



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-13 26: SUNSET PUBLIC UTILITIES COMMISSION

Prime Sponsors:

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Summary Information

Overview. The bill continues the Public Utilities Commission for 11 years through September 1, 2037, and implements the recommendations from the sunset review.

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 Revenue
- State Expenditures
- TABOR Refunds
- Local Government

Appropriations. For FY 2026-27, the bill requires an appropriation of \$225,592 to the Department of Regulatory Agencies.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$235,427	\$19,397,410
State Expenditures	\$235,427	\$19,445,109
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$235,427	\$19,397,410
Change in State FTE	0.8 FTE	134.2 FTE

The bill has impacts from both continuing a program scheduled to repeal and from making changes to that program. Additional detail on fund sources, as well as the new and continuing impacts, are shown in the tables below.

**Table 1A
State Revenue**

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28
Cash Funds – Continuation	\$0	\$19,205,626
Cash Funds – New	\$235,427	\$191,784
Total Revenue	\$235,427	\$19,397,410

**Table 1B
State Expenditures**

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28
Cash Funds – Continuation	\$0	\$19,205,626
Federal Funds – Continuation	\$0	\$47,699
Cash Funds – New	\$225,592	\$179,490
Centrally Appropriated	\$9,835	\$12,294
FTE – Continuation	0.0 FTE	133.2 FTE
FTE – New	0.8 FTE	1.0 FTE
Total Expenditures	\$235,427	\$19,445,109
Total FTE	0.8 FTE	134.2 FTE

Summary of Legislation

The bill extends the Public Utilities Commission for 11 years through September 1, 2037, and implements the recommendations of the [2025 Sunset Review](#), as detailed below.

Governance and Administration

The bill permits commissioners to communicate outside public meetings on adjudicatory matters under certain conditions. PUC staff may send correspondence via email once staff protocols are developed to ensure security and acceptable uses.

Energy Policy

The Renewable Energy Standard is modernized, as it relates to distributed generation and storage, and to align the standard with Clean Energy Plans.

The PUC is required to commission a study to identify barriers to joint procurement of wind, solar, and advanced generation resources by utilities.

The commission may require a regulated utility to contract for customer-facing programs if it is in the best interest of ratepayers.

The bill clarifies the applicability of the PUC's appeals process for critical energy production and transmission projects by clarifying that a municipally owned utility, cooperative electric association, independent transmission developer, or independent power producer may appeal a local government's decision to deny a land use permit or application for a major electrical or natural gas facility they own to the PUC.

Affordability

The PUC may direct investor-owned electric utilities to use securitization through the Colorado Energy Impact Bond Act as a cost-recovery tool when it demonstrably lowers ratepayer costs.

The PUC must standardize implementation and access to income-qualified energy assistance programs and study the Percentage of Income Payment Programs (PIPPs) concept more generally to determine whether funding access and equity can be improved.

Rideshare (TNC) Regulation

The bill eliminates a mechanism whereby a transportation network company (TNC) cannot be held liable for Refusal of Service incidents, so long as the incidents were reported to them in writing and the TNC reasonably addressed them. The civil penalty for violations regarding these incidents is doubled to \$1,100 per incident. Also, the reporting requirement for these incidents is expanded to include those involving individuals with disabilities or service animals. Reports must be anonymized and made publicly available by the PUC.

Individuals who impersonate a TNC driver commit a class 2 misdemeanor. If the impersonation occurs during the commission of a felony offense, the impersonation offense is a class 6 felony. TNCs are required to conduct periodic checks using facial recognition software to prevent TNC driver impersonation. The PUC is required to adopt rules establishing these requirements within 18 months of the bill's effective date.

TNCs are also required to provide information to riders about the PUC in accordance with rules adopted by the commission within 18 months of the bill's effective date.

TNCs must annually report all safety-related incidents to the PUC, which shall be redacted to protect personally identifiable information (PII) and made publicly available.

