



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1382: SUPPORT OF COLORADANS WITH DISABILITIES

Prime Sponsors:

Rep. Brown; Sirota
Sen. Amabile; Bridges

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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 its FY 2026-27 Long Bill budget package.

Summary Information

Overview. The bill creates a special purpose authority to assume duties currently performed by the Colorado Disability Funding Committee, wraps up the work of the committee, and modifies revenue to, and uses of, the Disability Support Fund.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis starting in the current FY 2025-26:

- State Revenue
- State Expenditures
- State Transfers and Diversions
- TABOR Refunds
- Statutory Public Entity

Appropriations. For FY 2026-27, the bill includes appropriations to the Department of Labor and Employment and the Department of Revenue. See State Appropriations section.

Table 1
State Fiscal Impacts

Type of Impact	Current Year FY 2025-26	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	-\$11,588,693	-\$17,527,073
State Expenditures	\$0	\$5,400,048	-\$8,672,596
Transferred Funds	\$21,020,191	\$0	\$0
Change in TABOR Refunds	\$0	-\$11,588,693	-\$17,527,073
Change in State FTE	0.0 FTE	2.0 FTE	-3.0 FTE

Fund sources for these impacts are shown in the tables below.

**Table 1A
 State Revenue**

Fund Source	Current Year FY 2025-26	Budget Year FY 2026-27	Out Year FY 2027-28
General Fund	\$0	\$0	\$0
Cash Funds	\$0	-\$11,588,693	-\$17,527,073
Total Revenue	\$0	-\$11,588,693	-\$17,527,073

**Table 1B
 State Expenditures**

Fund Source	Current Year FY 2025-26	Budget Year FY 2026-27	Out Year FY 2027-28
General Fund	\$0	\$0	\$0
Cash Funds	\$0	\$1,700,048	-\$8,609,183
Federal Funds	\$0	\$3,700,000	\$0
Centrally Appropriated	\$0	\$0	-\$63,413
Total Expenditures	\$0	\$5,400,048	-\$8,672,596
Total FTE	0.0 FTE	2.0 FTE	-3.0 FTE

**Table 1C
 State Transfers**

Fund Source	Current Year FY 2025-26	Budget Year FY 2026-27	Out Year FY 2027-28
General Fund	\$21,021,000	\$0	\$0
Disability Support Fund	-\$21,000,000	\$0	\$0
Disabled Parking Ed. and Enforce. Fund	-\$20,191	\$0	\$0
Net Transfer	\$0	\$0	\$0

Summary of Legislation

On July 1, 2027, the bill repeals the Colorado Disability Funding Committee (committee) in the Colorado Disability Opportunity Office (CDOO) in the Colorado Department of Labor (CDLE). Instead, most of the duties of the committee are assumed by the newly created Colorado Disability Funding Authority (authority), with certain functions retained by CDOO. It also modifies revenue to and uses of the Disability Support Fund (DSF) and repeals the Disabled Parking Education and Enforcement Program and its associated cash fund. These changes are discussed below.

Colorado Disability Funding Authority Creation

The Colorado Disability Funding Authority is created as a special purpose authority. Generally, the authority assumes the duties that are currently performed by the committee, including making grants to eligible entities for purposes that support individuals living with disabilities. The authority is exempt from state taxation, and revenue received by the authority is exempted from TABOR revenue limits. The bill establishes the governance of the authority, including providing for a Governor-appointed board and requiring the Attorney General to serve as its legal advisor. The authority's governing board must meet twice before December 1, 2026, and must start making grant awards by July 1, 2027.

Disability Support Fund

Under current law, the DSF receives revenue from historic license plate sales and the sale of uniquely valuable vehicle registration numbers. The bill creates a subaccount for unique registration numbers, which is continuously appropriated to CDOO to pay contractors that administer the sale of unique registration numbers and is subject to annual appropriation for other direct and indirect costs of CDOO. The bill classifies the sale of unique vehicle registration numbers as a property sale, and thus makes revenue from these sales not subject to TABOR.

