



Fiscal Impact Statement

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

INITIATIVE 51: REPEAL RETAIL DELIVERY FEE

Analyst: Amanda Liddle, amanda.liddle@coleg.gov, 303-866-5834

Date: July 2, 2025

Summary Information

Overview. The measure eliminates retail delivery fees imposed by the state and various enterprises.

Types of impacts. The measure is projected to affect the following areas:

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

Disclaimer. This initial fiscal impact statement has been prepared for an initiative approved for petition circulation by the Secretary of State. If the initiative is placed on the ballot, Legislative Council Staff may revise this estimate for the ballot information booklet (Blue Book) if new information becomes available. Any appropriations required to implement this measure will be addressed through the annual or supplemental budget process if this measure is approved by voters.

Table 1
State Fiscal Impacts

Type of Impact ¹	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	-\$63.0 million	-\$137.3 million
State Expenditures	up to -\$63.0 million	up to -\$137.3 million
Transferred Funds	\$0	\$0
Change in TABOR Refunds	-\$25.6 million	not estimated
Change in State FTE	0.0 FTE	0.5 FTE

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

Initiative 51

Table 1A
State Revenue

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28
General Fund	\$0	\$0
Cash Funds	-\$63,027,897	-\$137,329,817
Total Revenue	-\$63,027,897	-\$137,329,817

Table 1B
State Expenditures

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28
General Fund	\$24,167	\$42,218
Cash Funds	up to -\$63,027,897	up to -\$137,329,817
Federal Funds	\$0	\$0
Total Expenditures	up to -\$63,003,730	up to -\$137,287,599
Total FTE	0.0 FTE	0.5 FTE

Summary of Measure

The measure eliminates the retail delivery fees created in Senate Bill 21-260.

Background

[Senate Bill 21-260](#) imposed fees on retail deliveries by motor vehicles that transport tangible personal property subject to the state sales tax. The retail delivery fees went into effect on July 1, 2022.

There are six retail delivery fees that are collected by the Department of Revenue (DOR) and then distributed to the Highway Users Tax Fund (HUTF), the Multimodal Transportation and Mitigation Options Fund (MMOF), and five enterprises. The DOR is permitted to retain a portion of the revenue to pay for the costs of collecting, administering and enforcing the fees.

The fees total 28 cents per delivery in FY 2025-26 and may be adjusted for inflation in future years. The amount of each fee is shown in Table 2.

Table 2
Retail Delivery Fees
FY 2025-26

Delivery Fee	TABOR Status	Fee per Delivery
State (HUTF, MMOF, and DOR)	Nonexempt	9.33¢
Bridge and Tunnel Enterprise	Exempt	3.00¢
Community Access Enterprise	Exempt	5.67¢
Clean Fleet Enterprise	Exempt	5.89¢
Clean Transit Enterprise	Exempt	3.33¢
Nonattainment Area Air Pollution Mitigation Enterprise	Exempt	0.78¢
Total		28.0¢

Assumptions

The Community Access Enterprise is funded only through retail delivery fees. It is assumed that this enterprise will cease to operate if this measure is approved by voters.

The Nonattainment Area Air Pollution Mitigation Enterprise and the Clean Fleet Enterprises receive other funding through fees on ride shares, and the Clean Transit Enterprise and Bridge and Tunnel Enterprise also have additional funding sources. It is assumed that these enterprises will operate with less revenue under the measure, reducing the amount of services they provide.

State Revenue

The measure decreases state revenue by \$63.0 million in FY 2026-27 and \$137.3 million in FY 2027-28, with larger decreases in future years when the fees would be inflation-adjusted under current law. Revenue impacts occur in eight state cash funds, including five state enterprises. Table 3 presents revenue reduction estimates through FY 2027-28. The fiscal note assumes that retail delivery fees will be adjusted for inflation in FY 2026-27 and FY 2027-28, consistent with the June 2025 LCS forecast. Enterprise revenue estimates are based on forecasts from each affected enterprise.

