



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 26-133: COLORADO ARTIST COMPANIES

Prime Sponsors:

Sen. Bridges; Catlin
Rep. Martinez; Taggart

Fiscal Analyst:

Julia Group, 303-866-4720
julia.group@coleg.gov

Published for: Senate Business, Labor & Tech.

Drafting number: LLS 26-0130

Version: Initial Fiscal Note

Date: March 24, 2026

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

Summary Information

Overview. This bill creates the Colorado Artist Company Act which authorizes the creation of a limited liability company with a stated artistic mission.

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

- State Revenue
- State Expenditures

Appropriations. For FY 2026-27, the bill requires an appropriation of \$478,955 to the Department of State.

**Table 1
State Fiscal Impacts**

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$482,872	\$0
State Expenditures	\$482,874	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$482,874	\$0
Change in State FTE	0.2 FTE	0.0 FTE

Fund sources for these impacts are shown 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	\$482,874	\$0
Total Revenue	\$482,874	\$0

**Table 1B
State Expenditures**

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28
General Fund	\$0	\$0
Cash Funds	\$478,955	\$0
Federal Funds	\$0	\$0
Centrally Appropriated	\$3,919	\$0
Total Expenditures	\$482,874	\$0
Total FTE	0.2 FTE	0.0 FTE

Summary of Legislation

Artist Companies

This bill creates the Colorado Artist Company Act, which establishes a new type of limited liability company (LLC) called an artist company. An artist company must have a stated artistic mission and be majority owned (at least 51 percent) by artists at all times. Artist companies are subject to existing LLC law, except where the bill specifies otherwise. An "artist" is defined as an individual who creates written, oral, visual, graphic, literary, musical, audiovisual, digital, or performing art in any medium.

A person can form an artist company by filing articles of organization or long-form articles with the Secretary of State. By July 1, 2027, the Secretary of State is required to create and publish a long form article of organization that includes provisions covering ownership structure, governance, fiduciary duties, intellectual property, tax treatment, and dissolution terms.

An existing LLC that meets the 51 percent artist ownership requirements may convert to an artist company. The bill specifies how artist companies may structure ownership, make governance decisions, including which decisions require approval by a majority of those present at a meeting versus all artist members, and how an artist company may accept capital.

The bill specifies procedures for intellectual property, including artistic works, as in-kind capital contributions; member transitions, including admission of new members and departure of existing members; and rights to artistic work, royalties, and revenue when a member leaves.

Upon dissolution of an artist company, rights to artistic work revert to the artist-member who assigned, licensed, or created the artist work and are not available to creditors or non-artist investors. Remaining assets are distributed according to the company's articles of organization or operating agreement; if not specified, assets are distributed in a proportional allocation based on ownership percentage.

Public Benefit Artist Company

An artist company may choose to become a public benefit artist company by stating in its articles of organization and operating agreement that it is a public benefit artist company and identifying one or more public benefits to be promoted by the artist company. Public benefit artist companies have additional duties for members and managers, and must provide members and donors with an annual statement specifying certain information about the public benefit and artistic mission of the public benefit artist company.

The bill specifies that there is no private right of action against an artist company for failing to create a public benefit, fulfill its artistic mission, or other breaches of duties.

Assumptions

The bill requires an artist company to file the periodic report required of LLCs. The fiscal note assumes there are no changes required to the periodic report.

State Revenue

The bill increases state revenue from fees by about \$483,000 in FY 2026-27. As described below, this revenue will be incurred from fees set to cover the estimated expenditures under the bill. This revenue is subject to TABOR.

Fee Impact on Businesses and Professions

Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. The DOS is primarily funded through business filing fees and the Department of State (DOS) is authorized to adjust fees so that the revenue generated approximates its direct and indirect costs. To cover the costs described in the State Expenditures section below, DOS will likely raise business filing fees; the fees affected, the timing of any increase, and the actual amount of fee charges will be set administratively by the DOS based on cash fund balance and total program costs.

State Expenditures

The bill increases state expenditures in the DOS by about \$483,000 in FY 2026-27. These costs, paid from the Department of State Cash Fund, are summarized in Table 2 and discussed below.

Table 2
State Expenditures
Department of State

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28
Personal Services	\$10,955	\$0
Software Development	\$468,000	\$0
Centrally Appropriated Costs	\$3,919	\$0
Total Costs	\$482,874	\$0
Total FTE	0.2 FTE	0.0 FTE

Department of State

Staff

In FY 2026-27 only, DOS will require 0.2 FTE for project management activities related to updating the online system, including stakeholder engagement, drafting forms and system requirements, supporting development and testing, and updating webpages and FAQs.

On a continuing basis, there will be ongoing questions to the Business and Licensing Division in the DOS related to the changes, however this increase in workload is absorbable.

Software Development

Starting in FY 2026-27, the DOS will incur a one-time cost of \$468,000 for software development to update the Business Filing application. The cost includes adding new filing types, collecting additional required information, and updating both the existing and new filing systems. This work is estimated at 3,600 contractor hours at a rate of \$130 per hour.

TABOR Refunds

The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by about \$483,000 in FY 2026-27. This estimate assumes the March 2026 LCS revenue forecast. 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.

Effective Date

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

State Appropriations

For FY 2026-27, the bill requires an appropriation of \$478,955 from the Department of State Cash Fund to the Department of State, and 0.2 FTE.

State and Local Government Contacts

Judicial	Office of Economic Development
Revenue	Secretary of State
Law	