



Fiscal Note
Legislative Council Staff
Nonpartisan Services for Colorado’s Legislature

SB 25-258: REDUCE ROAD SAFETY SURCHARGE

Prime Sponsors:

Sen. Bridges; Kirkmeyer
Rep. Bird; Sirota

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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 the FY 2025-26 Long Bill budget package.

Summary Information

Overview. The bill temporarily reduces the Road Safety Surcharge and modifies the allocation of revenue from the surcharge and other fees credited to the Highway Users Tax Fund.

Types of impacts. The bill is projected to affect the following areas on a temporary basis:

- State Revenue
- State Expenditures
- TABOR Refunds
- Local Government

Appropriations. No appropriation is required as the State Highway Fund is continuously appropriated to the Department of Transportation.

Table 1
State Fiscal Impacts

Type of Impact ¹	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
State Revenue	-\$11.4 million	-\$23.0 million	-\$11.7 million
State Expenditures	-\$11.1 million	-\$22.1 million	-\$11.5 million
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	-\$11.4 million	-\$23.0 million	not estimated
Change in State FTE	0.0 FTE	0.0 FTE	0.0 FTE

¹ Fund sources for these impacts are shown in the tables below.

**Table 1A
State Revenue**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
General Fund	\$0	\$0	\$0
Highway Users Tax Fund	-\$11.4 million	-\$23.0 million	-\$11.7 million
Total Revenue	-\$11.4 million	-\$23.0 million	-\$11.7 million

**Table 1B
State Expenditures**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
General Fund	\$0	\$0	\$0
State Highway Fund	-\$11.1 million	-\$22.1 million	-\$11.5 million
Federal Funds	\$0	\$0	\$0
Centrally Appropriated	\$0	\$0	\$0
Total Expenditures	-\$11.1 million	-\$22.1 million	-\$11.5 million
Total FTE	0.0 FTE	0.0 FTE	0.0 FTE

Summary of Legislation

For calendar years 2026 and 2027, the bill reduces the Road Safety Surcharge by \$3.70 for each vehicle class. Along with four other fees enacted in Senate Bill 09-108 ("FASTER"), revenue from the Road Safety Surcharge is credited to the Highway Users Tax Fund (HUTF) before being allocated to the State Highway Fund, counties, and municipalities. The bill adjusts the percentages of all FASTER fees allocated among those three destinations for calendar years 2026 and 2027 as shown in Table 2 below.

**Table 2
HUTF Allocations of FASTER Fees Revenue**

Allocation	Current Law	SB 25-258
State Highway Fund	60 percent	56 percent
Counties	22 percent	24 percent
Municipalities	18 percent	20 percent

Finally, for calendar years 2026 and 2027, the bill requires that FASTER fee revenue be expended only for improvements to state highways and other transportation-related projects, and not for administrative purposes.

Background

Highway Users Tax Fund

The Highway Users Tax Fund (HUTF) is the primary source of state highway system funding in Colorado. Revenue credited to the HUTF primarily comes from motor fuel taxes and fees plus vehicle registration fees, including the Road Safety Surcharge. After off-the-top disbursements to the Department of Revenue and the Department of Public Safety, HUTF revenue is distributed to the State Highway Fund, counties, and municipalities for transportation purposes.

Road Safety Surcharge

The Road Safety Surcharge was first implemented in 2009 and is a fee added to vehicle registrations. The fee amount differs by vehicle weight and class as shown in the tables below.

Table 3A
Road Safety Surcharge Amounts – Vehicles

Vehicle	Fee
Motorcycle	\$16.00
Autocycle	\$16.00
Trailer Coach	\$16.00
2,000 Pounds or Less	\$16.00
2,001 – 5,000 Pounds	\$23.00
5,001 – 10,000 Pounds	\$28.00
Passenger Bus	\$37.00
10,001 – 16,000 Pounds	\$37.00
16,001 Pounds or More	\$39.00

Table 3B
Road Safety Surcharge Amounts – Farm Vehicles

Farm Vehicle	Fee
2,000 Pounds or Less	\$8.00
2,001 – 5,000 Pounds	\$11.50
5,001 – 10,000 Pounds	\$14.00
Passenger Bus	\$18.50
10,001 – 16,000 Pounds	\$18.50
16,001 Pounds or More	\$19.50

State Revenue

The bill reduces state revenue to the Highway Users Tax Fund (HUTF) by \$11.4 million in FY 2025-26, \$23.0 million in FY 2026-27, and \$11.7 million in FY 2027-28, as shown in Table 4. Revenue estimates are based on the March 2025 LCS Forecast.

Table 4
State Revenue

Allocation	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
Road Safety Surcharge Reduction (HUTF)	-\$11.4 million	-\$23.0 million	-\$11.7 million
State Highway Fund	-\$11.1 million	-\$22.1 million	-\$11.5 million
Counties	-\$0.4 million	-\$0.9 million	-\$0.3 million
Municipalities	\$0.1 million	\$20,000	\$0.1 million

State Expenditures

The bill reduces revenue to the State Highway Fund (SHF), which results in a reduction of state expenditures in the Department of Transportation (CDOT) of \$11.1 million in FY 2025 26, \$22.1 million in FY 2026-27, and \$11.5 million in FY 2027-28—which represents a total reduction of \$44.8 million across three fiscal years. The State Highway Fund is continuously appropriated to CDOT, and spending is at the discretion of the Transportation Commission. Most funding is dedicated to multi-year projects; therefore, the actual reduction in expenditures for each fiscal year is not known. To the extent this funding would have been matched with federal Infrastructure Investment and Jobs Act funding, those expenditures will also be reduced.

TABOR Refunds

The bill is expected to decrease the amount of state revenue required to be refunded to taxpayers by \$11.4 million in FY 2025-26 and \$23.0 million in FY 2026-27. This estimate assumes the March 2025 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2026-27. Because TABOR refunds are paid from the General Fund, decreased cash fund revenue subject to TABOR will increase the amount of General Fund available to spend or save.

Local Government

The bill will decrease revenue to counties and municipalities from the HUTF by a combined \$0.3 million in FY 2025-26, \$0.9 million in FY 2026-27, and \$0.2 million in FY 2027-28, as shown in Table 4 above. Similar to the state, this will reduce funding available for transportation projects at the local government level.

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 Staff