



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1396: DISASTER EMERGENCY FUND CHANGES

Prime Sponsors:

Rep. Brown; Taggart
Sen. Amabile; Kirkmeyer

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Fiscal note status: This fiscal note reflects the introduced bill, which was recommended by the Joint Budget Committee as part of its FY 2026-27 budget package.

Summary Information

Overview. The bill modifies the maximum unencumbered balance and reporting requirements for the Disaster Emergency Fund.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis starting in FY 2026-27:

- Minimal State Workload
- State Transfers

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	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

The bill sets the maximum annual unencumbered balance of the Disaster Emergency Fund (DEF) at \$200 million, with any excess amount transferred to the General Fund. In addition to currently required information, annual reports from the Office of State Planning and Budget (OSPB) to the Joint Budget Committee (JBC) must include which disasters have been closed out and the amount of unencumbered money that the office transferred from subaccounts back to the DEF.

Closing out a disaster is the process by which the Colorado Department of Public Safety (CDPS) reports to OSPB that all required response work is complete and the OSPB removes a subaccount related to a specific disaster from the DEF. The bill requires the CDPS to close out federally declared disasters within three years of the last date of revenue into or expenditures from the DEF are recorded for the disaster, and within eight years for state-only disasters.

State Transfers

Starting in FY 2026-27, the bill annually transfers any unencumbered money in the DEF in excess of \$200 million to the General Fund. There is no current estimate of the amount available for transfer to the General Fund in FY 2026-27 or FY 2027-28.

State Expenditures

Starting in FY 2026-27, workload increases in the CDPS and the OSPB to ensure reporting requirements are met and disasters are closed out. This workload is minimal and no change in appropriations is required.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Joint Budget Committee

Public Safety

Office of State Planning and Budgeting

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](#).