



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1324: SUNSET DIVISION OF PROFESSIONS & OCCUPATIONS

Prime Sponsors:

Rep. McCormick; Gilchrist
Sen. Daugherty

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Published for: House Second Reading**Drafting number:** LLS 26-0370**Version:** First Revised Note**Date:** March 25, 2026

Fiscal note status: This revised fiscal note reflects the introduced bill, as amended by the House Health & Human Services Committee.

Summary Information

Overview. The bill makes changes to various programs in the Division of Professions and Occupations in the Department of Regulatory Agencies, as recommended in the division's sunset review.

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

- State Revenue
- Minimal State Workload
- TABOR Refunds

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 (Cash Funds)	\$297,971	\$481,383
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$297,971	\$481,383
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

The bill makes several changes to the Division of Professions and Occupations (DPO) in the Department of Regulatory Agencies (DORA), as recommended in the division's [sunset review](#). Specifically, the bill:

- allows a regulator to delegate authority for certain administrative tasks authorized through the policies of a board or commission to a designee at the regulator's discretion;
- extends the amount of time for a licensee who receives a letter of admonition to request a hearing from 20 to 25 days;
- authorizes the DPO to send correspondences to licensees electronically;
- changes an existing excise tax collected upon payment of license renewal fees and used for legal defense purposes to a fee and raises it from \$1 to \$2; and
- allows engineer-interns, professional engineers, land surveyor-interns, and land surveyors to qualify for licensure by endorsement under certain conditions.

Background and Assumptions

Atypical Sunset Review

DORA conducted a sunset review of the DPO in accordance with the 10-year review schedule established in state law. However, unlike the standard sunset process, the DPO is not scheduled to repeal, thus, the fiscal note does not include continuation costs.

For informational purposes, the DPO was appropriated \$24.0 million and 240.2 FTE in the 2025 Long Bill, and, as a cash-funded agency, collected the equivalent amount of revenue from approximately 340,000 regulated individuals and businesses.

State Revenue

The bill increases state revenue in the Legal Defense Account in the Division of Professions and Occupations Cash Fund by about \$298,000 in FY 2026-27 and \$482,000 in FY 2027-28 from increased fees on licensed professionals, as shown in Table 2 and discussed below.

Table 2
State Fee Revenue

Fiscal Year	Fee Increase	Number Affected	Total Revenue
FY 2026-27	\$1	297,971	\$297,971
FY 2027-28	\$1	481,383	\$481,383

Fee Impact on Licensed Professionals

Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. This bill changes an existing excise tax of \$1 per license renewal for legal defense to a \$2 fee for the same purpose. Therefore, DORA will collect about \$298,000 in FY 2026-27, \$481,000 in FY 2027-28, and alternating amounts in future years in alignment with professional license renewal cycles. Actual revenue depends on the number of licensees subject to the fee, and is subject to TABOR.

State Expenditures

The bill minimally increases workload in DORA to conduct education and outreach to regulators and licensed professionals regarding the bill's provisions. Workload may also increase in the Office of Administrative Courts in the Department of Personnel and Administration and the Department of Law if additional licensees request, and are granted, a hearing related to disciplinary actions. This workload is expected to be minimal and no change in appropriations is required.

TABOR Refunds

The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by \$297,971 in FY 2026-27 and \$481,383 in FY 2027-28. This estimate assumes the March 2026 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 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Law

Regulatory Agencies

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](#).