Initiative 51

Table 3
Revenue Under Ballot Initiative 51

Fund	Out Year FY 2026-27	Out Year FY 2027-28
Department of Revenue*	-\$0.0 million	-\$0.1 million
Highway Users Tax Fund*	-\$14.9 million	-\$32.5 million
Multimodal Transportation and Mitigation Options Fund*	-\$10.6 million	-\$23.1 million
Bridge and Tunnel Enterprise	-\$6.5 million	-\$14.2 million
Community Access Enterprise	-\$11.2 million	-\$24.3 million
Clean Fleet Enterprise	-\$10.9 million	-\$23.7 million
Clean Transit Enterprise	-\$7.2 million	-\$15.7 million
Nonattainment Area Air Pollution Mitigation Enterprise	-\$1.7 million	-\$3.7 million
Total	-\$63.0 million	-\$137.3 million
Total Subject to TABOR*	-\$25.6 million	-\$55.6 million
Total Exempt from TABOR	-\$37.5 million	-\$81.7 million

Department of Revenue

The DOR is responsible for administering all of the retail delivery fees, and may retain a portion of the state retail delivery fee revenue to cover the cost of administration. Administrative costs include the salary for one tax examiner and total about \$80,000 per year. It is assumed that the DOR will retain revenue for three-fourths of this tax examiner's time in FY 2026-27 using July through December 2026 collections.

Highway Users Tax Fund

Of the revenue from retail delivery fees that is distributed to the HUTF, 40 percent is allocated to the State Highway Fund within CDOT, 33 percent is allocated to counties, and 27 percent is allocated to municipalities. The State Highway Fund portion of the revenue loss is estimated to be \$6.0 million in FY 2026-27 and \$13.0 million in FY 2027-28.

Multimodal Transportation and Mitigation Options Fund

Revenue to the MMOF is used for multimodal transportation projects and greenhouse gas mitigation projects. Of these funds, 85 percent are used to support local projects and 15 percent are retained by CDOT for statewide projects. The portion of the lost revenue attributable to state projects is estimated to be \$1.6 million in FY 2026-27 and \$3.5 million in FY 2027-28.

Enterprises

Each of the five enterprises in Table 3 above impose their own retail delivery fees to be allocated at the discretion of each enterprise's governing board. All revenue collected by enterprises is exempt from the state TABOR limit.

State Expenditures

The measure reduces state and enterprise expenditures by the amounts described in the revenue section on an ongoing basis beginning in FY 2026-27. The measure additionally requires new General Fund expenditures in the DOR of \$24,167 in FY 2026-27, \$42,218 in FY 2027-28, and reduced amounts through FY 2029-30. These impacts are detailed below.

Department of Revenue

Revenue from the retail delivery fee is currently used by the DOR for administrative costs which include one tax examiner at the rate of \$79,611 per year. This measure will result in a reduction in personnel expenditures as workload associated with the retail delivery fees declines beginning in FY 2026-27; however, with a four-year statute of limitations, the DOR expects ongoing but decreasing audits, returns, collections, and corrections to previous filings where there is a protest or claim for refund. Because cash funds are repealed by the measure, these costs will shift to the General Fund. The impact on the General Fund is shown in Table 2. The cash fund savings is captured in the State Revenue section.

Additionally, the measure requires one-time computer programming estimated at \$24,167 in FY 2026-27. DOR will program, test, and update the DOR's GenTax software system to eliminate the retail delivery fee. Programming costs are estimated at \$23,175, representing 100 hours of contract programming at an hourly rate of \$231.75. Costs for testing at the department are estimated at \$992, representing 31 hours of work at an hourly rate of \$32.

Table 2
State Expenditures
Department of Revenue

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28
Personal Services	\$0	\$26,841
Capital Outlay	\$0	\$6,670
Computer Programming	\$24,167	\$0
Centrally Appropriated Costs	\$0	\$8,707
Total Costs	\$24,167	\$42,218
Total FTE	0.0 FTE	0.5 FTE

Department of Transportation

The decrease in revenue to the State Highway Fund, MMOF, Bridge and Tunnel Enterprise, Clean Transit Enterprise, and Nonattainment Area Air Pollution Mitigation Enterprise will result in a reduction of expenditures in the Department of Transportation by the amounts specified in the revenue section.

