



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1037: BAN GOV PURCHASE OF PERSONAL DATA FROM THIRD PARTY

Prime Sponsors:

Rep. Bacon; DeGraaf
Sen. Cutter

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

Summary Information

Overview. The bill prohibits law enforcement and other government entities from obtaining or sharing personal data on third-party platforms in exchange for anything of value, with certain exceptions.

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

- State Revenue
- State Expenditures
- Local Government

Appropriations. For FY 2026-27, the bill requires appropriations totaling \$334,689 to multiple state agencies; see State Appropriations section.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	Potential decrease	Potential decrease
State Expenditures	\$407,010	\$386,010
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	3.0 FTE	3.0 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	\$334,689	\$313,689
Cash Funds	\$0	\$0
Federal Funds	\$0	\$0
Centrally Appropriated	\$72,321	\$72,321
Total Expenditures	\$407,010	\$386,010
Total FTE	3.0 FTE	3.0 FTE

Summary of Legislation

The bill prohibits law enforcement and other government entities from obtaining or sharing personal data on third-party platforms in connection with a criminal, civil, or other investigatory or enforcement activity, with certain exceptions including when:

- a law enforcement entity has obtained a valid warrant, subpoena, or court order for the personal data of a specific individual;
- a law enforcement entity asserts in good faith that an emergency situation exists that involves the risk of death or serious bodily injury and requires immediate disclosure;
- personal data is lawfully made available to the public through government records or widely distributed media;
- personal data pertains to a specific individual, was voluntarily made available to the public by the individual, and was obtained in compliance with all applicable laws, regulations, contracts, privacy policies, and terms of service;
- a person intends for a law enforcement entity to receive their personal data as evidenced by express, case-specific consent;
- a person provides express, case-specific consent for a third party to provide personal data to a law enforcement entity;
- personal data is provided to or by the National Center for Missing and Exploited Children or its successor and is related to an investigation involving a missing or exploited child; or
- a person makes their personal data publicly available even if a law enforcement entity purchases this data from a third party.

Violations

A person whose data was handled in violation of the bill is allowed to bring a civil case and seek reasonable attorney fees.

Background and Assumptions

Three state agencies have functions that are directly impacted by the bill; the Department of Public Safety (CDPS), the Department of Revenue (DOR), and the Judicial Department. The following sections provide background and assumptions for these agencies, and other state agencies less directly impacted by the bill.

Department of Public Safety

The CDPS operates the [Colorado Information Analysis Center](#) (CIAC, pronounced like “kayak”), which gathers, analyzes, and shares threat-related information among education and critical infrastructure operators, and local, tribal, and federal governments. As part of these operations, the CIAC subscribes to six third-party platforms to collect threat related information; these platforms are vetted by the CIAC and are reported to use best practice privacy controls, contractual limitations, and encrypted information sharing for continuous monitoring of open-source venues.

Department of Revenue

All divisions within the DOR employ Peace Officer Standards and Training (POST)-certified peace officers. These officers regularly use various third-party data sources when performing their work, and also obtain data from other government agencies. Additionally, the Division of Motor Vehicles (DMV) is required to sell driver and vehicle records to government agencies and commercial vendors through the Bulk Electronic Data Vending Program under current law. The DMV also uses external data systems to validate customer information when processing driver and vehicle credentials.

Judicial Department

Probation officers in the Judicial Department are peace officers and can be considered a law enforcement entity under the bill. As part of their duties, probation officers regularly receive and share personal data about individuals on probation through third-party platforms. Additionally, the department’s collections program uses personal information acquired through third-party platforms and other government entities to collect restitution for victims and other court assessments.

Assumed Impacts to the CDPS, DOR, and Judicial Department

Based on available information, the current use of third-party platforms and personal data by the CDPS, the DOR, and the Judicial Department likely fall under the exceptions provided by the bill. However, given the high volume of data handled by the departments and the complex

interaction of the bill's requirements with current operations, the fiscal note assumes these departments will require additional staff and resources to ensure the bill is implemented as required. However, the fiscal note does not assume that the bill requires a complete cessation of data exchange via third-party platforms. Additionally, the bill could potentially decrease state revenue in the DOR if it sells to fewer groups through the Bulk Electronic Data Vending Program, and if the Judicial Department collects less in court assessments than under current law.

Impacts to Other State Agencies

Other state agencies—including the Department of Law (DOL), the Department of Personnel and Administration (DPA), the Department of Natural Resources (DNR), and institutions of higher education—will be impacted by the bill. However, it is assumed that these agencies will not have a significant near-term fiscal impact and that any workload increase can be handled within existing appropriations. Should additional resources be required, these agencies can request and justify them as necessary through the annual budget process.