Contract and Common Carriers

The bill expands background check requirements to cover all drivers for contract and non-taxi common carriers.

The PUC must conduct a study by January 1, 2028, that examines the current regulatory structure for contract and common carriers. The study must explore market entry models and factors; economic regulation and rate structures; the balance between service territory protections and potential burdens; and changing conditions affecting these concepts. The study must also recommend alternative models, if appropriate.

The bill creates a consistent vehicle inspection standard for limited regulation carriers and large-market taxicab services, determined through PUC rules.

Rail and Transit

The bill updates statutory language regarding rail and transit regulations to mirror current federal law and to repeal obsolete provisions.

Telecommunications

The maximum no-call list fee doubles to \$1,000 per year, and the PUC can assess a fee on list brokers for access.

The definition of "voice service providers" is broadened so all providers—not just public utilities—contribute to the telecom utility fee to finance the commission's telecommunications-related work.

Usage of revenue from charges related to the provision of 911 services are aligned with federal requirements to only cover radio equipment outside of the Public Safety Answering Point used for dispatching calls.

The commission may adopt rules to establish and enforce caps on intrastate prison phone rates assessed by penal communications service providers. Providers must cooperate with PUC staff when staff performs its biannual testing of services.

Other

Small operators of natural gas pipelines are exempted from the mandatory minimum \$5,000 civil penalty required for violations of pipeline safety laws, and the commission is permitted to impose a lesser penalty.

The PUC must perform a study identifying all privately owned water utilities in the state and assessing their financial conditions and needs.

Comparable Crime Analysis

Legislative Council Staff is required to include certain analysis in the fiscal note for any bill that creates a new crime, or that either reclassifies or creates a new factual basis for an existing crime. This section identifies comparable crimes and discusses assumptions on future conviction rates resulting from the bill.

Prior Conviction Data and Assumptions

This bill creates the new offense of impersonating a TNC driver, a class 2 misdemeanor, unless the impersonation occurs during the commission of a felony offense, in which case it is a class 6 felony. To form an estimate on the prevalence of this new crime, the fiscal note analyzed the existing offense of criminal possession of an identification document, a class 2 misdemeanor, unless the person is in possession of identification documents issue to different persons, in which case it is a class 6 felony. From FY 2022-23 to FY 2024-25, 1,471 offenders have been convicted and sentenced for this misdemeanor offense, or about 490 per year. Of the persons convicted, 935 were male, 528 were female, and 8 did not have a gender identified. Demographically, 1,218 were White, 128 were Black/African American, 86 were Hispanic, 10 were Asian, 5 were American Indian, 19 were classified as "Other," and 5 did not have a race identified.

The fiscal note assumes that the bill's requirements for TNCs to conduct periodic checks using facial recognition software to prevent TNC driver impersonation will largely mitigate criminal justice-related impacts. Because the bill is not expected to have a tangible impact on criminal justice-related expenditures or revenue at the state or local levels, these potential impacts are not discussed further in this fiscal note.

Continuing Program Impacts

Based on the [department's FY 2026-27 budget request](#), the PUC is expected to have cash fund revenue \$19.2 million and expenditures of \$19.3 million to administer the commission. Expenditures are primarily from cash funds (\$19.2 million) and a small amount of federal transit funding (\$47,699). If this bill is enacted, current revenue and expenditures will continue for the commission 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, 2028, 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 Tables 1A and 1B. The changes to the program that drive additional revenue and costs are discussed in the State Revenue and State Expenditures sections below.

Assumptions

An estimated 500 to 700 drivers for contract and non-taxi common carriers will be required to submit to the fingerprint background check requirements in the bill; however, these background checks are required to be conducted by a private entity and will not impact state revenue or workload for the Colorado Bureau of Investigation in the Department of Public Safety.