State Highway Fund

Expenditures from the State Highway Fund for maintenance activities and match funds for the Infrastructure Investment and Jobs Act are expected to decrease under this measure. The State Highway Fund is continuously appropriated and most funding is dedicated to multi-year projects. Therefore, the amount of the decrease in expenditures for each fiscal year is not known.

Multimodal Transportation and Mitigation Options Fund

The MMOF is appropriated annually with three years of roll-forward authority, and most funding is dedicated to multi-year projects. The measure will result in fewer multimodal projects receiving funding, but the amount of the decrease in expenditures for each fiscal year is not known.

Bridge and Tunnel Enterprise

Revenue from the bridge and tunnel retail delivery fee is expected to make up about 6.5 percent of revenue in FY 2026-27 and FY 2027-28. The measure will result in fewer bridge and tunnel projects receiving funding, but the amount of the decrease in expenditures for each fiscal year is unknown since the fund is continuously appropriated.

Clean Transit Enterprise

The retail delivery fee makes up the entirety of the fee revenue going into the Clean Transit Enterprise fund, which is subject to appropriation by the General Assembly. Eliminating this fee revenue is expected to decrease expenditures by the enterprise's full appropriation amount beginning in the second half of FY 2026-27.

Nonattainment Areas Air Pollution Mitigation Enterprise

The Nonattainment Area Air Pollution Mitigation Enterprise is funded by its retail delivery fee and passenger ride fee. From implementation through 2024, the retail delivery fee has comprised of about 26 percent of total fee revenue in the fund. The measure will result in less expenditures by the enterprise, but because the fund is continuously appropriated, the amount of the decrease in expenditures in each fiscal year is not known.

Department of Public Health and Environment

The decrease in revenue to the Clean Fleet Enterprise outlined in the revenue section will result in a decrease in expenditures in the Department of Public Health and Environment. The funds otherwise would be dedicated toward grants for projects supporting electric vehicles and other clean fleet technology in government and private fleets. Revenue from the retail delivery fee has made up just under 89 percent of the enterprise's total revenue since the creation of the enterprise. Because the funds are continuously appropriated, it is not known in which fiscal years the decrease in expenditures will occur.

Colorado Energy Office

The decrease in revenue to the Community Access Enterprise outlined in the revenue section will result in a decrease in expenditures and personnel in the Colorado Energy Office. The funds otherwise would be used to support and incentivize the adoption of electric vehicles and electric alternatives to motor vehicles, including the development of vehicle charging infrastructure and making it easier for low- and moderate-income residents to switch to electric vehicles. The retail delivery fee is the sole fee revenue for the Community Access Enterprise. Because the fund is continuously appropriated, the enterprise may still have limited expenditures to close out projects in future years; however, with no other dedicated funding source, the enterprise will be unable to fund new projects or maintain personnel that currently manage projects funded by the enterprise.

TABOR Refunds

The measure is expected to decrease the amount of state revenue required to be refunded to taxpayers by \$25.6 million in FY 2026-27 and increasing amounts in future years when the state is over its revenue limit. This estimate assumes the June 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. Decreased enterprise revenue will have no impact on the state TABOR refund obligation.

Local Government

The measure will decrease revenue to local governments from the HUTF by \$14.9 million in FY 2026-27, of which \$4.9 million is allocated to counties and \$4.0 is allocated to municipalities, and \$32.5 million in FY 2026-27, of which \$10.7 million is allocated to counties and \$8.8 million is allocated to municipalities. The measure will reduce distributions to local governments by increasing amounts in future years.

The measure reduces funds from the MMOF for local projects by \$9.0 million in FY 2025-26, and \$19.7 million in FY 2026-27 with comparable amounts in future years. Funds for local projects from the MMOF may be used to expand local transit or other multimodal projects.

Effective Date

If approved by voters at the 2026 general election, this measure takes effect upon proclamation of the Governor, no later than 30 days after the official canvass of the vote is completed.

State and Local Government Contacts

Colorado Energy Office	Revenue
Local Affairs	Transportation
Public Health and Environment	

Revisions from Fiscal Summary

This fiscal impact statement is revised from the fiscal summary to account for the most recent LCS revenue forecast for retail delivery fee revenue.