



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SCR 26-001: AREAS OF LOCAL PREEMPTION

Prime Sponsors:

Sen. Pelton R.

Fiscal Analyst:

John Armstrong, 303-866-6289

john.armstrong@coleg.gov

Published for: Senate Local Gov. & Housing

Drafting number: LLS 26-0470

Version: Initial Fiscal Note

Date: April 28, 2026

Fiscal note status: The fiscal note reflects the introduced concurrent resolution; due to time constraints, this estimate is preliminary and will be updated to reflect additional information received.

Summary Information

Overview. The concurrent resolution refers a measure to voters in the 2026 general election that, if approved, would amend the state constitution to have local ordinances in certain areas supersede state laws.

Types of impacts. The bill is projected to affect the following areas in FY 2026-27 and FY 2027-28 only:

- State Expenditures
- Local Government

Appropriations. For FY 2026-27, the bill requires appropriations totaling \$2.0 million to multiple state agencies. See State Appropriations section.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	\$2,064,313	\$2,338,204
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	10.3 FTE	14.3 FTE

**Table 1A
 State Expenditures**

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28
General Fund	\$1,964,154	\$2,149,940
Cash Funds	\$0	\$0
Federal Funds	\$0	\$0
Centrally Appropriated	\$100,159	\$188,264
Total Expenditures	\$2,064,313	\$2,338,204
Total FTE	10.3 FTE	14.3 FTE

Summary of Legislation

The concurrent resolution refers a ballot measure to voters at the November 2026 election. If approved, the measure amends the state constitution to have local ordinances, codes, regulations and other laws supersede any conflicting state law in the following areas:

- permits for construction;
- zoning and planning;
- land use;
- siting of utilities and infrastructure;
- mineral resource areas;
- natural hazard areas;
- areas with archeological resources of statewide importance;
- areas around key facilities;
- construction of water and sewage treatment systems;
- site selection of solid waste disposal sites, airports, transit terminals, highways, public utilities and new communities;
- efficient use of water projects;
- nuclear detonations; and,
- the use of geothermal resources for production of electricity.

State Expenditures

If approved by voters, the measure will increase state expenditures by \$2.0 million in FY 2026-27 and \$2.3 million in FY 2027-28 only. These costs, paid from the General Fund, will be incurred in the multiple state departments, including the Departments of Local Affairs, Natural Resources, Public Health and Environment and Transportation, as shown in Table 2 and described in the sections below. Ongoing legal costs may also be incurred. The concurrent resolution will also impact costs and workload for the Secretary of State and the Legislative Department within existing appropriations.

Table 2
State Expenditures
All Departments

Department	Budget Year FY 2026-27	Out Year FY 2027-28
Department of Local Affairs	\$151,335	\$64,334
Department of Natural Resources	\$443,104	\$443,104
Department of Public Health and Environment	\$722,137	\$747,738
Department of Transportation	\$928,057	\$1,083,028
Total Costs	\$2,064,313	\$2,338,204

Department of Local Affairs

The Department of Local Affairs (DOLA) will require staff and have one-time rulemaking costs, totaling about \$151,000 in FY 2026-27 and about \$64,000 FY 2027-28 to implement the measure.

Staff

DOLA will require 1.0 Project Manager to implement the measure. This position will analyze any conflicting laws between state and local governments in the areas of land use, planning, and hazard mitigation, among others. After analyzing these impacts, the project manager will coordinate between local governments and executive branch agencies to resolve disputes and ensure compliance with local ordinances. The position will terminate in December 2027. Costs are prorated to assume a January 2027 start date and standard capital outlay and operating costs are included.

Rulemaking and Legal Review

DOLA will spend \$80,000 on contract staff to complete rulemaking and legal review for building codes and mobile home parks in FY 2026-27 only.

**Table 2A
 State Expenditures
 Department of Local Affairs**

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28
Personal Services	\$51,641	\$51,641
Operating Expenses	\$640	\$640
Capital Outlay Costs	\$7,000	\$0
Rulemaking and Legal Review	\$80,000	\$0
Centrally Appropriated Costs	\$12,053	\$12,053
Total Costs	\$151,334	\$64,334
Total FTE	0.5 FTE	0.5 FTE

Department of Natural Resources

The Department of Natural Resources will require 3,200 hours in legal services, totaling about \$443,000 in FY 2026-27 and FY 2027-28 to review memoranda of understanding with local governments for the state land board and conduct rulemaking for the Energy and Carbon Management Commission, the Division of Mined Land Reclamation, and Colorado Parks and Wildlife. Legal services hours are provided by the Department of Law at a rate of \$138.47 per hour.

