



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1403: IT DEPRECIATION LEASE PAYMENTS

Prime Sponsors:

Rep. Brown; Sirota
Sen. Bridges; Kirkmeyer

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Fiscal note status: This fiscal note reflects the introduced bill, which was recommended by the Joint Budget Committee as part of the FY 2026-27 Long Bill budget package.

Summary Information

Overview. The bill exempts information technology annual depreciation-lease equivalent payments from annual transfers to the General Fund.

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

- State Transfers

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	not estimated
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

Current law requires appropriations for information technology capital projects to include an amount sufficient to cover estimated annual depreciation-lease equivalent (ADLE) payments, which are credited to the IT Capital Account in the Capital Construction Fund. In addition, the State Treasurer must transfer unexpended and unencumbered funds from the IT Capital Account to the General Fund at the end of each fiscal year. The bill exempts IT ADLE payments from these annual transfer requirements.

State Transfers

Beginning in FY 2026-27, the bill prohibits the annual transfer of IT ADLE payments from the IT Capital Account in the Capital Construction Fund to the General Fund. However, no ADLE payments are expected to be credited into the fund in FY 2026-27 as no IT capital projects have received funding. In future years, as IT capital projects are funded, transfer reductions may occur. Actual transfer amounts depend on IT capital projects approved for funding, completion dates, and long-term maintenance spending from the fund; therefore, the fiscal note cannot estimate these impacts.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Joint Budget Committee Staff