



2026 Colorado Legislative Session Recap



75th General Assembly, Second Regular Session

Session Dates: January 14 – May 13, 2026

Partisan Makeup: Democrats hold a 23–12 majority in the Senate and a 43–22 majority in the House.

Numbers at a glance: 193 bills introduced in Senate, 433 in House, 164 bills Pl'd, 157 passed, 0 vetoed to date (Bills passed/signed, and vetoed will change as the Governor has until 6/12 to sign or veto legislation that arrives on his desk on or after May 4. These numbers are as of 5/13, the last day of session)

The Big Picture: A Bruising Year

The 2026 Colorado Legislative Session unfolded against a backdrop of fiscal constraint and electoral calculus, as lawmakers navigated one of the tightest budget environments in recent memory while keeping a watchful eye on November's ballot. With a structural shortfall limiting the General Assembly's appetite for new spending, the session was defined less by landmark legislation than by careful triage — advancing priorities that carried little or no fiscal impact while deferring costlier initiatives to future years or the voters themselves. The result was a session of modest ambition by necessity, where the art of the possible was measured not in policy vision, but in available dollars.

A \$1.5 billion budget shortfall and partisan fights left lawmakers worn down, with little relief as the clock wound down. As House Speaker Julie McCluskie put it, "In a year when most of the conversation is about cutting, there's no joy, there's no excitement for what you're able to deliver. But there is a sense of pride that you protected the investments you've made in core services and programs."

The Budget Crisis

The budget was unquestionably the defining challenge of the session. After \$1.2 billion in cuts during the 2025 regular session and an additional \$800 million in reductions during the August special session, Colorado faced an additional \$800 million in cuts for FY2026–27. The shortfall was driven largely by rapidly rising Medicaid and education costs, compounded by the constraints of the TABOR revenue cap.

Medicaid now surpasses K–12 education as the largest spend in Colorado's budget, growing at about 12% annually — stemming not only from expanded eligibility and rising health care costs but also from new federal mandates including stricter work requirements and more frequent eligibility checks.

The Joint Budget Committee worked to finalize a \$46.8 billion spending package, but balancing the books required painful tradeoffs. For example, lawmakers shifted \$130 million from an affordable housing fund approved by voters under Proposition 123, to the state's general fund — a move that drew sharp criticism from Republicans who argued it violated voter intent.

To help address the gap, Democrats pushed a proposal to raise taxes by \$550 million on certain businesses while creating a new tax credit for families earning less than \$100,000 a year, and to impose a one-time fee on insurers to lower exchange plan premiums and fund coverage for undocumented immigrants.

Housing: The Top Legislative Priority

Democrats entered the session declaring affordability their central goal. They introduced several bills aimed at boosting Colorado's affordable housing stock, setting up a familiar fight with local governments over land use.

Two housing bills were among the first to win approval. The [HOME Act](#) allows nonprofits and some government agencies to build housing on property they own. The other, [Senate Bill 001](#), allows local governments to use property tax revenue on efforts to build more housing.

Lawmakers also proposed major land use bills — one that would allow homeowners to [subdivide and sell](#) portions of their land, and another that would enable schools, housing authorities, and qualified nonprofits to [build housing on large properties](#) regardless of local zoning. These proposals reignited the ongoing debate over local control that has defined Colorado housing policy for several sessions, but died in committee.

Artificial Intelligence and Technology

AI regulation could have been one of the most contentious issues of the session — as it was for the past two years. The June 30, 2026 implementation of SB 24-205, Colorado's first-in-the-nation AI Act faced heavy resistance due to its potential to stifle innovation and increase compliance costs and liability for technology companies. Legislators failed to reach agreement during the 2025 regular session and abandoned a second attempt during a special session last August, deciding instead to push the effective date of SB 205 back to June of this year.

