



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1292: TRANSMISSION LINES IN STATE HIGHWAY RIGHTS-OF-WAY

Prime Sponsors:

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Fiscal note status: The revised fiscal note reflects the introduced bill, as amended by the House Transportation, Housing, and Local Government Committee and the House Finance Committee.

Summary Information

Overview. The bill establishes criteria for the development of utility corridors and requires a study on state highway corridors and high voltage transmission development.

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

- State Revenue
- State Expenditures
- TABOR Refunds
- Statutory Public Entity

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

Table 1
State Fiscal Impacts¹

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0	Indeterminate
State Expenditures	-\$123,453	-\$105,253	-\$105,253
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$0	Not estimated
Change in State FTE	0.8 FTE	1.0 FTE	1.0 FTE

Table 1A
State Expenditures

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
General Fund	\$0	\$0	Indeterminate
Cash Funds	-\$140,923	-\$127,091	-\$127,091
Federal Funds	\$0	\$0	\$0
Centrally Appropriated	\$17,470	\$21,838	\$21,838
Total Expenditures	-\$123,453	-\$105,253	-\$105,253
Total FTE	0.8 FTE	1.0 FTE	1.0 FTE

Summary of Legislation

The bill establishes criteria for the development of utility corridors and requires a study on state highway corridors and high voltage transmission development.

Transmission Developer and CDOT Requirements

The bill requires the Department of Transportation (CDOT) to provide transmission developers the best available information on potential future state highway development projects that could impact the placement of a high voltage line within a state highway right-of-way. If CDOT and the transmission developer agree that a site may be suitable for a high voltage line, CDOT must develop a preconstruction plan review schedule, and, upon approval of the requirements in the preconstruction plan, the developer must provide a report on mitigation strategies needed to avoid potential transmission line impacts to certain communities. CDOT must approve this report before it issues the developer a permit for the use of a state highway right-of-way.

Beginning January 1, 2027, transmission developers constructing high voltage transmission lines are required to display certain information on a public-facing project website or utility website. Developers must:

- describe the analysis undertaken for route selection;
- demonstrate they have considered development sites in the following order of priority: existing utility corridors, then state highway rights-of-way, and then new utility corridors; and,
- include an evaluation of economic impacts, engineering considerations, and reliability of the electric system.

By January 1, 2027, CDOT must update its rules concerning access to state highway rights-of-way to accommodate high voltage lines.

Compensation for Usage of a State Highway Right-of-Way

The bill requires transmission developers to compensate CDOT for installing high voltage lines in a state highway right-of-way, either through surcharges or a public-private initiative. The option to compensate CDOT through surcharges is available beginning July 1, 2027. Surcharges must be paid at a rate of \$600 per mile, or a lump sum one-time payment of \$12,000 per mile for a twenty-year access term. These amounts may be adjusted annually for inflation.

State Highway Corridor Study

The Colorado Energy Office (CEO) and the Colorado Electric Transmission Authority (CETA), in collaboration with other state agencies, must study state highway corridors to identify potential corridors that may be suitable for high voltage transmission development. Funding for the study must come from private partners, and the study must be completed no more than 18 months after securing funding.

Waiver Valuation Cap for Appraisers

The bill adjusts the statutory definition of “real estate appraiser” or “appraiser” to remove the \$25,000 cap under which a waiver valuation can be made on a property, or portion of property, and aligns the cap with what is permitted by current federal regulations, which is currently \$35,000. Under federal regulations, if it is determined that a proposed acquisition is uncomplicated and has a low fair market value, a waiver valuation can be used for properties up to \$50,000.

Background

CDOT is primarily funded from the State Highway Fund, which is comprised of federal funds, the state’s share of the Highway Users Tax Fund, and other various sources of revenue. The decision-making authority for the majority of state transportation revenue rests with the Transportation Commission, which is responsible for allocating funds from the SHF.

