



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 26-193: LOCAL ORDINANCES & STATE PROPONENTS

Prime Sponsors:

Sen. Amabile; Kirkmeyer
Rep. Brown; Taggart

Fiscal Analyst:

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Fiscal note status: This fiscal note reflects the introduced bill, which was recommended by the Joint Budget Committee.

Summary Information

Overview. The bill clarifies that the state is not an employer for the purposes of minimum wages set by local governments, exempts the state from local government occupational and business privilege taxes, and requires the Office of State Planning and Budget to submit a supplemental budget request related to state employee compensation.

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

- State Expenditures
- Local Government

Appropriations. No appropriation is required; see State Appropriations sections.

**Table 1
State Fiscal Impacts**

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	-\$900,000	-\$900,000
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Fund sources for these impacts are shown in the tables below.

**Table 1A
 State Expenditures**

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28
General Fund	-\$500,000	-\$500,000
Various Cash Funds / Federal Funds	-\$400,000	-\$400,000
Centrally Appropriated	\$0	\$0
Total Expenditures	-\$900,000	-\$900,000
Total FTE	0.0 FTE	0.0 FTE

The fiscal note cannot provide greater detail on the source of funds at this time, and so all cash and federal fund sources are grouped together.

Summary of Legislation

The bill clarifies that the state is not an employer for the purposes of minimum wages set by local governments. It also exempts the state from local government occupational and business taxes. Finally, the bill requires the Office of State Planning and Budgeting (OSPB) to submit a supplemental budget request by January 4, 2027, regarding compensation of state employees for FY 2026-27.

State Expenditures

Starting in FY 2026-27, the bill is estimated to decrease state expenditures by about \$900,000 per year from exempting the state from local government occupational and business taxes. This cost savings is estimated to be \$500,000 from the General Fund and \$400,000 from various other cash fund and federal fund sources.

The bill may increase state expenditures for employee compensation if exempting the state as an employer for the purposes of local minimum wage laws prompts renegotiation of state employee compensation set in the FY 2026-27 Long Bill. Since this bill requires the OSPB to submit a supplemental budget request, the fiscal note assumes any increase in expenditures for state employee compensation will be determined through this process and these impacts have not been estimated.

Local Government

The bill will decrease revenue by \$900,000 statewide to local governments that receive payments from the state for occupational or business taxes. This impact will vary by local jurisdictions depending on if they impose these taxes, the exact tax rate, and the number of state employees covered by the local taxes.

Effective Date

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

State Appropriations

No change in appropriations is required in this bill. The fiscal note assumes that any required appropriations adjustments related to changes in compensation and reductions in local taxes paid will occur through the supplemental budget process for FY 2026-27, based on the supplemental budget request required by the bill and the actual changes in taxes paid.

State and Local Government Contacts

Joint Budget Committee Staff

Office of State Planning and Budgeting

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](#).