HB 26-1287

Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1287: SUNSET DIVISION OF REAL ESTATE

Prime Sponsors:
Rep. Boesenecker; Brooks
Sen. Kolker; Jodeh

Fiscal Analyst:
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Bill Outcome: Signed into Law
Drafting number: LLS 26-0360

Version: Final Fiscal Note
Date: May 18, 2026

Fiscal note status: The final fiscal note reflects the enacted bill.

Summary Information

Overview. The bill continues the Division of Real Estate and the regulation of various real estate professions in the Department of Regulatory Agencies, and makes additional changes to these programs.

Types of impacts. The bill has impacts in the following areas through FY 2037-38 from both continuing an existing program scheduled to repeal and making changes to that program:

- State Expenditures
- State Revenue

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)	$0	$6.8 million
State Expenditures (Cash Funds)	$0	$6.8 million
Transferred Funds	$0	$0
Change in TABOR Refunds	$0	$6.8 million
Change in State FTE	$0	43.0 FTE

These impacts result from continuing a program scheduled to repeal and reflect the extension of current revenue and spending levels.

Summary of Legislation

The bill continues the Division of Real Estate in the Department of Regulatory Agencies (DORA) for 11 years, extending the program's repeal date from September 1, 2026 to September 1, 2037. Specifically, it continues Real Estate Commission, continues the regulation of real estate brokers and subdivision developers, and removes home warranty service contracts from sunset reviews indefinitely. The bill also:

- clarifies that a licensed broker may issue their license under a previously used legal name;
- extends the waiting period to apply for a new license from one year to two years after license revocation;
- allows subpoenas to be served by any court with jurisdiction, instead of in the same manner as those in a district court;
- allows the division to establish fees for applications to approve continuing education courses;
- allows a broker to disclose a client's confidential transaction information to the broker's employer for supervising purposes;
- authorizes the commission to send correspondence to licensees electronically and requires the commission to develop protocols that ensure security and conditions of electronic correspondence; and
- makes technical and clarifying changes to statutes related to the division.

Background

In FY 2023-24, DORA licensed about 17,900 real estate brokers and 55 subdivision developers. The division received 484 complaints, and took 61 disciplinary actions, resulting in over $880,000 of fines. The sunset report for the division was completed in 2025.

Continuing Program Impacts

Based on the department's FY 2024-25 actuals, DORA is expected to have revenue and expenditures of $6.8 million and 43.0 FTE to administer the real estate professional programs. If this bill is enacted, current revenue and expenditures will continue for the program starting in FY 2027-28. This continuing revenue is subject to the state TABOR limits.

If this bill is not enacted, the program will enter a one-year wind-down period and then end on September 1, 2027, one year after its statutory repeal date. If allowed to repeal, state revenue and expenditures will decrease starting in FY 2027-28 by the continuation amounts shown in Table 1. The changes to the program that impact revenue and drive additional workload are discussed in the State Revenue and State Expenditures sections below.

State Revenue

Beginning in FY 2026-27, the bill increases state revenue by about $27,500 from fees on licensed brokers' applications to approve continuing education courses. This estimate is based on 1,102 continuing education submissions and an assumed fee of $25 per submission. However, because the collection of these fees is not expected to materially increase costs, the fiscal note assumes that DORA will decrease other fees on licensed brokers to maintain equivalency between program revenue and expenditures. As a result, the bill does not impact state revenue, on net.

State Expenditures

Beginning in FY 2026-27, workload in DORA will minimally increase to update rules, conduct outreach and education to licensed professions, establish a fee collection process for continuing education courses, and implement the remaining provisions of the bill. This workload is expected to be minimal and no change in appropriations is required.

Effective Date

The bill was signed by the Governor on June 4, 2026, and takes effect August 12, 2026, assuming no referendum petition is filed.

State and Local Government Contacts

Law

Regulatory Agencies