**Table 2B
 State Expenditures
 Department of Natural Resources**

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28
Legal Services	\$443,104	\$443,104
FTE – Legal Services	1.8 FTE	1.8 FTE
Total Costs	\$443,104	\$443,104
Total FTE	1.8 FTE	1.8 FTE

Department of Public Health and Environment

The Department of Public Health and Environment will require 5,400 hours in legal services, totaling about \$750,000 to conduct rulemaking and local ordinances reviews in the Air Quality Control Division, the Water Quality Control Division, and the Hazardous Materials Division to resolve disputes and provide guidance for adopting local ordinances in place of state regulations. Legal services hours are provided by the Department of Law at a rate of \$138.47 per hour.

**Table 2C
 State Expenditures
 Department of Public Health and Environment**

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28
Legal Services	\$747,738	\$747,738
FTE – Legal Services	3.0 FTE	3.0 FTE
Total Costs	\$747,738	\$747,738
Total FTE	3.0 FTE	3.0 FTE

Department of Transportation

The Department of Transportation (CDOT) will require staff and legal services to implement the measure, totaling about \$722,000 in FY 2026-27 and \$1.08 million in FY 2027-28. The measure may also lead to additional delays in construction projects that may increase overall construction costs for state highway projects.

Staff

CDOT will require 5.0 FTE Liaison and 3.0 FTE Administrator to review and amend existing intergovernmental agency agreements with local jurisdictions to ensure compliance. These staff will spend additional time negotiating timelines for construction contracts and procurement to adjust existing and future highway construction projects to follow local ordinances. Costs are prorated to assume a January 2027 start date and standard capital outlay and operating costs are included.

Legal Services

CDOT will require 1,800 hours in legal services in FY 2026-27 and FY 2027-28 for general counsel, rulemaking and review of memoranda of understanding with local governments. Legal services hours are provided by the Department of Law at a rate of \$138.47 per hour.

**Table 2D
 State Expenditures
 Department of Transportation**

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28
Personal Services	\$323,665	\$647,330
Operating Expenses	\$5,120	\$10,240
Capital Outlay Costs	\$56,000	\$0
Legal Services	\$249,246	\$249,246
Centrally Appropriated Costs	\$88,106	\$176,211
FTE – Personal Services	4.0 FTE	8.0 FTE
FTE – Legal Services	1.0 FTE	1.0 FTE
Total Costs	\$722,137	\$1,083,027
Total FTE	5.0 FTE	9.0 FTE

Election Expenditures – Existing Appropriations

This resolution includes a referred measure that will appear before voters at the November 2026 general election. While no additional appropriation is required, certain election costs are incurred by the state when ballot measures are referred. These include reimbursing counties for certain election costs; publishing the text and title of the measure in newspapers across the state; and preparing and mailing the ballot information booklet.

Centrally Appropriated Costs

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which may include employee insurance, supplemental employee retirement payments, indirect cost assessments, and other costs, are shown in the table(s) above.

Local Government

Workload and expenditures will increase for local governments to liaise with affected state agencies to supply ordinances and regulations that would supersede state laws. These additional expenditures will vary by jurisdiction and to the extent that local laws conflict with applicable state laws.

Effective Date

If approved by voters at the 2026 election, this measure takes effect upon proclamation of the Governor, no later than 30 days after the official canvass of the vote is completed.

State Appropriations

For FY 2026-27, the bill requires the following General Fund appropriations totaling :

- \$139,281 to the Department of Local Affairs, and 0.5 FTE;
- \$443,104 to the Department of Natural Resources, which is reappropriated to the Department of Law for Legal Services, and 1.8 FTE;
- \$747,738 to the Department of Public Health and Environment, which is reappropriated to the Department of Law for Legal Services, and 3.0 FTE; and,
- \$634,031 and 5.0 FTE to the Department of Transportation, of which \$249,246 and 1.0 FTE is reappropriated to the Department of Law for Legal Services

State and Local Government Contacts

Counties	Natural Resources
Law	Regulatory Agencies
Local Affairs	Transportation
Municipalities	