



Support HB26-1138 Retail Theft Prevention Program

Sponsors: Representative(s) Dan Woog & Cecilia Espenoza, Senator Barbara Kirkmeyer & Majority Leader Robert Rodriguez

The case for action: retail crime is public safety and state revenue

Retail crime is rising and increasingly organized. In 2024, Colorado recorded 27,094 reported thefts, a 22.4% increase over 2023. That and 89% of retail theft incidents go unreported, meaning official figures likely understate the true scale. Retail crime also drives public safety workload and cost. Whereas one methodology incorporates government response costs by using an estimate of \$4,176 per police-reported incident for public services and adjudication.

What HB26-1138 does

- HB26-1138 creates a Retail Theft Prevention Advisory Board and a Retail Theft Prevention Grant Program in the Office of the Attorney General to coordinate strategy, award grants, track outcomes, and report trends and recommendations.
- Grants can support investigations and prosecutions of organized felony-level retail theft and gift card fraud, technology and data-sharing systems, analytics tools, training and technical assistance, and prevention and deterrence initiatives tied to felony-level retail theft and gift card fraud.
- Eligible applicants include local or state law enforcement, district attorneys' offices, multijurisdictional or regional task forces, and tribal law enforcement.

What HB26-1138 does not do

- **No penalty increases.**
- HB26-1138 is structured as a resource, coordination, and grant model. It does not create new sentencing ranges or increase existing penalty levels in the criminal code.

Mirrors a proven model applied to felony-level retail theft

- HB26-1138 is designed to mirror the statewide model used for auto theft: a grant-based approach that supports coordinated multi-agency work, training, and data-informed strategies. CATPA is publicly described as a statewide cooperative effort to reduce vehicle theft, including grant support for enforcement, prosecution, and related activities.
- HB26-1138 applies that model to felony-level retail theft and gift card fraud, focusing on resources and coordination rather than changing penalties.

Not just a cost to retailers – a cost to the state

- **Revenue recovery pathway:** An estimated **\$78M** in lost state sales tax revenue in 2022 attributable to retail theft and related fraud. Reducing organized felony-level retail theft should recapture taxable sales and associated state revenue.
- **Cost avoidance pathway:** CSI's model uses a per-incident proxy for government service and adjudication costs. If incidents decline, there is a plausible public-cost avoidance effect.

For More Information, Please Contact: Katie Wolf (720) 365-3990, Landon Gates (970) 218-0284, Brock Herzberg (303) 945-1076, Sara Orrange (253) 820-7296

- **Sponsor line for fiscal staff:** Even if savings are scored conservatively, the fiscal note should recognize an **indeterminate revenue upside** because retail theft represents a direct loss of taxable sales.

HB26-1138 adopts a CATPA-style grant and coordination model for addressing felony-level retail theft, enhancing public safety resources and seeking to recover lost state sales tax revenue, while maintaining current criminal penalty levels.

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