



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1011: TRANSFERS OF CERTAIN PET ANIMALS

Prime Sponsors:

Rep. Duran; McCormick

Sen. Rodriguez; Roberts

Fiscal Analyst:

Alexa Kelly, 303-866-3469

alex.kelly@coleg.gov

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

Summary Information

Overview. The bill prohibits the sale of cats or dogs by pet stores unless they are displayed on behalf of a licensed animal shelter or rescue.

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

- Minimal State Workload
- State Revenue

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 (Cash Funds)	-\$3,000	-\$3,000
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	-\$3,000	-\$3,000
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

Beginning January 1, 2027, the bill prohibits the sale of cats or dogs by a pet store or broker, which is defined as a person that sells, leases, barbers, auctions, or transfers ownership of a pet animal bred by another person. This prohibition does not apply to individuals who transfer up three or fewer individual animals annually. The bill allows for a pet store to display dogs or cats available for adoption from a shelter or rescue, but may not receive a fee for the display of the animals, and the animals are sterilized according to state and local regulations. The bill allows the sale or transfer of cats or dogs:

- to a government agency, including law enforcement;
- as a guide, signal, or service animal;
- by an animal shelter or pet animal rescue;
- bred or trained for hunting or by an individual with a hunting license;
- by the original breeder; or
- by a health-related research facility.

Background

The Pet Animal Care and Facilities Act (PACFA) is in the Colorado Department of Agriculture (CDA) licenses and inspects all pet animal care facilities and businesses in Colorado. Any entity that engages in selling, transferring, adopting, breeding, boarding, training, grooming, sheltering, rescuing, or transporting pet animals is required to be licensed under PACFA. Currently, PACFA licenses 146 Pet Animal Dealership-retail and Pet Animal Dealership-Wholesale facilities. Seven are pet stores that sell dogs and cats, and an additional five are considered "brokers." The other facilities sell mammals, herptiles, fish, and birds.

State Revenue

Department of Agriculture

The bill is expected to decrease state revenue from fees by approximately \$3,000 per year beginning in FY 2026-27. This reduction will occur from up to five existing licensed pet brokers that only sell dogs and cats no longer operating or registering under PACFA. These entities currently pay a fee of \$600 per license that is deposited into the Pet Animal Care and Facilities Fund. Lost revenue may be lower to the extent these businesses remained licensed and shift to the sale of other animals or facilitate the adoption of shelter dogs and cats. This revenue is subject to TABOR.

Judicial Department

It is assumed that most entities will follow the law and that any increase in violations will be minimal. If any additional court cases occur, revenue from filing fees and expenditures in the state courts will increase. Revenue from filing fees is subject to TABOR.

Civil Penalties

Under current law, any person who violates PACFA is subject to a civil penalty. The bill may increase state revenue from civil penalties for violations, though this increase is anticipated to be minimal. Civil fine revenue is subject to TABOR.

State Expenditures

Department of Agriculture

The bill will minimally increase workload in the CDA beginning FY 2026-27, and on an ongoing basis. PACFA is not expected to add new facilities to its regular inspections, and the department can include the new requirements in its existing inspection work. It is expected that the number of complaints that PACFA staff are required to investigate will remain relatively stable. Any increase in investigations or enforcement are absorbable and do not require additional appropriations to the CDA.

TABOR Refunds

The bill is expected to decrease the amount of state revenue required to be refunded to taxpayers by about \$3,000 per year starting in FY 2026-27. 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, decreased cash fund revenue will increase 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

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

State and Local Government Contacts

Agriculture

Judicial

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](#).