



## Fiscal Note

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## HB 26-1143: NON-EMPL EDUC OPPORTUNITIES BACKGROUND CHECK

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**Prime Sponsors:**

Rep. Ricks; Joseph  
Sen. Weissman

**Fiscal Analyst:**

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### Summary Information

**Overview.** The bill requires certain entities to accept tax identification numbers for background checks.**Types of impacts.** The bill is projected to affect the following areas on an ongoing basis:

- Minimal State Revenue
- State Expenditures
- School Districts

**Appropriations.** No appropriation is required.

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

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures (Cash Funds)	up to \$100,000	up to \$100,000
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Cash Fund expenditures reflect spending by institutions of higher education using institutional revenue from tuition and fees.

## **Summary of Legislation**

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The bill requires higher education institutions, nonprofits, K-12 schools, and certain health care entities to accept individual taxpayer identification numbers in lieu of a social security number if the entity requires a background check for a non-employment based educational opportunity, unless certain exceptions are met. Entities that fail to comply are subject to a civil fine—\$2,000 for first offense and \$5,000 for any subsequent violation—enforced by the Attorney General and deposited to the Immigration Legal Defense Cash Fund.

## **State Revenue**

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

### **Civil Penalties**

The bill may increase state revenue to the Immigration Legal Defense Cash Fund to the extent civil penalties are assessed. The fiscal note assumes that impacted entities will comply with the law and any revenue increase will be minimal. This revenue is classified as a damage award and not subject to TABOR.

### **Filing Fees**

Additionally, the bill may increase revenue to the Judicial Department if additional cases are filed as a result of the bill. Revenue from filing fees is subject to TABOR.

## **State Expenditures**

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The bill increases workload to the Department of Law and increases expenditures in certain higher education institutions by up to \$100,000 per year starting in FY 2026-27, as described below.

### **Department of Law**

The bill increases workload to enforce the provisions of the bill. This workload can be accomplished within existing appropriations.

### **Institutions of Higher Education**

Expenditures for certain institutions of higher education will increase up to \$100,000 annually. Specifically, the bill will require the University of Colorado system, University of Northern Colorado, and potentially other institutions to modify existing contracts with background check vendors to accommodate the use of taxpayer identification numbers in situations covered by

the bill. The exact costs will depend on the number of background checks and the terms of contracts with vendors. Institutions of higher education are funded through tuition and student fees.

## **School Districts**

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To the extent school districts need to update background check vendors or systems, expenditures to the school district will increase to conduct background checks via taxpayer identification number. The exact cost will depend on the district and whether it is currently able to conduct background checks using taxpayer identification numbers.

## **Effective Date**

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The bill takes effect upon signature of the Governor, or upon becoming law without his signature, and applies to contracts entered into and background checks requested on or after this date.

## **State and Local Government Contacts**

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Education	Law
Higher Education	Public Health and Environment
Judicial	Public Safety
Labor	Regulatory Agencies

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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](#).