State Revenue

The bill increases state revenue to cover the expenditures incurred by the PUC resulting from changes to the program in the bill. This revenue increase is estimated at about \$235,000 in FY 2026-27, and \$192,000 in FY 2027-28 and ongoing, with fees paid to the TNC Cash Fund and Motor Carriers Cash Fund, and civil penalty revenue to the Legal Services Offset Fund. Additionally, the bill is expected to have a neutral revenue impact from other fee adjustments permitted in the bill. All revenue is subject to TABOR.

Fee Impacts on Utilities

Legislative Council Staff is required to estimate the fee impact of bills that create or increase any fee collected by a state agency. These fee amounts are estimates only, actual fees will be set administratively by the PUC based on cash fund balances, program costs, and the number of entities subject to each fee.

Transportation Network Companies

The PUC will increase fees on TNCs in order to recoup an estimated \$160,000 in FY 2026-27 and \$192,000 in costs for an administrative law judge and legal services to manage contestations resulting from the changes in the bill, credited to the TNC Cash Fund. To the extent civil penalties are assessed on TNCs, these costs may be offset; see more on civil penalties below.

Common Carriers

The PUC will increase fees on common carriers to recoup an estimated \$75,000 in FY 2026-27 for the contract carrier study required by the bill, credit to the Motor Carriers Cash Fund.

Telemarketers

The current rate for telemarketers to access the no-call list is \$500 annually, and has remained unchanged since 2002; however, "conforming list brokers" may obtain the list free of charge. The bill changes this statute, allowing the PUC to set a fee for conforming list brokers to obtain the list. In total, 201 telemarketers are registered to access the list. Of these, 177 pay a fee currently, and the remaining 24 conforming list brokers will begin paying the fee in FY 2026-27. The fee increase will be realized by the program's vendor, and not credited to the state.

Voice Service Providers

The PUC receives fee assessments from telecom providers, capped at 0.4 percent of intrastate revenues, credited to the Telecom Utility Fund. Revenue from traditional landline providers has consistently declined over the years due to customers switching to VoIP (voice-over-internet protocol) or wireless phones and cancelling their landline subscriptions. The bill allows an additional 116 telecom providers to be assessed the fee, which will support the current level of expenditures for the Telecom section and stabilize revenue collections within the current fee cap despite declining intrastate telecom revenues among the current payer base.

Civil Penalties

The bill is expected to increase civil penalty revenue to the Legal Services Offset Cash Fund by an estimated \$16,500 per year, assuming 15 civil penalty assessment notices issued per year at \$1,100 per assessment. These costs will offset legal services spending from the TNC Cash Fund.

State Expenditures

In addition to the costs of continuing the PUC described in the Continuing Program Impact section above, the bill increases state expenditures in the Department of Regulatory Agencies by about \$235,000 in FY 2026-27 and \$192,000 in FY 2027-28 and ongoing from further changes to PUC operations. These costs, paid from the TNC Cash Fund and the Motor Carriers Cash Fund, are summarized in Table 2 and discussed below. The bill also minimally affects workload in the Departments of Revenue and Human Services.

**Table 2
 State Expenditures
 Department of Regulatory Agencies**

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28
Personal Services	\$43,382	\$54,227
Operating Expenses	\$512	\$640
Capital Outlay Costs	\$7,000	\$0
Legal Services	\$99,698	\$124,623
Contract Study	\$75,000	\$0
Centrally Appropriated Costs	\$9,835	\$12,294
FTE – Personal Services	0.4 FTE	0.5 FTE
FTE – Legal Services	0.4 FTE	0.5 FTE
Total Costs	\$235,427	\$191,784
Total FTE	0.8 FTE	1.0 FTE

Department of Regulatory Agencies

The PUC requires staff, legal services, and contract costs to implement the bill.

Staff and Legal Services

Civil Penalties on TNCs

Starting in FY 2026-27, the PUC requires 0.5 FTE Administrative Law Judge to oversee contested enforcement actions expected to result from increased civil penalties for Refusals of Service by TNCs. First-year costs are prorated for a September start, and include standard operating and capital outlay.