With just days left in the session, a revised proposal to amend the 2024 AI law blazed through the legislature with only nine NO votes. [Senate Bill 189](#) was the product of a six month task force, and focused on putting guardrails on the use of AI technology in making consequential decisions that could lead to discrimination and focused on disclosure. It passed with broad coalition support.

In addition to SB 189, other pieces of legislation began to create a patchwork of regulation for AI depending on the industry. [HB26-1263](#), for example, adds guardrails (no sexualized content, suicidal ideation, or personalization) for minors that use or open an account with a conversational artificial intelligence service.

The Governor also signed “kidfluencer” legislation requiring parents to create [trusts for children](#) who appear on social media, and [SB26-051](#) an age attestation bill to help app developers discern the age of the app user.

SB26-011 requires social media companies to comply with law enforcement search warrants within 72 hours, and was signed into [law](#) early in the session.

Legislators also passed HB 26-1210, a bill with the stated intent of [prohibiting surveillance data pricing](#) to prohibit discrimination against a consumer or worker through algorithms that use data analytics or AI and other data processing techniques to determine pricing, but with more unintended consequences due to its vague drafting.

Education

Both K-12 and Higher education bills were largely constrained by budgetary realities.

On school finance, Senate Bill 23, the [School Finance Act](#), preserves the core of statewide education funding and increases state spending as constitutionally mandated, bringing total K–12 investment to \$10.2 billion — approximately \$12,314 per student, an increase of \$438 per student over the prior year. This came despite a budget shortfall exceeding \$1.2 billion, with lawmakers deliberately avoiding the return of the Budget Stabilization Factor and largely shielding K–12 from major cuts, focusing reductions instead on Medicaid and health care programs. The real cuts to K-12 were in budgetary orbital bills which primarily took aim at specific grant programs rather than total programs in the school finance formula.

In the spirit of retaining more dollars to fill the long-term K-12 funding gap, [SB 26-135](#) directs the Secretary of State to refer a ballot question to voters at the November 2026 general election seeking approval to allow the state to retain and spend revenue above the TABOR cap equal to state K–12 education funding, and to increase that funding by up to 2% annually for ten years.

On higher education, [HB 26-1345](#) modernizes Colorado's higher education funding allocation formula based on recommendations from a Colorado Commission on Higher Education working group, with changes including expanding qualified transfers to recognize four-year institution transfers, creating an inclusive retention rate for part-time students (who represent 55% of Colorado's higher education enrollment), and excluding co-located degree partnership students from home-campus graduation calculations. The 2026–27 budget allows most colleges and universities to increase resident undergraduate tuition by 3.5%, with community colleges permitted up to 5%, accounting for nearly all of the \$164 million increase in higher education spending.

Additional notable measures include [SB 125](#), which codifies the civil rights of students with disabilities in state law in response to federal rollbacks;

and [HB 26-1006](#) which creates a process for the Department of Higher Education to designate institutions of higher education as “thriving” in various areas based on outcome data, not enrollment numbers.

Energy and Environment

The most prominent energy and environment story from Colorado's 2026 session was the collapse of data center regulation: after nearly a year of negotiations and intense lobbying, two competing bills — one backed by business groups and one by consumer and environmental advocates — both failed to advance from committee in the final days of the session, leaving the state with no new rules on the rapidly growing, energy-intensive industry. The session also saw movement on clean energy timelines, with legislation allowing certain electric utilities and cooperatives facing challenges to push their 80% greenhouse gas emissions reduction deadline from 2030 to as late as 2040, provided they don't impair grid reliability or raise average customer rates more than 1.5%.

On the coal front, environmental advocates supported House Bill [1226](#), a measure responding to the Trump administration's emergency order keeping the Craig Station coal plant open, which would require the plant to install new pollutant controls limiting nitrogen oxide and sulfur dioxide emissions by 2034.

