

The background of the slide is a photograph of the Colorado State Capitol building in Denver. The building is a large, light-colored stone structure with a prominent central dome topped with a golden spire. It is surrounded by lush green trees and a well-maintained lawn. The sky is a clear, deep blue. The title text is centered over the image.

Denver City Council State Budget and Special Session Wrap Up

Presented by Adam Paul and Policy Matters

Legislative Team Refresher

Lobby Teams:

- Policy Matters: Heather Retzko, Tanya Kelly-Bowry, Katie Hancock, Jenise May, Ximena Luna
 - Main Point of Contact for Council Lobbying Needs
- BBMK: Julie McKenna, Jenifer Brandeberry, Mollie Steinemann

City's Legislative Team:

- City Council: Councilmembers Serena Gonzales-Gutierrez & Amanda Sawyer
- Mayor's Office: Adam Paul & Tim Hoffman

Special Session Overview

Overall, the General Assembly considered 21 House Bills, 3 House Resolutions, 9 Senate Bills, and 1 Senate Resolution. Most did not advance, with only 11 bills surviving until the end of session.

Measures adopted only partially address the state's 2025-26 revenue losses, and they do little to resolve the much larger challenges anticipated in 2026-27.

Internally, City & County of Denver took positions on 3 bills:

- SB25B-004, Increase Transparency for Algorithmic Systems (Monitor)
- HB25B-1008, Consumer Protections for Artificial Intelligence Interaction (Monitor)
- SB25B-003, Healthy School Meals for All (Support)

Bill Overview

HB25B-1008, Consumer Protections for Artificial Intelligence Interaction, BBMK

Sponsors: Representatives Lindstedt & Carter, Senators Amabile & Frizell
Characterized as the “industry bill,” drawing support from small and large businesses, school districts, local governments, and other public entities.
Died on the calendar.

SB25B-004, Increase Transparency for Algorithmic Systems, BBMK

Sponsors: Senator Rodriguez & Representative Bacon

“Consumer” solution, drawing support from stakeholders like labor unions and the ACLU. After negotiations fell apart due to disagreements over liability protections for developers and deployers, Sen. Rodriguez ran a strike below amendment that extends implementation of SB24-205 until June 30, 2026. **Governor Signed.**

SB25B-003, Healthy School Meals for All, PM

Sponsors: Senators Michaelson-Jenet & Wallace, Reps. Garcia & K. Stewart
Updates Proposition MM to allow revenue raised under this measure for Healthy School Meals for All program to also allow for SNAP to be eligible for those funds. **Governor Signed.**

2025-26 Budget

Overall:

- Colorado faced a sudden **1.2B revenue hit** due to federal H.R. 1 tax changes.
- After absorbing part of it with the surplus, the state still had a **\$783M budget hole**.
- Law requires a balanced budget, so cuts and transfers were enacted in August 2025.

Key Decisions:

- **Total Cuts/Adjustments:** ~\$252M GF, leaving a modest **\$10-15M surplus**.
- **Reserves:** Maintained above **13%** (goal is 15%), with limited use of reserves (~2%)
- **Guiding Principle:** Protect **K-12 education** and **public safety**, spread cuts across other areas

Structural/ Long-Term Concerns:

- **H.R. 1 impacts grow over time:** From ~\$50M next year to nearly **\$1B annually by 2031**
- **SNAP Match:** State share could grow \$150-200M annually; ballot measures LL & MM may cover only ~1/2
- **TABOR constraints:** Reserve payback and Medicaid growth both complete under the cap.
- **Tax Credits:** Debate on whether consumer credits (e-bikes, lawnmowers, etc.) should be paused in deficit years; no action taken this session, but legislators flagged it for 2026.

Revenue Generating Bills

Special Session Bill	Revenue Generated
HB25B-1001, Qualified Business Income Deduction Add-Back	\$41.4M
HB25B-1002, Corporate Income Tax Foreign Jurisdictions	\$32.1M
HB25B-1003, Insurance Premium Tax Rate for Home Offices	\$44.1M
HB25B-1004, Sale of Tax Credits	\$100M
HB25B-1005, Eliminate State Sales Tax Vendor Fee	\$27.6M
Total:	\$245.2M

2026 Legislative Session Preview

- **Legislation:**

- Artificial Intelligence
- Foster Youth Benefits Bill
- Gun Exchange Background Check Requirements

- **Budget:**

- September Revenue Forecast – Sept. 22nd
 - Fiscal Note Implications
 - H.R. 1 Costs (Medicaid, SNAP)

Questions?

