

**Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 26-0912.01 Jacob Bennington x2371

HOUSE BILL 26-1396

HOUSE SPONSORSHIP

Brown and Taggart, Sirota,

SENATE SPONSORSHIP

Amabile and Kirkmeyer, Bridges

House Committees
Appropriations

Senate Committees
Appropriations

A BILL FOR AN ACT

101 **CONCERNING MODIFICATIONS TO THE DISASTER EMERGENCY FUND.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Joint Budget Committee. The bill makes the following changes to the disaster emergency fund:

- Requires the office of state planning and budgeting (office) to include in its quarterly reports to the joint budget committee an identification of disasters that have been closed out and the amount of unencumbered money that the office has transferred back to its original source;
- Institutes a timeline for closing out a disaster based on the

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.*

SENATE
2nd Reading Unamended
April 15, 2026

HOUSE
3rd Reading Unamended
April 11, 2026

HOUSE
2nd Reading Unamended
April 9, 2026

- type of disaster, 3 years for a federally declared disaster or 8 years for a state-only disaster; and
- Limits the annual maximum unencumbered balance of the disaster emergency fund to \$200,000,000 and directs the office to transfer money in excess of that amount to the general fund after August 12, 2026, and on June 30 each year thereafter.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 24-33.5-703, **add**
3 (2.5) and (9) as follows:

4 **24-33.5-703. Definitions.**

5 As used in this part 7, unless the context otherwise requires:

6 (2.5) "CLOSE OUT" MEANS THE PROCESS BY WHICH:

7 (a) THE DEPARTMENT OF PUBLIC SAFETY REPORTS TO THE OFFICE
8 OF STATE PLANNING AND BUDGET THAT ALL APPLICABLE ADMINISTRATIVE
9 ACTIONS AND ALL REQUIRED WORK TO RESPOND TO A SPECIFIC DISASTER
10 ARE COMPLETE; AND

11 (b) THE OFFICE OF STATE PLANNING AND BUDGETING REMOVES
12 THE SUBACCOUNT FOR A SPECIFIC DISASTER FROM THE DISASTER
13 EMERGENCY FUND AND TRANSFERS ANY REMAINING BALANCE OF THE
14 SUBACCOUNT BACK TO THE FUND THAT WAS THE ORIGINAL SOURCE OF THE
15 MONEY.

16 (9) "UNENCUMBERED" MEANS ANY AMOUNT OF MONEY THAT IS
17 NOT RESERVED FOR RESPONSE TO A SPECIFIC DISASTER THROUGH AN
18 EXECUTIVE ORDER DECLARED BY THE GOVERNOR.

19 **SECTION 2.** In Colorado Revised Statutes, 24-33.5-706, **amend**
20 (2)(a), (7)(a)(IV), and (7)(a)(V); and **add** (2)(c), (7)(a)(VI), and (9) as
21 follows:

22 **24-33.5-706. Disaster emergency fund - established - financing**

1 **- legislative intent.**

2 (2) (a) A disaster emergency fund is hereby established. The fund
3 consists of any money appropriated by the general assembly, money
4 transferred pursuant to ~~subsections (2.5) and~~ SUBSECTION (4)(b) of this
5 section, and money to reimburse expenditures from the fund that are
6 transmitted to the state treasurer and credited to the fund. Money in the
7 disaster emergency fund shall remain in the fund until expended or until
8 transferred pursuant to subsection ~~(2.5)(c)~~, (2)(c), (4.3), (4.5), or (4.7) of
9 this section or section 24-33.5-1228 (3)(c)(III).

10 (c) THE ANNUAL UNENCUMBERED BALANCE OF THE DISASTER
11 EMERGENCY FUND SHALL NOT EXCEED TWO HUNDRED MILLION DOLLARS.
12 AFTER AUGUST 12, 2026, AND ON JUNE 30 EACH YEAR THEREAFTER, THE
13 OFFICE OF STATE PLANNING AND BUDGETING SHALL TRANSFER ANY
14 UNENCUMBERED MONEY IN THE DISASTER EMERGENCY FUND IN EXCESS OF
15 TWO HUNDRED MILLION DOLLARS TO THE GENERAL FUND.

16 (7) (a) No later than September 20, 2020, the office of state
17 planning and budgeting shall submit a report to the joint budget
18 committee of the expenditures from the fund during the last twelve
19 months. Notwithstanding section 24-1-136 (11)(a), no later than the
20 twentieth day of every third month thereafter, the office shall submit a
21 report to the joint budget committee of the expenditures from the fund
22 since the last report. The office shall separately identify expenditures by
23 disaster, if there is more than one to be included in the report, and, for
24 each disaster, the office shall identify:

25 (IV) Total expenditures by state agency; ~~and~~

26 (V) A breakdown of expenditures; AND

27 (VI) DISASTERS THAT HAVE BEEN CLOSED OUT AND THE AMOUNT

1 OF UNENCUMBERED MONEY THAT THE OFFICE TRANSFERRED BACK TO THE
2 FUND THAT WAS THE ORIGINAL SOURCE OF THE MONEY.

3 (9) (a) FOR FEDERALLY DECLARED DISASTERS, WITHIN THREE
4 YEARS OF THE LAST DATE THAT REVENUE INTO THE FUND OR
5 EXPENDITURES FROM THE FUND ARE RECORDED FOR A DISASTER, THE
6 DEPARTMENT OF PUBLIC SAFETY SHALL CLOSE OUT THE EMERGENCY.

7 (b) FOR STATE-ONLY DISASTERS, WITHIN EIGHT YEARS OF THE LAST
8 DATE THAT REVENUE INTO THE FUND OR EXPENDITURES FROM THE FUND
9 ARE RECORDED FOR A DISASTER, THE DEPARTMENT OF PUBLIC SAFETY
10 SHALL CLOSE OUT THE EMERGENCY.

11 **SECTION 3. Act subject to petition - effective date.** This act
12 takes effect at 12:01 a.m. on the day following the expiration of the
13 ninety-day period after final adjournment of the general assembly (August
14 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a
15 referendum petition is filed pursuant to section 1 (3) of article V of the
16 state constitution against this act or an item, section, or part of this act
17 within such period, then the act, item, section, or part will not take effect
18 unless approved by the people at the general election to be held in
19 November 2026 and, in such case, will take effect on the date of the
20 official declaration of the vote thereon by the governor.