



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1115: PREPAID WIRELESS TELECOM SERVICES MODIFICATIONS

Prime Sponsors:

Rep. Boesenecker; Stewart K.

Sen. Roberts; Bright

Fiscal Analyst:

Josh Abram, 303-866-3561

josh.abram@coleg.gov

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

Summary Information

Overview. The bill modifies the laws implementing the prepaid wireless 911 charge, the prepaid wireless 988 charge, and the prepaid wireless telephone disability access charge.

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

- State Revenue
- State Expenditures

Appropriations. The bill requires an appropriation of \$11,537 to the Department of Revenue.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures (General Fund)	\$11,537	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

Colorado imposes three charges on all retail sales of prepaid wireless telecommunication services: a prepaid wireless 911 charge, a prepaid wireless 988 charge, and a prepaid wireless telephone disability access charge. The bill makes various modifications to the laws implementing the three prepaid wireless telecommunication services. Notable among its changes, the bill:

- modifies the definition of “prepaid wireless communications services” to include a wireless service that is paid in advance or sold in predetermined units of time or money that decline with use, or provide unlimited service for a fixed amount of time;
- aligns the 988 prepaid wireless charge with other telecom charges in the list of taxes or fees administered by the Department of Revenue;
- allows for the electronic filing and payment of the 988 charge;
- imposes the prepaid wireless 988 surcharge on affected providers in the same manner as the prepaid wireless 911 charge;
- exempts 988 charges for federally supported lifeline services; and
- makes conforming amendments.

Background

The Department of Revenue collects [prepaid wireless charges](#) to support 911 services, the 988 crisis hotline, and telephone disability access services. These fees are charged on a per transaction basis and are \$2.23 for 911 services, \$0.30 for the 988 hotline, and \$0.08 for telephone disability access services. 911 service fee revenue is set by the PUC and supports local 911 providers. The 988 crisis hotline is operated by the 988 Crisis Hotline Enterprise in the Behavioral Health Administration. Telephone disability access services are provided by the Communication Services for People with Disabilities Enterprise in the Department of Human Services.

In June 2025, the Department of Revenue (DOR) issued a [private letter ruling](#) stating that prepaid wireless plans with unlimited voice usage are exempt from prepaid wireless fees based on existing statutory definitions. This ruling will decrease state revenue relative to prior levels, with the exact impact depending on the number of plans offering unlimited voice minutes and the applicability of the ruling to other prepaid wireless providers.

State Revenue

The bill increases state revenue by clarifying the applicability of prepaid wireless fees on plans offering unlimited voice minutes. This is expected to maintain fee revenue from prepaid wireless plans for 911 services, the 988 hotline, and telephone disability access services at the levels that existed prior to the July 2025 ruling. The exact revenue change is indeterminate at this time, but this fiscal note will be updated if additional information on revenue trends following the DOR ruling becomes available. 911 fee revenue is subject to TABOR, whereas 988 hotline and disability access services are exempt enterprise revenue.

State Expenditures

Department of Revenue

The bill increases costs in the DOR by \$11,537 in FY 2026-27 only, paid from the General Fund. These costs are for GenTax programming, testing, and form changes to allow for reporting federally supported lifeline service transactions exempted from 988 charges. Tax form and paper return processing are purchased services from the Department of Personnel and Administration. State expenditures in the DOR are displayed in Table 2.

Table 2
State Expenditures
Department of Revenue

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28
Gen Tax Programming	\$1,954	\$0
Business User Acceptance Testing	\$1,599	\$0
Executive Director Office Testing	\$3,198	\$0
Tax Form and Paper Return Processing	\$4,786	\$0
Total Costs	\$11,537	\$0

Public Utilities Commission

The bill minimally increases workload in the Public Utilities Commission to adjust information, guidance, and reporting on these fees. The bill will also maintain previously expected revenue and spending levels by the 988 Crisis Hotline Enterprise and the Communication Services for People with Disabilities Enterprise. No change in appropriation is required.

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 an appropriation of \$11,537 General Fund to the Department of Revenue. Of this amount, \$4,786 is reappropriated to the Department of Personnel and Administration.

State and Local Government Contacts

Behavioral Health Administration

Municipalities

Counties

Regulatory Agencies

Human Services

Revenue

Local Affairs