State Revenue

Starting in FY 2026-27, the bill may minimally increase state revenue in the Judicial Department from filing fees if violations occur and injured persons bring suits. It is assumed that law enforcement and other government entities will follow the law, and so any increase in state revenue will be minimal. Revenue from filing fees is subject to TABOR.

Additionally, the bill may decrease state revenue if the DOR is required to sell to fewer groups through the Bulk Electronic Data Vending program or if the Judicial Department cannot collect court assessments at the same level as under current law. The fiscal note assumes current law requirements for DOR and exceptions in the bill for Judicial Department collections processes are in compliance with the bill's requirements, and any impact will be minimal.

State Expenditures

The bill increases state expenditures by at least \$410,000 in FY 2026-27 and \$390,000 in FY 2027-28 and future years. These costs will be incurred in the Department of Public Safety (CDPS), the Department of Revenue (DOR), and the Judicial Department as shown in Table 2 and described in the sections below. Costs are paid from the General Fund. The bill also impacts workload in other state agencies.

**Table 2
State Expenditures
All Departments**

Department	Budget Year FY 2026-27	Out Year FY 2027-28
Department of Public Safety	\$135,670	\$128,670
Department of Revenue	\$135,670	\$128,670
Judicial Department	\$135,670	\$128,670
Total Costs	\$407,010	\$386,010
Total FTE	3.0 FTE	3.0 FTE

Staff for the CDPS, the DOR, and the Judicial Department

The fiscal note assumes that CDPS, DOR, and the Judicial Department each require 1.0 FTE Policy Advisor V to ensure that operations remain compliant with the bill. Staff will perform an initial assessment and evaluation of data governance and provide ongoing support. Amounts include standard operating and capital outlay costs and are prorated for a July 1, 2026, start date.

**Table 2A
State Expenditures
Per Agency**

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28
Personal Services	\$103,283	\$103,283
Operating Expenses	\$1,280	\$1,280
Capital Outlay Costs	\$7,000	\$0
Centrally Appropriated Costs	\$24,107	\$24,107
Total Costs	\$135,670	\$128,670
Total FTE	1.0 FTE	1.0 FTE

Other State Agency Impacts

As stated in the Background and Assumptions section, the bill will increase workload in other state agencies, including the DOL, the DPA, the DNR, and institutions of higher education. If a change in appropriations is 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 the tables above.

Local Government

Similar to the state, the bill will increase workload and potentially expenditures in units of local government and local law enforcement agencies. The exact impact will vary by jurisdiction.

Effective Date

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

State Appropriations

For FY 2026-27, the bill requires the following General Fund appropriations:

- \$111,563 to the Department of Public Safety, and 1.0 FTE;
- \$111,563 to the Department of Revenue, and 1.0 FTE; and
- \$111,563 to the Judicial Department, and 1.0 FTE.

Departmental Difference

The CDPS, the DOR, and the Judicial Department estimate that the bill will have state revenue and expenditure impacts as discussed and shown in the tables below.

Table 3
State Revenue
Estimated by Departments

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28
Highway Users Tax Fund – DOR	-\$1,050,000	-\$1,155,000
Judicial Collections Revenue	-\$60,000,000	-\$60,000,000
Total Revenue	-\$61,050,000	-\$61,155,000

**Table 4
State Expenditures
Estimated by Departments**

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28
Department of Public Safety	\$834,786	\$757,786
Department of Revenue	\$15,877,829	\$12,852,237
Judicial Department	\$411,644	\$151,366
Total Costs	\$17,124,259	\$13,761,389
Total FTE	174.6 FTE	174.6 FTE

These expenditure impacts would require the following General Fund appropriations for FY 2026-27:

- \$613,749 to the Department of Public Safety, and 11.0 FTE;
- \$15,877,829 to the Department of Revenue, and 162.6 FTE; and
- \$385,606 to the Judicial Department, and 1.0 FTE.

Each agency assumes that the bill would require complete cessation of personal data exchange via third-party platforms in their programs, which would require manual sourcing and validation of personal data and thus increase staff costs and decrease state revenue.

As discussed in the Background and Assumptions section, the fiscal note acknowledges that the bill will impact these agencies' operations, increase workload, and potentially impact revenue. However, based on the exceptions provided in the bill, the fiscal note assumes that agencies can continue to use third-party platforms to exchange personal data and will need additional staff to ensure implementation is compliant with the bill's requirements. Therefore, the fiscal note does not include an appropriation for the impacts identified by these departments.

State and Local Government Contacts

Corrections	Judicial	Public Defender
Higher Education	Law	Public Safety
Information Technology	Natural Resources	Revenue

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](#).