



## Fiscal Note

### Legislative Council Staff

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## HB 26-1265: LAW ENFORCE NATL ELEC TRACING SYS & SHARE PROGRAM

**Prime Sponsors:**

Rep. Rutinel; Clifford  
Sen. Wallace

**Fiscal Analyst:**

Clayton Mayfield, 303-866-5851  
clayton.mayfield@coleg.gov

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**Fiscal note status:** This revised fiscal note reflects the introduced bill, as amended by the House State, Civic, Military, and Veterans Affairs Committee.

### Summary Information

**Overview.** The bill requires law enforcement agencies to register for the federal eTrace system and submit recovered firearms to the system.

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

- Minimal State Workload
- Local Government

**Appropriations.** No appropriation is required.

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

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

## Summary of Legislation

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The bill requires law enforcement agencies in the state to register for the eTrace system maintained by the federal Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF) by September 1, 2026, except for agencies that use eTrace through a preexisting relationship with another agency. Agencies are required to submit firearms to the eTrace system when recovering or confiscating firearms in connection with a criminal investigation. Submission of firearms received through voluntary relinquishments or recovered and determined to be unconnected to a criminal case and are not required.

## Background

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According to [the ATF](#), eTrace is a web-based application available to local, state, federal, tribal, and international law enforcement agencies. Additionally, the [U.S. Department of Justice](#) indicates that eTrace is provided for free to authorized agencies. Nearly all law enforcement agencies in the state are already enrolled in eTrace according to [the Joyce Foundation](#).

## State Expenditures

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Starting in FY 2026-27, workload will increase for state law enforcement agencies to submit firearms to the eTrace system. The fiscal note assumes that most state law enforcement agencies use the eTrace system and so any increase in workload will be minimal.

## Local Government

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Similar to state law enforcement agencies, workload will increase for local law enforcement agencies to register and use the eTrace system in their operations. The exact impact will vary by jurisdiction and depend on the number of firearms recovered.

## 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

State Law Enforcement

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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](#).