



Fiscal Summary

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Measure: Initiative 175 – STATE REVENUE SUPPORTING ROAD TRANSPORTATION

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Fiscal Summary of Initiative 175

This fiscal summary, prepared by the nonpartisan Director of Research of the Legislative Council, contains a preliminary assessment of the measure's fiscal impact. A full fiscal impact statement for this initiative is or will be available at leg.colorado.gov/bluebook. This fiscal summary identifies the following impact.

State Expenditures

The measure requires the state to spend revenue from various transportation-related sources only on road transportation projects. This will obligate the state to spend an estimated \$1.02 billion in revenue collected in FY 2026-27 (a half-year impact), \$2.10 billion in revenue collected in FY 2027-28, and similar amounts in future years, only on road transportation, rather than on other purposes.

The measure requires revenue from these transportation-related sources to be distributed for spending in a manner consistent with the Highway Users Tax Fund (HUTF) distribution as provided in state law. The ballot measure is expected to require an additional \$352.3 million in state General Fund and cash fund revenue collected in FY 2026-27 and \$703.4 million in FY 2027-28 with similar amounts in future years to be distributed to the State Highway Fund, counties, and municipalities.

To the extent that other programs and initiatives besides road transportation projects would have been funded with this revenue under current law, these programs will have less funding or require funding from other sources. State revenues for FY 2026-27 and beyond are not currently budgeted; therefore, it is not known how much revenue would have been allocated towards road transportation under current law and how the requirements of this measure would shift uses of funding.

Initiative 175

Local Government

The measure increases state government revenue distributions to county and municipal governments by \$140.7 million in FY 2026-27 (half-year impact) and \$276.1 million in FY 2027-28 with similar amounts in future years. The measure additionally prevents local governments from using road transportation revenue collected and distributed by the state on projects not permitted under this measure.

Economic Impacts

To the extent that the measure shifts state spending toward road transportation as defined by the measure and away from other types of transportation or non-related projects, public spending on the construction, maintenance, and operation of public roads and bridges will increase. At the same time, public spending on other programs or transportation-related services such as public transit, electric transportation, and bicycle and pedestrian infrastructure will decrease. This may shift economic activity between different industries and sectors. Any overall change in economic activity would depend on the net impacts of these changes in funding.