

**First Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO**

**INTRODUCED**

LLS NO. 25-0802.01 Caroline Martin x5902

**HOUSE BILL 25-1216**

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**HOUSE SPONSORSHIP**

**Brooks,**

**SENATE SPONSORSHIP**

**Carson,**

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**House Committees**  
Appropriations

**Senate Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING A REQUIREMENT THAT STATE AGENCIES IMPLEMENT**  
102 **ZERO-BASED BUDGETING.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

In state fiscal year 2026-27, the bill requires the department of revenue, the department of education, and the department of transportation to implement a budgeting method in which all expenses, both existing and new, must be justified for the fiscal year and every function is analyzed for its needs and costs (zero-based budgeting) when submitting a budget request. In state fiscal year 2027-28 and each state

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters or bold & italic numbers indicate new material to be added to existing law.  
Dashes through the words or numbers indicate deletions from existing law.*

fiscal year thereafter, the bill requires all state agencies in all principal departments to implement zero-based budgeting when submitting a budget request.

In state fiscal year 2026-27 and each state fiscal year thereafter, the office of state planning and budgeting is required to develop and digitally distribute to state agencies information related to zero-based budgeting training and to provide virtual sessions for the purpose of training state agencies to implement zero-based budgeting. In state fiscal year 2027-28 and each state fiscal year thereafter, the office of state planning and budgeting is required to submit to the general assembly an annual report detailing the effectiveness of zero-based budgeting.

All budget requests that implement zero-based budgeting must be publicly accessible on the general assembly's website, and the state auditor is required to conduct periodic financial audits to ensure state agencies' compliance with zero-based budgeting requirements.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, 2-3-208, **amend** (6);  
3 and **add** (1)(c) and (2.5) as follows:

4 **2-3-208. Budget requests - amendments - supplemental**  
5 **appropriation requests - deadlines - definitions.** (1) As used in this  
6 section, unless the context otherwise requires:

7 (c) "ZERO-BASED BUDGETING" MEANS A BUDGETING METHOD IN  
8 WHICH ALL EXPENSES, BOTH EXISTING AND NEW, MUST BE JUSTIFIED FOR  
9 THE FISCAL YEAR AND EVERY FUNCTION IS ANALYZED FOR ITS NEEDS AND  
10 COSTS.

11 (2.5) (a) IN STATE FISCAL YEAR 2026-27, WHEN SUBMITTING A  
12 BUDGET REQUEST TO THE JOINT BUDGET COMMITTEE PURSUANT TO  
13 SUBSECTION (2)(a) OF THIS SECTION, THE FOLLOWING STATE AGENCIES  
14 SHALL, WITHOUT FURTHER APPROPRIATIONS FOR THE PURPOSES OF THIS  
15 SUBSECTION (2.5)(a), IMPLEMENT ZERO-BASED BUDGETING:

16 (I) THE DEPARTMENT OF REVENUE;

17 (II) THE DEPARTMENT OF EDUCATION; AND

1 (III) THE DEPARTMENT OF TRANSPORTATION.

2 (b) IN STATE FISCAL YEAR 2027-28 AND EACH STATE FISCAL YEAR  
3 THEREAFTER, WHEN SUBMITTING A BUDGET REQUEST TO THE JOINT  
4 BUDGET COMMITTEE PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION,  
5 ALL STATE AGENCIES IN ALL PRINCIPAL DEPARTMENTS SHALL, WITHOUT  
6 FURTHER APPROPRIATIONS FOR THE PURPOSES OF THIS SUBSECTION  
7 (2.5)(b), IMPLEMENT ZERO-BASED BUDGETING.

8 (c) IN STATE FISCAL YEAR 2026-27 AND EACH STATE FISCAL YEAR  
9 THEREAFTER, THE OFFICE OF STATE PLANNING AND BUDGETING SHALL,  
10 WITHOUT ANY FURTHER APPROPRIATIONS FOR THE PURPOSES OF THIS  
11 SUBSECTION (2.5)(c):

12 (I) DEVELOP AND DIGITALLY DISTRIBUTE TO STATE AGENCIES  
13 INFORMATION RELATED TO ZERO-BASED BUDGETING TRAINING; AND

14 (II) PROVIDE VIRTUAL SESSIONS FOR THE PURPOSE OF TRAINING  
15 STATE AGENCIES TO IMPLEMENT ZERO-BASED BUDGETING.

16 (d) IN STATE FISCAL YEAR 2027-28 AND EACH STATE FISCAL YEAR  
17 THEREAFTER, THE OFFICE OF STATE PLANNING AND BUDGETING SHALL,  
18 WITHOUT ANY FURTHER APPROPRIATIONS FOR THE PURPOSES OF THIS  
19 SUBSECTION (2.5)(d), SUBMIT TO THE JOINT BUDGET COMMITTEE A REPORT  
20 CONCERNING THE EFFECTIVENESS OF ZERO-BASED BUDGETING  
21 IMPLEMENTED PURSUANT TO SUBSECTIONS (2.5)(a) AND (2.5)(b) OF THIS  
22 SECTION.

23 (e) IN STATE FISCAL YEAR 2026-27 AND EACH STATE FISCAL YEAR  
24 THEREAFTER, WITHOUT ANY FURTHER APPROPRIATIONS FOR THE PURPOSES  
25 OF THIS SUBSECTION (2.5)(e), ALL BUDGET REQUESTS THAT IMPLEMENT  
26 ZERO-BASED BUDGETING PURSUANT TO SUBSECTIONS (2.5)(a) AND (2.5)(b)  
27 OF THIS SECTION MUST BE PUBLICLY ACCESSIBLE ON THE GENERAL

1 ASSEMBLY'S WEBSITE.

2 (f) THE STATE AUDITOR SHALL, WITHOUT ANY FURTHER  
3 APPROPRIATIONS FOR THE PURPOSES OF THIS SUBSECTION (2.5)(f),  
4 CONDUCT OR CAUSE TO BE CONDUCTED AN AUDIT OF EACH STATE AGENCY  
5 TO ENSURE STATE AGENCIES' COMPLIANCE WITH THE ZERO-BASED  
6 BUDGETING REQUIREMENTS DESCRIBED IN SUBSECTIONS (2.5)(a) AND  
7 (2.5)(b) OF THIS SECTION.

8 (6) For purposes of this section, EXCEPT FOR SUBSECTION (2.5) OF  
9 THIS SECTION, the office of administrative services for independent  
10 agencies in the judicial department, created in section 13-100-103, is a  
11 state agency. Included agencies, as defined in section 13-100-102, are not  
12 state agencies for purposes of budget request submissions.

13 **SECTION 2. Act subject to petition - effective date.** This act  
14 takes effect at 12:01 a.m. on the day following the expiration of the  
15 ninety-day period after final adjournment of the general assembly; except  
16 that, if a referendum petition is filed pursuant to section 1 (3) of article V  
17 of the state constitution against this act or an item, section, or part of this  
18 act within such period, then the act, item, section, or part will not take  
19 effect unless approved by the people at the general election to be held in  
20 November 2026 and, in such case, will take effect on the date of the  
21 official declaration of the vote thereon by the governor.