



## Fiscal Note

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## HB 26-1401: TRANSFERS FROM UNCLAIMED PROPERTY TRUST FUND

**Prime Sponsors:**

Rep. Sirota; Taggart  
Rep. Bridges; Kirkmeyer

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**Fiscal note status:** The fiscal note reflects the introduced bill, which was recommended by the Joint Budget Committee as a part of its FY 2026-27 budget package.

### Summary Information

**Overview.** The bill adds, modifies, and repeals transfers from the Unclaimed Property Trust Fund.

**Types of impacts.** The bill is projected to affect the following areas on both one-time and ongoing bases:

- State Expenditures
- State Transfers
- Local Government

**Appropriations.** The bill includes a \$63,491,322 decrease in appropriations from the Adult Dental Fund and an equivalent increase from the General Fund to the Department of Health Care Policy and Financing.

**Table 1**  
**State Fiscal Impacts**

| Type of Impact          | Current Year<br>FY 2025-26 | Budget Year<br>FY 2026-27 | Out Year<br>FY 2027-28 |
|-------------------------|----------------------------|---------------------------|------------------------|
| State Revenue           | \$0                        | \$0                       | \$0                    |
| State Expenditures      | \$0                        | -\$27.8 million           | \$0                    |
| Transferred Funds       | \$75.0 million             | \$0                       | \$0                    |
| Reduced Transfers       | -\$30 million              | -\$63.5 million           | -\$70.6 million        |
| Change in TABOR Refunds | \$0                        | -\$63.5 million           | -\$70.6 million        |
| Change in State FTE     | 0.0 FTE                    | 0.0 FTE                   | 0.0 FTE                |

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

**Table 1A  
 State Transfers**

| <b>Fund Source</b>             | <b>Current Year<br/>FY 2025-26</b> | <b>Budget Year<br/>FY 2026-27</b> | <b>Out Year<br/>FY 2027-28</b> |
|--------------------------------|------------------------------------|-----------------------------------|--------------------------------|
| General Fund                   | \$72.8 million                     | \$0                               | \$0                            |
| Housing Development Grant Fund | -\$27.8 million                    | \$0                               | \$0                            |
| Unclaimed Property Trust Fund  | -\$45.0 million                    | \$63.5 million                    | \$70.6 million                 |
| Adult Dental Fund              | \$0                                | -\$63.5 million                   | -\$70.6 million                |
| <b>Net Transfer</b>            | <b>\$0</b>                         | <b>\$0</b>                        | <b>\$0</b>                     |

**Table 1B  
 State Expenditures**

| <b>Fund Source</b>             | <b>Current Year<br/>FY 2025-26</b> | <b>Budget Year<br/>FY 2026-27</b> | <b>Out Year<br/>FY 2027-28</b> |
|--------------------------------|------------------------------------|-----------------------------------|--------------------------------|
| General Fund                   | \$0                                | \$63.5 million                    | \$70.6 million                 |
| Adult Dental Fund              | \$0                                | -\$63.5 million                   | -\$70.6 million                |
| Housing Development Grant Fund | \$0                                | -\$27.8 million                   | \$0                            |
| Federal Funds                  | \$0                                | \$0                               | \$0                            |
| Centrally Appropriated         | \$0                                | \$0                               | \$0                            |
| <b>Total Expenditures</b>      | <b>\$0</b>                         | <b>-\$27.8 million</b>            | <b>\$0</b>                     |
| <b>Total FTE</b>               | <b>0.0 FTE</b>                     | <b>0.0 FTE</b>                    | <b>0.0 FTE</b>                 |

## Summary of Legislation

For FY 2025-26, the bill transfers \$72.8 million from the Unclaimed Property Trust Fund (UPTF) to the General Fund and reduces a \$30 million transfer from the UPTF to the Housing Development Grant Fund (HDGF) to \$2.2 million. Along with the reduced transfer to the HDGF, the bill repeals related provisions for conditional transfers from the UPTF to the HDGF. Beginning FY 2026-27, the bill repeals transfers from the UPTF to the Adult Dental Fund.

## Background

### Unclaimed Property Trust Fund

The Unclaimed Property Division of the Treasury Department holds, in perpetuity or until claimed, lost or forgotten assets of individuals and businesses in Colorado. The Unclaimed Property Trust Fund (UPTF) consists of all moneys collected under the Unclaimed Property Act, and interest earned on the fund balance. State law transfers an annual amount sufficient to fund

the Adult Dental Fund in the Department of Health Care Policy and Financing. The UPTF is TABOR-exempt; however, transfers out of the fund to the General Fund, HDGF, and Adult Dental Fund are subject to TABOR.

## Housing Development Grant Fund

The HDGF is administered by the Division of Housing in the Department of Local Affairs. The HDGF consists of a variety of sources of revenue and transfers. Beginning with FY 2025-26, the Division may expend up to four percent of the money appropriated or transferred to the fund for administrative costs related to the fund. Money in the fund is continuously appropriated to the Division. Use of funds for administrative costs extends to personnel costs to administer conditional transfers from the UPTF pursuant to House Bill 19-1322. The Division makes grants or loans from the fund for use in affordable housing projects and for rental assistance programs.

## Conditional Transfers from Unclaimed Property Trust Fund to the Housing Development Grant Fund

[House Bill 19-1322](#) and [House Bill 20-1370](#) created a mechanism to transfer up to \$30 million from the UPTF to the HDGF in the Division of Housing if the Legislative Council Staff (LCS) forecast in June of each year projected state revenue would fall below the TABOR cap by at least \$30 million from FY 2022-23 to FY 2024-25. However, because revenue did not fall below the cap for any of these years, the transfer is extended until the next three fiscal years in which revenue falls below the cap. Based on the March 2026 LCS forecast, the first transfer is will be made in FY 2025-26, and no later transfers are expected through the current forecast period.

