



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 26-118: LEGACY GIVING TO CHARITABLE ORGANIZATIONS

Prime Sponsors:

Sen. Coleman; Simpson
Rep. Clifford

Fiscal Analyst:

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

Summary Information

Overview. The bill requires financial institutions holding funds designated for a charitable organization upon the death of a donor to pay the funds to the charitable organization within a set timeframe.

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

- Minimal State Workload

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	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

The bill requires banks, broker-dealers, depository institutions, credit unions, and financial or institutional investors (covered entities) that hold benefits designated by a donor to a charitable organization to pay those benefits within 60 calendar days after the organization submits a qualifying affidavit of the donor's death. The affidavit must include information specified in the bill. If federal law prevents the covered entity from paying within 60 days, the covered entity must comply within 120 days after receiving the affidavit.

If the designated benefits are subject to creditor claims, statutory allowances, or elective-share or supplemental elective share against the donor's estate, the charitable organization must return the necessary portion of funds to the estate within 60 days of written notice, or be subject to interest payments or court actions. Upon receiving notice of a potential claim, the charitable organization must hold the designated funds in a constructive trust until the claim is resolved.

Covered entities may not require a charitable organization to open an account or submit personal information from its employees or board members as a condition of receiving payment.

The Division of Banking, the Division of Financial Services, and the Division of Securities within the Department of Regulatory Agencies (DORA) may use their existing enforcement authority to ensure the bill's requirements are met.

State Expenditures

Department of Regulatory Agencies

The bill may increase workload for the Division of Banking, the Division of Financial Services, and the Division of Securities within the Department of Regulatory Agencies (DORA) to enforce the bill's requirements. Any impact is anticipated to be minimal and absorbable within existing appropriations.

The Department of Law may provide legal services to DORA in support of enforcement activities related to this bill. This work is anticipated to be absorbable within existing legal services resources.

Judicial Department

The bill does not modify court procedures or create new filing requirements. Any disputes arising from the bill's provisions are expected to be resolved within existing probate proceedings. Therefore, there is no fiscal impact anticipated on the trial courts.

Technical Note

The enforcement section for Broker-Dealers references the Division of Securities creation in Section 11-51-701, C.R.S., as opposed to referencing the Broker-Dealers enforcement section in Section 11-51-401, C.R.S. Due to this ambiguity, the bill could be read as creating new enforcement powers for the division. This fiscal note assumes the intention is not to create new enforcement powers but instead to use DORA's current enforcement authority over the bill's provisions.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed. It applies to conduct on or after that date.

State and Local Government Contacts

Judicial

Regulatory Agencies

Law

Secretary of State

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](#).