In the current FY 2025-26, \$21 million is transferred from the DSF to the General Fund. In FY 2026-27, a warrant for \$523,343 from the DSF must be issued to the authority for start-up costs. Expenditures from the DSF are authorized for vocational rehabilitation services for FY 2026-27 only.

Revenue from historic license plate sales is largely redirected to the new authority. For plates issued on and after October 1, 2026, a \$22.50 donation for issuance, replacement, and renewal is directed to the authority, and a \$2.50 fee is directed to the DSF.

Disabled Parking Education Program

The bill repeals the Disabled Parking Education Program on July 1, 2026. Its duties are assumed by the new authority. Additionally, the bill requires the transfer of the balance of the associated cash fund to the General Fund on June 30, 2026.

State Revenue

Starting in FY 2026-27, the bill decreases state revenue to the DSF. Instead, this revenue is directed to the new authority. For FY 2026-27, the decrease is estimated at about \$11.6 million based on a partial-year impact, and is estimated at about \$17.5 million for FY 2027-28 and future years.

Additionally, the bill makes the sale of unique vehicle registration numbers exempt from TABOR as a property sale. Any impact of making this revenue exempt from TABOR is assumed to be minimal relative to the overall amount of revenue diverted to the new authority, so no additional reduction to TABOR refunds is accounted for in this fiscal note.

State Transfers and Diversions

The bill makes two transfers in the current FY 2025-26. The first transfer is \$21.0 million from the DSF to the General Fund. The second is the unencumbered balance of the Disabled Parking Education and Enforcement Fund to the General Fund, estimated at \$20,191.

In addition, by repealing the requirement that half of all revenue from disabled parking violations accrue to the Disabled Parking Education and Enforcement Fund, the bill diverts this state revenue from traffic offenses to the Highway Users Tax Fund instead. The HUTF distributes 65 percent of revenue to the Colorado Department of Transportation, and the remainder is distributed to counties (26 percent) and municipalities (9 percent). This will not have a net effect on state revenue subject to TABOR, as both the Disabled Parking Education and Enforcement Fund and the HUTF are currently subject to TABOR.

State Expenditures

The bill increases state expenditures by about \$5.4 million in FY 2026-27 and decreases state expenditures by about \$8.7 million in FY 2027-28 and future years. These impacts occur in the CDLE and the Department of Revenue as shown in Table 2 and described in the sections below. Impacts are paid from a combination of the DSF and federal funds.

Table 2
State Expenditures
All Departments

Department	Current Year FY 2025-26	Budget Year FY 2026-27	Out Year FY 2027-28
Department of Labor and Employment	\$0	\$5,373,048	-\$8,672,596
Department of Revenue	\$0	\$27,000	\$0
Total Costs	\$0	\$5,400,048	-\$8,672,596

Department of Labor and Employment

On net, the bill increases state expenditures in the CDLE by \$5.3 million in FY 2026-27 and decreases expenditures by \$8.7 million in FY 2027-28 and future years. In the first year, costs are paid from the DSF and federal funds, while savings in future years are only from the DSF.

**Table 2A
 State Expenditures
 Department of Labor and Employment**

Cost Component	Current Year FY 2025-26	Budget Year FY 2026-27	Out Year FY 2027-28
Personal Services	\$0	\$133,145	-\$214,085
Operating Expenses	\$0	\$2,560	-\$3,840
Capital Outlay Costs	\$0	\$14,000	\$0
Vocational Rehab Services	\$0	\$4,700,000	\$0
Warrant to Authority	\$0	\$523,343	\$0
Grants	\$0	\$0	-\$8,391,258
Centrally Appropriated Costs	\$0	\$0	-\$63,413
Total Costs	\$0	\$5,373,048	-\$8,672,596
Disability Support Fund	\$0	\$1,673,048	-\$8,609,183
Federal Funds	\$0	\$3,700,000	\$0
Centrally Appropriated	\$0	\$0	-\$63,413
Total FTE	0.0 FTE	2.0 FTE	-3.0 FTE

Staff

For FY 2026-27 only, the CDLE will receive 1.0 FTE Grants Specialist III and 1.0 FTE Purchasing Agent III as temporary staff to accelerate the distribution of currently scheduled grants that will occur during the wind-down of the committee. Personal services costs are limited to 12 months. Funding for these temporary staff is included in the FY 2026-27 Long Bill.