Legal services costs to represent both the PUC and commission staff in these actions will also increase. The fiscal note assumes this work will be equal to the required ALJ staff, at 900 hours per year, or 0.5 FTE, prorated for a September start in the first year. Legal services are provided by the Department of Law at a rate of \$138.47 per hour. Additional legal services, if required, will be adjusted through the annual budget process.

PUC staff will also have increased workload to manage new incident reporting requirements, however, no appropriations are required for this workload.

Appeals Process for Small Utilities

The bill's allowance for municipally owned utilities, cooperative electric associations, independent transmission developers, and independent power producers to appeal a local government's decision to deny a land use permit or application for a major electrical or natural gas facility they own to the PUC will increase workload. Assuming no more than one or two cases are appealed to the PUC annually, this workload can be accomplished within the normal course of PUC business. Legal services will be adjusted through the annual budget process, as necessary, as appeals are filed.

Studies

Contractor for Common Carrier Study

The PUC's Transportation section requires contract staff to perform the study on the current regulatory structure for contract and common carriers by January 2028. The study is estimated to require \$75,000 in FY 2026-27 only. Actual costs will be determined through the procurement process.

Other Studies

For the other three studies required by the bill, no change in appropriations is required, as outlined below.

- The PUC has budgeted for and is currently studying PIPPs.
- Existing PUC staff review water utility filings and jurisdictional issues with water service, and can complete the study on private providers.
- Existing PUC research staff will conduct the investigation into the barriers to joint procurement of advanced energy generation resources, and may request input from utilities and other Colorado market participants to assist the effort.

Rulemaking

PUC rulemaking is anticipated to be accomplished with existing resources.

Other Agency Impacts

The Department of Revenue can absorb the workload impact from assessing fees on additional voice service providers, as the population is small. Any changes to rules for how investor-owned utility companies implement income-based energy assistance programs is anticipated to be absorbable for the Department of Human Services.

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, indirect cost assessments, and other costs, are shown in Table 2 above.

TABOR Refunds

The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in Table 1. These TABOR refund impacts occur from both continuing existing revenue and from increased revenue required to cover new costs under the bill. This estimate assumes the March 2025 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, increased cash fund revenue will reduce 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.

Local Government

To the extent local governments are involved in appeals to the PUC of their land use decisions for electric and natural gas facilities owned by municipally owned utilities, cooperative electric associations, independent transmission developers, and independent power producers, legal defense costs will increase.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed. It applies to conduct occurring on or after this date.

State Appropriations

For FY 2026-27, the bill requires the following appropriations to the Department of Regulatory Agencies:

- \$150,592 from the Transportation Network Company Cash Fund, and 0.4 FTE, of which \$99,698 is reappropriated to the Department of Law with an additional 0.4 FTE; and
- \$75,000 from the Motor Carriers Cash Fund.

Departmental Difference

The Department of Law assumes the PUC will require extensive legal services to implement the bill, estimated at 5,400 hours in FY 2026-27, at a cost of \$747,738 (3.0 FTE), and 5,220 hours in FY 2027-28, at a cost of \$722,813 and 5,220 additional legal hours (2.9 FTE).

The fiscal note does not include these costs as it is DORA's position that assumptions around claims, litigation, disputes, and appeals should be addressed through the annual budget process, as the department is billed 100 percent for any legal services identified in a fiscal note, regardless of the level of services actually provided by the Department of Law. The fiscal note concurs with the inherent uncertainty in the number of enforcement actions resulting from this bill, and agrees that the annual budget process is best suited to address these costs should they arise. The fiscal note estimate for legal services is set to align with the amount of work handled by new PUC staff.

State and Local Government Contacts

Colorado Energy Office	Law
Counties	Municipalities
Governor	Public Health and Environment
Human Services	Regulatory Agencies
Information Technology	Revenue

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](#).