



Fiscal Note
Legislative Council Staff
Nonpartisan Services for Colorado’s Legislature

SB 26-133: COLORADO ARTIST COMPANIES

Prime Sponsors:
Sen. Bridges; Catlin
Rep. Martinez; Taggart

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Bill Outcome: Signed into Law
Drafting Number: LLS 26-0130

Version: Final Fiscal Note
Date: July 15, 2026

Fiscal note status: The final fiscal note reflects the enacted bill.

Summary Information

Overview. This bill creates the Colorado Artist Company Act, which authorizes the creation of a limited liability company with a stated artistic mission.

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

- State Expenditures

Appropriations. For FY 2026-27, the bill requires and includes an appropriation of \$93,878 to the Department of State.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	\$95,837	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.1 FTE	0.0 FTE

Table 1A
State Expenditures

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28
General Fund	\$0	\$0
Cash Funds	\$93,878	\$0
Federal Funds	\$0	\$0
Centrally Appropriated	\$1,960	\$0
Total Expenditures	\$95,837	\$0
Total FTE	0.1 FTE	0.0 FTE

Summary of Legislation

Artist Companies

This bill creates the Colorado Artist Company Act, which establishes a new type of limited liability company (LLC) called an artist company. An artist company must have a stated artistic mission and be majority owned (at least 51 percent) by artists at all times. Artist companies are subject to existing LLC law, except where the bill specifies otherwise. An “artist” is defined as an individual who creates written, oral, visual, graphic, literary, musical, audiovisual, digital, or performing art in any medium.

A person can form an artist company by filing articles of organization with the Secretary of State. They may choose to include information about ownership structure, governance, fiduciary duties, intellectual property, tax treatment, and dissolution terms.

An existing LLC that meets the 51 percent artist ownership requirements may elect to become an artist company. The bill specifies how artist companies may structure ownership, make governance decisions, including which decisions require approval by a majority of those present at a meeting versus all artist members, and how an artist company may accept capital.

The bill specifies procedures for intellectual property, including artistic works, as in-kind capital contributions; member transitions, including admission of new members and departure of existing members; and rights to artistic work, royalties, and revenue when a member leaves.

Upon dissolution of an artist company, rights to artistic work revert to the artist-member who assigned, licensed, or created the artist work and are not available to creditors or non-artist investors. Remaining assets are distributed according to the company’s articles of organization or operating agreement; if not specified, assets are distributed in a proportional allocation based on ownership percentage.

Public Benefit Artist Company

An artist company may choose to become a public benefit artist company by stating in its articles of organization and operating agreement that it is a public benefit artist company and identifying one of more public benefits to be promoted by the artist company. Public benefit artist companies have additional duties for members and managers, and must provide members and donors with an annual statement specifying certain information about the public benefit and artistic mission of the public benefit artist company.

The bill specifies that there is no private right of action against an artist company for failing to create a public benefit, fulfill its artistic mission, or other breaches of duties.

Assumptions

While the bill allows artist companies to file as a new business type, it is assumed that the registration process will be mostly the same as for other types of LLCs. To provide additional information specific to an artist company, it is assumed the Department of State (CDOS) will not modify its existing process for articles of organization, but instead allow a filer to attach additional information to the existing LLC form. The attached information will not be searchable, machine readable, or capable of being scanned or electronically indexed. The bill also requires an artist company to file the periodic report required of LLCs. The fiscal note assumes there are no changes required to the existing periodic report filing system.

State Expenditures

The bill increases state expenditures in the CDOS by about \$95,837 in FY 2026-27 only. These costs, paid from the CDOS Cash Fund, are summarized in Table 2 and discussed below.

Table 2
State Expenditures
Department of State

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28
Personal Services	\$5,478	\$0
Software Development	\$88,400	\$0
Centrally Appropriated Costs	\$1,960	\$0
Total Costs	\$95,837	\$0
Total FTE	0.1 FTE	0.0 FTE

Department of State

Staff

In FY 2026-27 only, CDOS requires 0.1 FTE for project management activities related to updating the online system, including stakeholder engagement, drafting forms and system requirements, supporting development and testing, ensuring form accessibility, and other tasks.

On a continuing basis, there will be ongoing questions to the Business and Licensing Division in CDOS related to the changes, however this increase in workload is absorbable.

Software Development

In FY 2026-27, CDOS will incur a one-time cost of \$88,400 for software development to implement needed changes by adding approximately 10 documents into the Business Filing application. These updates will take place in both the existing and new filing systems. This work is estimated at 680 contractor hours at a rate of \$130 per hour.

Effective Date

The bill was signed into law by the Governor on June 2, 2026, and takes effect on August 12, 2026, assuming no referendum petition is filed.

State Appropriations

For FY 2026-27, the bill requires and includes an appropriation of \$93,878 from the Department of State Cash Fund to the Department of State, and 0.1 FTE.

State and Local Government Contacts

Secretary of State