



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1054: PROTECTIONS FOR WORKER SAFETY

Prime Sponsors:

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

Summary Information

Overview. The bill creates state occupational health and safety regulations in the event standards under the federal Occupational Safety and Health Act are repealed.

Types of impacts. The bill may affect the following areas on an ongoing basis, conditional upon future federal action:

- State Revenue
- State Expenditures
- Local Government

Appropriations. No appropriation is required.

**Table 1
State Fiscal Impacts**

Type of Impact	Budget Year FY 2026-27	Conditional Fiscal Year One	Conditional Fiscal Year Two
State Revenue	\$0	\$0	\$0
State Expenditures	\$0	\$183,991	\$82,787
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$0	\$0
Change in State FTE	0.0 FTE	1.3 FTE	0.7 FTE

Fund sources for these impacts are shown in the table below. The impacts of the bill are conditional upon future federal action. The fiscal note does not assume when or if that action will occur; therefore, if these impacts occur, costs will be addressed through the annual budget process.

**Table 1A
State Expenditures**

Fund Source	Budget Year FY 2026-27	Conditional Fiscal Year One	Conditional Fiscal Year Two
General Fund	\$0	\$153,307	\$66,856
Cash Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0
Centrally Appropriated	\$0	\$30,683	\$15,931
Total Expenditures	\$0	\$183,991	\$82,787
Total FTE	0.0 FTE	1.3 FTE	0.7 FTE

Summary of Legislation

The bill creates state occupational health and safety regulations in the event standards under the federal Occupational Safety and Health (OSH) Act are repealed. In the event any federal standard is repealed after September 1, 2025, the CDLE is authorized to adopt, by rule, state standards that are as stringent or more stringent than the repealed federal standard.

Additionally, the CDLE may adopt rules to define standards for workplace health and safety if there is no federal standard in effect under the OSH Act. Under the bill, employers, which does not include federal, state, or local governments, have a general duty to maintain a safe workplace and comply with any statutory safety standards.

The bill authorizes the Attorney General or the CDLE to refer workplace health and safety concerns about any state standards adopted to relevant state and local authorities. The Attorney General, the CDLE, a labor organization, or an individual that is aggrieved by a violation of any state standard adopted may file a civil action for relief. The bill establishes remedies available to aggrieved parties, including a penalty of up to \$1,000 for a violation, up to \$10,000 for subsequent violations, and up to \$70,000 for willful violations. These penalties are credited to the new Workplace Health and Safety Fund in the CDLE. The fund is continuously appropriated to the CDLE, including for the purpose of rulemaking, public outreach, and any necessary enforcement actions.

Finally, the bill makes conforming amendments such that the procedures for violations under this bill are distinct from other procedures for violations of labor laws.

Assumptions

The fiscal note assumes that the bill has a conditional fiscal impact, and further assumes that the current federal OSH Act and Occupational Health and Safety Administration (OSHA) will remain

in effect. However, in the event they are repealed, then the bill will increase state revenue and expenditures.

State Revenue

The bill may increase state revenue from civil penalties and filing fees as discussed below.

Civil Penalties

The bill may increase state revenue from civil penalties to the newly created Workplace Health and Safety Fund in the CDLE. Violations may be subject to penalties of up to \$1,000, \$10,000, or \$70,000. This revenue would be classified as a damage award and not subject to TABOR.

Filing Fees

The bill may increase revenue to the Judicial Department from an increase in civil case filings. Revenue from filing fees is subject to TABOR.

State Expenditures

The bill conditionally increases state expenditures in the CDLE by about \$185,000 in the first fiscal year following the modification of the OSH Act and by about \$85,000 in the second fiscal year and ongoing. These costs, paid from the General Fund, are summarized in Table 2 and discussed below. The bill also minimally affects workload in the Department of Law (DOL) and the Judicial Department.

Table 2
State Expenditures
Department of Labor and Employment

Cost Component	Budget Year FY 2026-27	Conditional Fiscal Year One	Conditional Fiscal Year Two
Personal Services	\$0	\$127,221	\$62,149
Operating Expenses	\$0	\$1,664	\$896
Capital Outlay Costs	\$0	\$14,000	\$0
Additional Staff Costs	\$0	\$10,422	\$3,811
Centrally Appropriated Costs	\$0	\$30,683	\$15,931
Total Costs	\$0	\$183,991	\$82,787
Total FTE	0.0 FTE	1.3 FTE	0.7 FTE

Department of Labor and Employment

The CDLE will have staff costs beginning in the first fiscal year after any conditional federal action occurs eliminating or weakening the federal OSH Act.

Staff

The CDLE requires staff to refer workplace health and safety complaints to appropriate enforcement authorities when the CDLE becomes responsible for developing standards. In the first year, staff will gain expertise on the current OSH Act standards and begin referring complaints received. In the second year, once expertise exists, staff will only be needed to refer complaints and monitor changes in OSH Act standards. Costs include standard operating and capital outlay costs, and reflect a full fiscal year.

Additional staff may be necessary for rulemaking and development of state standards, depending on the extent of future federal action that repeals OSH Act standards.

If the CDLE receives workplace health and safety complaints while current federal standards remain in effect, the fiscal note assumes that the CDLE will continue to direct individuals to appropriate federal authorities rather than refer them to state or local agencies, as it does currently. This may result in a minimal increase in workload, but no change in appropriations is required.

Additional Staff Costs

Beyond standard costs, the CDLE requires funding for staff to attend OSH Act trainings to acquire initial expertise on OSH Act standards as well as specialized software subscriptions. In the second fiscal year, funding is only required for specialized software subscriptions.

Department of Law

Workload in the DOL may minimally increase if violations of the bill occur and the Attorney General pursues enforcement actions. The DOL will review complaints and prioritize enforcement as necessary within the overall number of complaints received and available resources.

Judicial Department

The trial courts in the Judicial Department may have an increase in civil cases filed if violations occur. It is assumed that most employers will follow workplace health and safety standards and that any violation will result in a minimal number of new cases. The fiscal note assumes that any increase in appropriations will be addressed through the annual budget process.

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 Table 2 above.

Local Government

If violations occur, appropriate local government agencies may have an increase in workload to investigate complaints and take necessary enforcement actions.

Effective Date

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

Departmental Difference

The CDLE estimates that the bill requires a General Fund appropriation of \$153,307 and 1.3 FTE for FY 2026-27, with \$66,856 General Fund and 0.7 FTE for FY 2027-28 and future years. This is based on the assumption that establishing a general duty to maintain a safe workplace under state law combined with the provision that the CDLE may refer workplace health and safety concerns to state or local authorities means that the CDLE will immediately become a point of contact for any concerns and need staff with expertise in workplace health and safety to refer any complaints.

The fiscal note assumes that while the OSH Act remains in effect, the CDLE will refer any workplace health and safety concerns to federal authorities. The CDLE indicates that while they do not currently receive complaints related to the OSH Act, their general complaint intake form includes OSH Act violations. If the CDLE were to receive a complaint under current law related to violations of the OSH Act, then the CDLE would provide the person with appropriate information on the OSH Act. Therefore, the fiscal note does not show an appropriation required for FY 2026-27, but does note that costs for the CDLE will increase only if the OSH Act is repealed, revoked, or amended in any manner that results in the federal protections of workers' rights or worker safety becoming less stringent.

State and Local Government Contacts

Judicial

Personnel

Labor

Treasury

Law

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](#).