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2027-28. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will reduce the amount of General Fund available to spend or save in FY 2026-27, FY 2027-28, and any future years when the state is over its revenue limit.

## **Effective Date**

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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**

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Judicial

Regulatory Agencies

Law

Treasury