



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1043: TRANSPORTATION NETWORK CO DISCRIMINATORY PRACTICES

Prime Sponsors:

Rep. Rydin

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Fiscal note status: The fiscal note reflects the introduced bill, as amended by the House Committee on Business Affairs and Labor.

Summary Information

Overview. The bill creates new requirements for transportation network companies and increases the maximum penalty for transportation network companies that fail to address violations of discrimination prohibitions.

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

- State Revenue
- State Expenditures

Appropriations. No appropriation is required as the Transportation Network Company Fund is continuously appropriated to the Department of Regulatory Agencies.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$50,889	\$72,099
State Expenditures	\$50,889	\$72,099
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$50,889	\$72,099
Change in State FTE	0.3 FTE	0.5 FTE

Fund sources for these impacts are in the tables below.

Table 1A
State Revenue

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28
General Fund	\$0	\$0
Cash Funds	\$50,889	\$72,099
Total Revenue	\$50,889	\$72,099

Table 1B
State Expenditures

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28
General Fund	\$0	\$0
Cash Funds	\$39,920	\$54,867
Federal Funds	\$0	\$0
Centrally Appropriated	\$10,969	\$17,232
Total Expenditures	\$50,889	\$72,099
Total FTE	0.3 FTE	0.5 FTE

Summary of Legislation

The bill establishes new requirements for transportation network companies (TNCs) related to discriminatory conduct.

Service Animals

The bill requires a TNC to educate drivers on laws concerning service animals. Drivers must complete a mandatory service animal training no later than July 2027 or six months after joining a TNC platform, and the TNC may restrict or suspend a driver that fails to complete the mandatory training. This section does not apply to TNCs that provide a majority of services for school districts or schools.

Unlawful Discrimination

The bill requires a TNC to adopt a policy that prohibits unlawful discrimination, provide the policy to each driver on its network, and post the policy on its website.

Under current law, if a TNC fails to reasonably address a violation of certain discrimination prohibitions by a driver, the Public Utilities Commission (PUC) in the Department of Regulatory Agencies (DORA) may assess the TNC a civil penalty of up to \$550, as long as the TNC had

written notice of the violation. The bill increases the maximum civil penalty to \$1,300 and removes the requirement that the TNC have written notice of the violation before a penalty may be assessed. When determining whether to assess a civil penalty and what penalty amount to assess, the PUC must take into consideration a TNC's good faith efforts to remediate a driver's first violation as well as the number of violations by a TNC in the prior 12 months.

Monthly Reporting Requirements

The bill requires a TNC to provide monthly, rather than annual, reports to the PUC on drivers' refusal to provide services. A TNC must allow consumers to report driver violations on the TNC's digital platform, and included any reports received in the TNC's monthly report. The PUC is required to anonymize this data before making it available to the public. This section does not apply to TNCs that provide a majority of services for school districts or schools.

State Revenue

The bill increases state revenue by about \$51,000 in FY 2026-27 and \$72,000 in 2027-28 and ongoing years to cover the PUC's administrative costs discussed below. Revenue is credited to the TNC Fund. The bill may also increase state General Fund revenue from civil penalties. These impacts are shown in Table 2 and described below.

Fee Impact on Transportation Network Companies

Legislative Council Staff is required to estimate the fee impact of bills that create or increase any fee collected by a state agency. The PUC currently regulates six TNCs, and the three largest TNCs already pay the maximum fee permitted by statute; therefore, the fiscal note assumes this fee will be charged to the other three TNCs. These fee amounts are estimates only, actual fees will be set administratively by the PUC. This fee revenue is subject to TABOR.

Table 2
Fee Impact on TNCs

Fiscal Year	Type of Fee	Estimated Fee	Number Affected	Total Fee Impact
FY 2026-27	TNC Annual Licensing Fee	\$16,963	3	\$50,889
FY 2027-28	TNC Annual Licensing Fee	\$24,033	3	\$72,099

Civil Penalties

By increasing civil penalties to TNCs for failing to reasonably address a violation of certain discrimination prohibitions, the bill may increase state General Fund revenue starting in FY 2026-27. Given the uncertainty about how much the PUC will assess in civil penalties, the fiscal note cannot estimate this impact. Civil penalties are not subject to TABOR.

State Expenditures

The bill increases state expenditures in the PUC by about \$51,000 in FY 2026-27 and \$72,000 in 2027-28 and ongoing years. These costs, paid from the continuously appropriated Transportation Network Company Fund, are shown in Table 2 and described below.

Table 2
State Expenditures
Public Utilities Commission

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28
Personal Services	\$32,536	\$54,227
Operating Expenses	\$384	\$640
Capital Outlay Costs	\$7,000	\$0
Centrally Appropriated	\$10,969	\$17,232
Total Expenditures	\$50,889	\$72,099
Total FTE	0.3 FTE	0.5 FTE

Public Utilities Commission

The PUC requires additional staff to manage civil penalty enforcement.

Staff

The bill increases expenditures in the PUC by 0.5 FTE beginning in FY 2026-27 for an administrative law judge to administer the adjudication of civil penalty assessment notice actions. First-year costs assume a January 2027 start date, and capital outlay and operating costs are included.

The bill also increases workload for PUC staff to process and review TNC reports at a greater frequency than under current law, issue additional civil penalties to TNCs as necessary, and adjust PUC rules and regulations. This workload impact is absorbable with existing resources.

Legal Services

The PUC may require legal services, provided by the Department of Law, to address any contested civil penalty assessment notices. The fiscal note assumes these costs are absorbable within existing legal services resources, and if additional legal resources are required, it 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.

TABOR Refunds

The bill will increase the amount of state revenue required to be refunded to taxpayers in FY 2026-27 by about \$51,000 in FY 2026-27 and \$72,000 in 2027-28. This estimate assumes the December 2025 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, increased cash fund revenue will reduce 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.

Effective Date

The bill takes effect January 1, 2027, assuming no referendum petition is filed. It applies to conduct occurring on or after this date.

State and Local Government Contacts

Judicial

Regulatory Agencies

Law

Treasury