State Revenue

The bill may increase state revenue to the State Highway Fund by an indeterminate amount beginning in FY 2027-28 and ongoing years from transmission developers paying surcharges to CDOT for installing high voltage lines in state highway right-of-ways. It is unknown how many transmission developers may apply for a permit for the use of state highway right-of-way, and if these developers will elect to compensate CDOT through surcharges or a public-private initiative. This revenue is subject to TABOR.

State Expenditures

The bill reduces state expenditures on net in the State Highway Fund by about \$123,000 in FY 2025-26 and \$105,000 in FY 2026-27. These impacts are shown in Table 2 below. The CEO will also incur expenses to conduct a study, though these costs will be paid with private funding and are discussed for informational purposes only.

Table 2
State Expenditures
Department of Transportation

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2026-27
Personal Services	\$80,983	\$102,509	\$102,509
Operating Expenses	\$1,024	\$1,280	\$1,280
Capital Outlay Costs	\$6,670	\$0	\$0
Waiver Valuations for RoW Acquisitions	-\$229,600	-\$229,600	-\$229,600
Centrally Appropriated Costs	\$17,470	\$21,838	\$21,838
Total Costs	-\$123,453	-\$105,253	-\$105,253
Total FTE	0.8 FTE	1.0 FTE	1.0 FTE

Department of Transportation

The bill increases costs in the State Highway Fund for CDOT to administer the state highway rights-of-way permit program, and also increases workload for CDOT staff to participate in the study. It decreases costs for waiver valuations replacing appraisals for certain right-of-way acquisitions.

Permitting Staff

CDOT requires 1.0 FTE beginning in FY 2025-26 and ongoing years for an administrator to review applications for state highway right-of-way permits, process new permits, and assist with implementation and billing structure of the surcharge. First-year costs are prorated to assume a September 2025 start date, and capital outlay and standard operating costs are included.

Waiver Valuations

By aligning the cap for waiver valuations with federal regulations and allowing for waiver valuations instead of appraisals for certain right-of-way acquisitions, the bill decreases costs to CDOT by \$229,600 per year beginning in FY 2025-26. This is due to appraisals costing approximately \$9,400, while waiver valuations cost about \$1,200. Under the new cap, CDOT estimates it will conduct waiver valuations instead of appraisals for about six right-of-way acquisitions annually, while several new bus rapid transit (BRT) projects are expected to add 22 new ownerships within the next few years that will be eligible for a waiver valuation instead of an appraisal.

State Highway Corridor Study

Workload will increase for CDOT staff to contribute to and provide information for the state highway corridors study. CDOT staff will also update rules on state highway rights-of-way, which can be performed within CDOT's existing rulemaking schedule. The fiscal note assumes CDOT can absorb these workload increases with existing resources.

Colorado Energy Office

The CEO will have an increase in workload to facilitate funding from a public-private partnership in order to conduct an analysis of Colorado state highway corridors for potential high-voltage transmission line development at an estimated cost of \$100,000. The fiscal note assumes that this funding will not be credited to a state fund, and will be spent directly on the consultant by a private party. The fiscal note also assumes that the CEO will support the study within existing resources.

Department of Regulatory Agencies

The Public Utilities Commission in the Department of Regulatory Agencies must collaborate on the state highway corridor study. The commission must also verify that transmission developers are following the bill's siting requirements in any application for a certificate of public conveyance. This workload is expected to be minimal and no change in appropriations is required.

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 include employee insurance and supplemental employee retirement payments, are shown in the expenditure tables above.

TABOR Refunds

The bill is expected to increase the amount of state revenue subject to TABOR by an indeterminate amount beginning in FY 2027-28. A forecast of state revenue subject to TABOR is not available beyond FY 2026-27. If refunds are required, the bill increase the amount refunded to taxpayers. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will reduce the amount of General Fund available to spend or save.

Statutory Public Entity

Similar to CEO, the bill increases workload in the Colorado Electric Transmission Authority to collaborate on conducting the study on state highway corridors and high voltage transmission line development.

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

Colorado Energy Office

Regulatory Agencies

Natural Resources

Transportation