Meanwhile, green groups also mounted a united front against a nuclear power bill, House Bill [1337](#), which would have streamlined permitting for new nuclear plants and allowed utilities to charge customers for nuclear research costs — a rare case where the environmental lobby found itself opposing a bill backed by some clean energy advocates. At the same time, Democratic legislators and environmental allies clashed with conservative groups over a proposed ballot initiative that would enshrine a "right to natural gas" in the state constitution, with environmentalists warning it could unravel years of hard-won air quality regulations and emissions reduction agreements

Labor and Employment

In reaction to changes in federal policy, two bills the General Assembly considered centered around workplace safety. [HB 1054](#) attempted to create a bare-bones state-level OSHA governing structure, which runs afoul of the sweeping federal OSHA regulatory environment, and created confusion for employers as to what safety laws were to be followed. The bill died in the Senate the final week of session. Similarly, [HB 1272](#) was another reaction to claims that federal OSHA enforcement around employer responsibilities to protect workers through PPE, work breaks, and protective clothing. Through several rounds of amendments, the bill morphed into a directive that the Dept of Labor and Employment develop a model Temperature Related Injury Prevention Plan (TRIPP) for employers to use whose workers are exposed to extreme temperature environments.

In response to Governor Polis's veto of SB 005 last year, Colorado's labor organizations supported [HB 1005](#), which was essentially a repeat version of a "repeal" of Colorado's Labor Peace Act, that has served as a balanced approach for decades around unionization process and how employee dues to the union are determined to support the bargaining unit. HB 1005 is expected to meet the same fate as last year's bill through a veto.

One of the boldest ideas debated by the General Assembly this session was [HB 1327](#). The bill tried to address both the issue of unsustainable spending increases in the state Medicaid program and the concern that taxpayers are subsidizing health care for wealthy corporations with many part-time workers on the public health-insurance program. Under the bill, companies with more than 500 part-time workers on Medicaid — full-time workers earn too much to qualify for the insurance program, even at minimum wage — would have to pay \$2,300 annually for each employee receiving the public benefits. HB 1327 was defeated in a Senate committee due to an intensive lobbying effort of business and health care advocates.

Health Care and Insurance

The 2026 legislative session produced a significant volume of health care activity, shaped as much by a leadership crisis at the state's Medicaid agency as by the legislation itself.

HCPF Leadership Transition. The most consequential development of the year came in March, when Kim Bimestefer, the nine-year executive director of the Department of Health Care Policy and Financing (HCPF), abruptly announced her resignation as the state Senate was preparing to debate a resolution of no confidence in her leadership. The resolution — backed by every Republican and a majority of Senate Democrats — cited her "mal-administration" of HCPF, alleging it had cost the state hundreds of millions of dollars and shifted burdens to hospitals and providers. Specific concerns included the erroneous removal of over 575,000 Coloradans from Medicaid rolls between May 2023 and May 2024, improper payments for autism therapy, a fraudulent billing investigation, and a program serving undocumented immigrants that was projected to cost \$27 million but is expected to reach \$112 million in the next fiscal year. Sen. Kyle Mullica called the leadership change "a necessary step toward accountability" and an opportunity to put Colorado's Medicaid program on a "sustainable long-term path."

The session's health care bills collectively addressed Medicaid oversight, insurance affordability, and administrative reform. [SB 26-187](#) establishes a formal commission on Medicaid, directly responsive to the HCPF accountability concerns that dominated the session. On affordability, [SB 26-178](#) invests one-time funds in the Health Insurance Affordability Enterprise through a \$40 million transfer from the Marijuana Tax Cash Fund and up to \$100 million in revenue bonds, aimed at preventing an average premium increase of \$2,000 per individual and protecting coverage for an estimated 22,000 Coloradans who would otherwise lose it.

Finally, [SB 26-138](#) addresses the administrative side, requiring a performance audit of all Division of Insurance health care rules by 2029 and every five years thereafter.

