



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1054: PROTECTIONS FOR WORKER SAFETY

Prime Sponsors:

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Fiscal note status: This revised fiscal note reflects the introduced bill, as amended by the House Business Affairs and Labor and Appropriations Committees.

Summary Information

Overview. The bill creates state occupational health and safety regulations in the event standards under the federal Occupational Safety and Health Act are repealed.

Types of impacts. The bill may affect the following areas on an ongoing basis, conditional upon future federal action:

- State Revenue
- State Expenditures
- Local Government

Appropriations. No appropriation is required.

Table 1
Conditional State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Conditional Fiscal Year One	Conditional Fiscal Year Two
State Revenue	\$0	\$0	\$0
State Expenditures	\$0	\$1,411,396	\$1,355,396
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$0	\$0
Change in State FTE	0.0 FTE	9.0 FTE	9.0 FTE

Fund sources for these impacts are shown in the table below. The impacts of the bill are conditional upon future federal action. The fiscal note does not assume when or if that action will occur; therefore, if these impacts occur, costs will be addressed through the annual budget process.

**Table 1A
 Conditional State Expenditures**

Fund Source	Budget Year FY 2026-27	Conditional Fiscal Year One	Conditional Fiscal Year Two
General Fund	\$0	\$1,211,092	\$1,155,092
Cash Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0
Centrally Appropriated	\$0	\$200,304	\$200,304
Total Expenditures	\$0	\$1,411,396	\$1,355,396
Total FTE	0.0 FTE	9.0 FTE	9.0 FTE

Summary of Legislation

The bill creates state occupational health and safety regulations in the event standards under the federal Occupational Safety and Health (OSH) Act are repealed. In the event any federal standard is repealed after September 1, 2025, the Attorney General and the Department of Law (DOL) are authorized to adopt, by rule, state standards that are as stringent or more stringent than the repealed federal standard. Under the bill, private sector employers have a general duty to maintain a safe workplace and comply with any statutory safety standards.

The bill authorizes the DOL to refer workplace health and safety concerns about any state standards adopted to relevant state and local authorities. The DOL, a labor organization, a worker organization, or an individual that is aggrieved by a violation of any state standard adopted may file a civil action for relief. The bill establishes remedies available to aggrieved parties, and includes a penalty of up to \$1,000 for a violation, up to \$10,000 for subsequent violations, and up to \$70,000 for willful violations. These penalties are credited to the new Workplace Health and Safety Fund in the DOL. The fund is continuously appropriated to the DOL, including for the purpose of rulemaking, public outreach, and any necessary enforcement actions. The bill links the new duties for the DOL under the bill with the existing Worker and Employee Protection Unit in the DOL.

Finally, the bill makes conforming amendments such that the procedures for violations under this bill are distinct from other procedures for violations of labor laws.

Assumptions

The fiscal note assumes that the current federal OSH Act and Occupational Health and Safety Administration (OSHA) will remain in effect. However, in the event the law or any individual standard is repealed, the bill will increase state revenue and expenditures. The costs in this fiscal note represent an estimate for a total replacement of OSHA with state level regulation of occupational safety, but if individual OSHA standards are repealed, costs may be less. Additionally, these estimates assume active program development and enforcement, rather than only discretionary activities. All estimates use common policies for FY 2026-27 and FY 2027-28; the cost to implement the bill after these dates will be higher.

State Revenue

The bill may increase state revenue from civil penalties and filing fees as discussed below.

Civil Penalties

The bill may increase state revenue from civil penalties to the newly created Workplace Health and Safety Fund in the DOL. Violations may be subject to penalties of up to \$1,000, \$10,000, or \$70,000. This revenue would be subject to TABOR. Given the uncertainty about the number of cases that may be pursued, as well as the wide range in potential penalty amounts, the fiscal note cannot estimate the potential impact of these civil penalties.

Filing Fees

The bill may increase revenue to the Judicial Department from an increase in civil case filings. Revenue from filing fees is subject to TABOR.

State Expenditures

The bill conditionally increases state expenditures in the DOL by about \$1.4 million starting in the first fiscal year following the repeal of the OSH Act. These costs, paid from the General Fund and the Workplace Health and Safety Fund to the extent revenue is available within the fund, are summarized in Table 2 and discussed below. The bill also minimally affects workload in the Judicial Department.

**Table 2
 State Expenditures
 Department of Law**

Cost Component	Budget Year FY 2026-27	Conditional Fiscal Year One	Conditional Fiscal Year Two
Personal Services	\$0	\$906,352	\$906,352
Operating Expenses	\$0	\$10,240	\$10,240
Capital Outlay Costs	\$0	\$56,000	\$0
Legal Services	\$0	\$238,500	\$238,500
Centrally Appropriated Costs	\$0	\$906,352	\$906,352
FTE – Personal Services	0.0 FTE	8.0 FTE	8.0 FTE
FTE – Legal Services	0.0 FTE	1.0 FTE	1.0 FTE
Total Costs	\$0	\$1,411,396	\$1,355,396
Total FTE	0.0 FTE	9.0 FTE	9.0 FTE

Department of Law

The DOL will have staff costs, legal services, and other expenditures beginning in the first fiscal year after any conditional federal action occurs repealing the federal OSH Act.

Staff

The fiscal note estimates that the DOL requires a total of 8.0 FTE to develop workplace safety standards and take other necessary actions if and when the DOL becomes responsible for developing standards. This includes:

- 1.0 FTE Policy Advisor VII to serve as the leader of the regulatory program;
- 1.0 FTE Program Assistant to assist with assumed administrative duties, such as corresponding with regulated entities and stakeholders;
- 2.0 FTE Compliance Investigator III to supervise and assist with field investigations; and
- 4.0 FTE Compliance Investigator II to conduct field investigations.

If the DOL receives workplace health and safety complaints while current federal standards remain in effect, the fiscal note assumes that the DOL will direct individuals to appropriate federal authorities. This may result in a minimal increase in workload, but no change in appropriations is required.

Legal Services

The fiscal note estimates that the DOL will require 1,800 legal hours for standard development, general counsel, and taking enforcement actions. This equates to 1.0 FTE.

Other Expenditures

The DOL may incur other expenditures that are not estimated here. This could include specialized trainings, equipment, and information technology infrastructure necessary to implement a state-level workplace health and safety program.

Judicial Department

The trial courts in the Judicial Department may have an increase in civil cases filed if violations occur. It is assumed that most employers will follow workplace health and safety standards and that any violation will result in a minimal number of new cases. The fiscal note assumes that any increase in appropriations will be addressed through the annual budget process.

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.

Local Government

If violations occur, appropriate local government agencies may have an increase in workload to investigate complaints and take necessary enforcement actions.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature. It applies to conduct occurring on or after this date.

State and Local Government Contacts

Judicial	Personnel
Labor	Treasury
Law	

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](#).