



## Fiscal Note

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## HB 26-1005: WORKER PROTECTION COLLECTIVE BARGAINING

#### Prime Sponsors:

Rep. Mabrey; Bacon  
Sen. Danielson; Jodeh

#### Fiscal Analyst:

Clare Pramuk, 303-866-4796  
clare.pramuk@coleg.gov

#### Bill Outcome:

Vetoed by Governor  
Drafting Number: LLS 26-0311

#### Version:

Final Fiscal Note  
Date: July 8, 2026

**Fiscal note status:** The final fiscal note reflects the enrolled bill. This bill was vetoed by the Governor on May 29, 2026; therefore, the impacts identified in this analysis do not take effect.

### Summary Information

**Overview.** The bill would have eliminated the requirement for employees to conduct a second election to negotiate a union security agreement clause in the collective bargaining process.

**Types of impacts.** The bill was projected to affect the following area on an ongoing basis:

- State Expenditures

**Appropriations.** For FY 2026-27, the bill would have reduced the General Fund appropriation by \$21,947 from the Department of Labor and Employment.

**Table 1**  
**State Fiscal Impacts**

| Type of Impact          | Budget Year<br>FY 2026-27 | Out Year<br>FY 2027-28 |
|-------------------------|---------------------------|------------------------|
| State Revenue           | \$0                       | \$0                    |
| State Expenditures      | -\$26,865                 | -\$40,296              |
| Transferred Funds       | \$0                       | \$0                    |
| Change in TABOR Refunds | \$0                       | \$0                    |
| Change in State FTE     | -0.2 FTE                  | -0.3 FTE               |

Fund sources for this impact are shown in Table 1A below.

**Table 1A**  
**State Expenditures**

| <b>Fund Source</b>        | <b>Budget Year<br/>FY 2026-27</b> | <b>Out Year<br/>FY 2027-28</b> |
|---------------------------|-----------------------------------|--------------------------------|
| General Fund              | -\$21,947                         | -\$32,920                      |
| Cash Funds                | \$0                               | \$0                            |
| Federal Funds             | \$0                               | \$0                            |
| Centrally Appropriated    | -\$4,918                          | -\$7,376                       |
| <b>Total Expenditures</b> | <b>-\$26,865</b>                  | <b>-\$40,296</b>               |
| <b>Total FTE</b>          | <b>-0.2 FTE</b>                   | <b>-0.3 FTE</b>                |

## Summary of Legislation

The bill eliminates the requirement under the Labor Peace Act to conduct a second election to negotiate a union security agreement clause in the collective bargaining process. The bill also requires employers and employees to bargain in good faith. It is not an unfair labor practice for an employer or employee to refuse to agree to a lawful proposal made by the other concerning a mandatory subject of bargaining.

## Background

A union security agreement is a contractual provision between an employer and a collective bargaining unit. It allows a labor union to require that union fees be paid by all covered workers, even those that choose not to join the union, and may require the automatic withdrawal of union dues from an employee's wages as a condition of employment.

The Division of Labor Standards and Statistics in the Colorado Department of Labor and Employment (CDLE) currently administers and certifies elections regarding union security agreement clauses at no cost to the collective bargaining unit or the employer.

## State Expenditures

The bill reduces state expenditures in the CDLE by about \$27,000 in FY 2026-27 and \$40,000 in FY 2027-28 and ongoing years. These General Fund expenditure reductions are summarized in Table 2 and discussed below.

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

| <b>Cost Component</b>        | <b>Budget Year<br/>FY 2026-27</b> | <b>Out Year<br/>FY 2027-28</b> |
|------------------------------|-----------------------------------|--------------------------------|
| Personal Services            | -\$21,691                         | -\$32,536                      |
| Operating Expenses           | -\$256                            | -\$384                         |
| Centrally Appropriated Costs | -\$4,918                          | -\$7,376                       |
| <b>Total Costs</b>           | <b>-\$26,865</b>                  | <b>-\$40,296</b>               |
| <b>Total FTE</b>             | <b>-0.2 FTE</b>                   | <b>-0.3 FTE</b>                |

## **Department of Labor and Employment**

### **Personal Services**

The bill reduces CDLE staff by 0.2 FTE in FY 2026-27 and 0.3 FTE in FY 2027-28 and ongoing years. This reduction is a result of approximately 600 hours less work (-0.3 FTE) for policy advisor staff in the Division of Labor Standards and Statistics to administer and certify second union elections. The CDLE requires 0.1 FTE in FY 2026-27 only to update existing public guidance and field public inquiries about the new law.

### **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, leased space, and indirect cost assessments, are shown in the expenditure table above.

## **Effective Date**

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

## **State Appropriations**

For FY 2026-27, the bill requires a General Fund reduction of \$21,947 from the Department of Labor and Employment, and a reduction of 0.2 FTE.

## State and Local Government Contacts

---

Labor

Personnel

---

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](#).