



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1005: WORKER PROTECTION COLLECTIVE BARGAINING

Prime Sponsors:

Rep. Mabrey; Bacon
Sen. Danielson; Jodeh

Fiscal Analyst:

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Published for: House Business Affairs & Labor**Drafting number:** LLS 26-0311**Version:** Initial Fiscal Note**Date:** January 21, 2026

Fiscal note status: This fiscal note reflects the introduced bill.

Summary Information

Overview. The bill eliminates the requirement for employees to conduct a second election to negotiate a union security agreement clause in the collective bargaining process.

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

- State Expenditures

Appropriations. For FY 2026-27, the bill requires a General Fund reduction of \$21,947 from the Department of Labor and Employment.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	-\$26,865	-\$40,296
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	-0.2 FTE	-0.3 FTE

Fund sources for this impact are shown in Table 1A below.

Table 1A
State Expenditures

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28
General Fund	-\$21,947	-\$32,920
Cash Funds	\$0	\$0
Federal Funds	\$0	\$0
Centrally Appropriated	-\$4,918	-\$7,376
Total Expenditures	-\$26,865	-\$40,296
Total FTE	-0.2 FTE	-0.3 FTE

Summary of Legislation

The bill eliminates the requirement under the Labor Peace Act to conduct a second election to negotiate a union security agreement clause in the collective bargaining process. The bill also requires employers and employees to bargain in good faith. It is not an unfair labor practice for an employer or employee to refuse to agree to a lawful proposal made by the other concerning a mandatory subject of bargaining.

Background

A union security agreement is a contractual provision between an employer and a collective bargaining unit. It allows a labor union to require that union fees be paid by all covered workers, even those that choose not to join the union, and may require the automatic withdrawal of union dues from an employee's wages as a condition of employment.

The Division of Labor Standards and Statistics in the Colorado Department of Labor and Employment (CDLE) currently administers and certifies elections regarding union security agreement clauses at no cost to the collective bargaining unit or the employer.

State Expenditures

The bill reduces state expenditures in the CDLE by about \$27,000 in FY 2026-27 and \$40,000 in FY 2027-28 and ongoing years. These General Fund expenditure reductions are summarized in Table 2 and discussed below.

Table 2
State Expenditures
Department of Labor and Employment

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28
Personal Services	-\$21,691	-\$32,536
Operating Expenses	-\$256	-\$384
Centrally Appropriated Costs	-\$4,918	-\$7,376
Total Costs	-\$26,865	-\$40,296
Total FTE	-0.2 FTE	-0.3 FTE

Department of Labor and Employment

Personal Services

The bill reduces CDLE staff by 0.2 FTE in FY 2026-27 and 0.3 FTE in FY 2027-28 and ongoing years. This reduction is a result of approximately 600 hours less work (-0.3 FTE) for policy advisor staff in the Division of Labor Standards and Statistics to administer and certify second union elections. The CDLE requires 0.1 FTE in FY 2026-27 only to update existing public guidance and field public inquiries about the new law.

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, leased space, and indirect cost assessments, are shown in the expenditure table above.

Effective Date

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

State Appropriations

For FY 2026-27, the bill requires a General Fund reduction of \$21,947 from the Department of Labor and Employment, and a reduction of 0.2 FTE.

State and Local Government Contacts

Labor

Personnel