Starting in FY 2027-28, fewer staff are needed as the committee and its functions are repealed. This results in a reduction of 1.0 FTE Administrator IV and 2.0 FTE Purchasing Agent III. The fiscal note assumes that the 2.0 FTE temporary staff from FY 2026-27 will be removed during the annual budget process and does not show a decrease for these staff in FY 2027-28.

Vocational Rehabilitation Services

The bill appropriates \$1.0 million from the DSF to the CDLE for vocational rehabilitation services in FY 2026-27 only. JBC staff indicates that this appropriation provides \$3.7 million in federal matching funds, bringing the total increase in CDLE expenditures for vocational rehabilitation services to \$4.7 million for FY 2026-27 only.

Warrant to Authority

The State Treasurer will issue a warrant for \$523,343 from the DSF on or before October 1, 2026, as required by the bill.

Grants

Starting in FY 2027-28, as the committee is repealed, grant expenditures will decrease by about \$8.4 million.

Disabled Parking Education Program

The bill moves the responsibility for the Disabled Parking Education Program from the CDLE to the authority. This reduces appropriations to the CDLE by \$100,000 starting in FY 2026-27.

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 include employee insurance and supplemental employee retirement payments, are shown in the expenditure table above.

Department of Revenue

The DOR will have one-time costs of \$27,000 to update the DRIVES system to implement changes to vehicle registration and license plate issuance made by the bill. Programming changes will be performed by a combination of DOR and OIT staff. These costs are paid from the DSF.

TABOR Refunds

By diverting revenue to a special purpose authority, the bill is expected to decrease the amount of state revenue required to be refunded to taxpayers by \$11.6 million in FY 2026-27 and \$17.5 million 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, decreased cash fund revenue will increase 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.

Statutory Public Entity

The bill creates the Colorado Disability Funding Authority as a special purpose authority. The authority will receive revenue from historic license plate donations and have expenditures for staff starting in FY 2026-27, with ongoing expenditures for staff and grants starting in FY 2027-28. FY 2026-27 revenue is assumed to be about \$11.6 million, and expenditures are assumed to be at least \$523,343 based on the warrant from the State Treasurer. In FY 2027-28, both revenue and expenditures will increase to reflect a full year of impacts, with revenue estimated at \$17.5 million and expenditures increasing by a comparable amount. Revenue to the authority is not subject to state revenue limits under TABOR.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature, except that:

- Section 18 takes effect either on the effective date of this bill or of the FY 2026-27 Long Bill, whichever is later; and
- relevant sections repealing the Colorado Disability Funding Committee take effect on July 1, 2027.

State Appropriations

For FY 2026-27, the bill includes the following adjustment to appropriations:

- a reduction of \$100,000 from the Disabled Parking Education and Enforcement Fund to the Department of Labor and Employment;
- an increase of \$1,000,000 from the Disability Support Fund to the Department of Labor and Employment; and
- an increase of \$27,000 from the Disability Support Fund to the Department of Revenue.

The bill includes technical language making the \$100,000 reduction conditional on sufficient appropriations being available in the applicable line item in the FY 2026-27 Long Bill.

Additionally, the CDLE requires an appropriation of \$149,705 and 2.0 FTE from the Disability Support Fund for temporary staff; however, the fiscal note assumes this appropriation is included in the FY 2026-27 Long Bill.

No appropriation is required for the State Treasurer to issue a warrant for \$523,343 from the Disability Support Fund.

State and Local Government Contacts

Department of Labor and Employment

Joint Budget Committee Staff