On the property and casualty side of insurance, [SB-155](#) was the response to a defeated bill last legislative session designed to give relief to homeowners experiencing high home insurance deductibles due to rising claims due to hail and wildfire damage. SB 155 creates an enterprise within the Division of Insurance that will collect a fee from insurers offering multiperil coverage in CO that in turn will be used for awarding grants to eligible homeowners to use toward defraying costs in installing resilient roof systems.

Immigration

Federal immigration enforcement became a flashpoint at the Capitol. [Senate Bill 005](#), sponsored by Democratic Sens. Julie Gonzales and Mike Weissman, would allow injured individuals to sue those involved in federal civil immigration enforcement actions. Legislation to allow individuals to sue immigration enforcement authorities for violating their civil rights was still in play heading into the final week of the session.

Similarly, [SB26-176](#) attempted to allow Coloradans to bring constitutional violation claims to a state court against federal officials, but ultimately never made it out of its first committee after a concerted effort by multiple DAs, city government officials, and County Commissioners testified in opposition based on federal preemption and concerns with the erosion of qualified immunity for state and local employees.

Transportation & Roads: A Last-Minute Fight

A battle erupted in the session's final days over road funding. A citizen initiative — backed by the Colorado Contractors Association — cleared 75% of the signatures needed to qualify for the November ballot. Initiative No. 175, a proposed constitutional amendment, would generate up to \$700 million for road and transportation projects.

Lawmakers introduced [House Bill 1430](#), designed to offset that revenue by reducing gas excise taxes and late vehicle registration fees, effectively cutting transportation funding by the same amount — a counter-move intended to neutralize the ballot measure. Critics accused lawmakers of undermining the will of voters, with the Colorado Contractors Association

arguing that "lawmakers are trying to make an end run around the will of the voters so they can spend money on projects they want, not what voters want, which is to fix the damn roads."

Guns & Public Safety

Gov. Polis signed legislation to expand the state's "red flag law," allowing behavioral health officials to seek a court order prohibiting a person in danger from possessing firearms.

[Senate Bill 004](#), expanding the list of people who can petition for an Extreme Risk Protection Order, was signed by the governor in April. A Republican-backed bill — [the Second Amendment Protection Act](#) — which would have repealed nearly every gun law enacted in Colorado from 2013 to 2025, was defeated on a party-line vote in House Judiciary committee.

On public safety more broadly, the session opened with proposals on the state's competency law, tougher penalties for child trafficking, and early action on school funding. Legislation to make it easier for inmates to be released or avoid incarceration when state prisons face overcrowding was also among the final-week priorities.

The Political Context: Lame Duck Governor, Open-Seat Race

The 2026 session existed entirely in the shadow of term limits and an open-seat governor's race. Incumbent Gov. Jared Polis is ineligible to seek re-election to a third consecutive term, reducing his political concerns over potential vetoes. The primary is set for June 30 and the general election on November 3, 2026.

U.S. Sen. Michael Bennet and Colorado Attorney General Phil Weiser are competing on the Democratic side. Colorado hasn't had a Republican governor since Gov. Bill Owens left office after the 2006 election, and Polis won re-election in 2022 by nearly 20 percentage points — making the Democratic nominee the heavy favorite.

With dozens of legislators themselves running for higher office or in competitive races, the Capitol had an unmistakable election-year energy. Many members were aware that the bills they passed — or failed to pass — would define their campaigns heading into summer primaries.

Looking Ahead

With adjournment on May 13, the political action immediately shifts to primary campaigns, the November general election, and a gubernatorial transition. The budget crisis is not fully resolved — Medicaid cost growth and TABOR constraints will continue to squeeze the next administration.

The Speaker of the House, House Majority Leader and Senate Majority Leader are term limited, but the Senate President and minority leadership is not. It is likely that the Democrats pick up seats in November, which could lead to a super-majority (veto proof) in one or both chambers. As such, the push for defending and electing moderate Democrats in the House and Senate in a very blue state in an anti-Trump environment is critical to many interests that support more centrist legislation.