



Fiscal Note

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HB 26-1183: SUNSET PET ANIMAL CARE & FACILITIES ACT

Prime Sponsors:

Rep. McCormick; Duran
Sen. Cutter; Pelton B.

Fiscal Analyst:

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Published for: House Ag., Water & Nat. Res.**Drafting number:** LLS 26-0368**Version:** Initial Fiscal Note**Date:** March 2, 2026**Fiscal note status:** The fiscal note reflects the introduced bill.

Summary Information

Overview. The bill continues the Pet Animal Care and Facilities Act until September 1, 2041.**Types of impacts.** The bill continues a program currently scheduled to repeal, which will extend existing fiscal impacts through FY 2040-41 in the following areas:

- State Expenditures
- State Revenue

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$1,400,814
State Expenditures	\$0	\$1,565,658
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$1,400,814
Change in State FTE	0.0 FTE	11.0 FTE

These impacts result from continuing a program scheduled to repeal and reflect the extension of current revenue and spending levels. Fund details for these continuing impacts is shown in the tables below.

Table 1A
Continuing State Revenue

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28
General Fund	\$0	\$0
Cash Funds	\$0	\$1,400,814
Total Revenue	\$0	\$1,400,814

Table 1B
Continuing State Expenditures

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28
General Fund	\$0	\$170,295
Cash Funds	\$0	\$1,395,363
Federal Funds	\$0	\$0
Centrally Appropriated	\$0	\$0
Total Expenditures	\$0	\$1,565,658
Total FTE	0.0 FTE	11.0 FTE

Summary of Legislation

The bill continues the Pet Animal Care and Facilities Act (PACFA) in the Colorado Department of Agriculture for 15 years, until September 1, 2041, and implements other recommendations from the Department of Regulatory Agencies (DORA) [2025 sunset review](#) of the program. Among other changes, the bill:

- repeals and replaces a pet animal advisory committee, including modifying its member composition and terms;
- prohibits importation of certain pets without a veterinary inspection;
- repeals the \$700 cap on licensing fees and permits the CDA to set fees based on the approximate direct and indirect costs of regulating facilities; and
- increases the maximum civil penalty for violations from \$1,000 to \$2,500.

Background

The Pet Animal Care and Facilities Act (PACFA) requires any facility used to keep pet animals for the purpose of adoption, breeding, boarding, grooming, handling, selling, sheltering, trading or otherwise transferring such animals, to obtain a license from the Commissioner of Agriculture. Pet animals include dogs, cats, rabbits, guinea pigs, hamsters, mice, rats, gerbils, ferrets, birds, fish, reptiles, amphibians and invertebrates.

Continuing Program Impacts

In the FY 2026-27 budget request, the Colorado Department of Agriculture estimates that it will have cash fund revenue of \$1.4 million, and expenditures of \$1.6 million, including \$1.4 million cash funds and about \$170,000 General Fund, and 11.0 FTE, to cover the direct and indirect costs of administering the program.

If this bill is enacted, current revenue and expenditures will continue for the program starting in FY 2027-28. All licensing revenue and expenditures are from the Pet Animal Care Facilities Cash Fund. Continuing revenue is subject to the state TABOR limits.

If this bill is not enacted, the program will enter a one year wind-down period and then end on September 1, 2027, one year after its statutory repeal date. If allowed to repeal, state revenue and expenditures will decrease starting in FY 2027 28 by the amounts shown in Table 1.

State Revenue

By repealing the limits on licensing fees and increasing the maximum civil penalty, the bill may impact state revenue as described below.

Fees

Current license fees vary by category from a minimum of \$225 to a maximum of \$600. Licensees pay the highest applicable category fee plus an additional \$50 for each supplemental license category. In FY 2024-25, all license fees generated about \$1.3 million in revenue. Although this legislation authorizes the removal of the current \$700 cap, fees will not automatically increase. Any future change will require rulemaking and stakeholder engagement. This change provides future flexibility but is not expected to affect fee amounts or revenue collected during FY 2026-27 or FY 2027-28. State revenue from fees is subject to TABOR.

Fines

Under current practice, PACFA does not generally assess the maximum civil penalty of \$1,000 fine per violation. In FY 2024-25, PACFA issued 145 civil penalties, totaling \$57,600, or about \$397 per violation. Although this bill increases the maximum civil penalty to \$2,500, it is not anticipated to directly increase state revenue from fines. The program will continue to apply fines based on the severity and specifics of each violation, rather than defaulting to the new statutory maxim. Revenue from fines is credited to the General Fund.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Agriculture

Law

Judicial

Regulatory Agencies