## Assumptions

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The fiscal note assumes the March 2026 LCS forecast.

## State Transfers

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The bill adds, modifies, and repeals transfers from the UPTF beginning in FY 2025-26, as shown in Table 2. This includes:

- a one-time transfer of \$72.8 million to the General Fund in FY 2025-26;
- a one-time net reduction in transfers of \$27.8 million to the HDGF in FY 2025-26; and
- an ongoing reduction in transfers to the Adult Dental Fund of an estimated \$63.5 million in FY 2026-27, \$70.6 million in FY 2027-28, and similar amounts in future years.

Overall, the bill increases transfers from the UPTF by \$45 million in FY 2025-26, and reduces transfers to the Adult Dental Fund by \$63.5 million in FY 2026-27, \$70.6 million in FY 2027-28, and similar amounts in future years.

**Table 2**  
**Net Change in Transfers from the Unclaimed Property Trust Fund**

| <b>Fund Source</b>             | <b>Budget Year<br/>FY 2025-26</b> | <b>Budget Year<br/>FY 2026-27</b> | <b>Out Year<br/>FY 2027-28</b> |
|--------------------------------|-----------------------------------|-----------------------------------|--------------------------------|
| General Fund                   | \$72.8 million                    | \$0                               | \$0                            |
| Housing Development Grant Fund | -\$27.8 million                   | \$0                               | \$0                            |
| Adult Dental Fund              | \$0                               | -\$63.5 million                   | -\$70.6 million                |
| <b>Net Transfer from UPTF</b>  | <b>\$45.0 million</b>             | <b>-\$63.5 million</b>            | <b>-\$70.6 million</b>         |

For the HDGF, the bill requires that only \$2.2 million of \$30 million projected to be transferred under current law be transferred from the UPTF to the HDGF in FY 2025-26. Under the March 2026 LCS forecast, no transfer from the UPTF to the HDGF is expected for FY 2026-27 or FY 2027-28 under current law, so repealing those transfers has no fiscal impact during the current forecast period.

## State Expenditures

The bill reduces state expenditures from the Division of Housing in the Department of Local Affairs by \$27.8 million beginning in FY 2026-27 only. The bill also shifts funding for adult dental benefits under Medicaid from the Adult Dental Fund to the General Fund, resulting in no net change to expenditures. These impacts are described below.

### Housing Development Grants

Based on the reduced transfer to the Housing Development Grant Fund, spending in DOLA will be reduced by \$27.8 million in FY 2026-27 only. This money would have been used for grants to affordable housing entities and associated administrative costs.

### Adult Dental Program

The bill has no net impact on state expenditures in FY 2026-27 for the adult dental program under Medicaid. The bill reduces appropriations from the Adult Dental Fund, which no longer receives money from the Unclaimed Property Trust Fund, and correspondingly increases General Fund appropriations for the program. It is assumed that program costs will remain constant with current projects and that this refinancing of adult dental benefit costs will continue in future years.

## Unclaimed Property Claims

Unclaimed property consists of tangible and intangible property, including stocks, bonds, corporate paper, un-cashed checks, and cash. Unclaimed property in the UPTF is held in trust indefinitely and returned to individuals who claim their property. To the extent that the net increase in transfers under this bill in FY 2025-26 reduces available moneys in the fund below the amount needed to return property to claimants, this bill may create a liability for the state of Colorado and necessitate General Fund expenditures. In future years, repealing transfers to the Adult Dental Fund will reduce potential future liabilities for the state.

## TABOR Refunds

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Revenue transferred from the UPTF to other funds becomes subject to TABOR. The bill increases revenue subject to TABOR in the current FY 2025-26, and decreases revenue subject to TABOR in FY 2026-27 and FY 2027-28, by the amounts shown in Table 2.

The bill is expected to decrease the amount of state revenue required to be refunded to taxpayers by \$63.5 million in FY 2026-27 and by \$70.6 million in FY 2027-28. The state is not projected to have a refund obligation for the current FY 2025-26. This estimate assumes the March 2026 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.

## Local Government

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### Local Revenue

The bill reduces local government revenue by reducing available money in the HDGF for loans and grants awarded to housing authorities and other local governments by the Division of Housing beginning in FY 2026-27. The amount of reduced revenue depends on the portion of awards that would have been made to private entities versus local governments and is not estimated.

### Local Expenditures

The bill reduces local expenditures related to applying for future loans and grants to the Division of Housing and for debt service costs related to awarded loans.

## Effective Date

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The bill takes effect upon signature of the Governor, or upon becoming law without his signature, except that certain provisions of sections 1 and 3 of the bill take effect July 1, 2026. Section 4 only takes effect if the Long Bill becomes law, with this section taking effect on the effective date of this bill or of the FY 2026-27 Long Bill, whichever is later.

## State Appropriations

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The bill includes the following adjustments in appropriations to the Department of Health Care Policy and Financing for FY 2026-27:

- a decrease of \$63,491,322 from the Adult Dental Fund; and
- an increase of \$63,491,322 from the General Fund.

The bill decreases expenditures from the Housing Development Grant Fund, which is continuously appropriated to DOLA, so no change in appropriations is required from this fund.

## State and Local Government Contacts

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Joint Budget Committee Staff