



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

SB 25-258: TEMPORARILY REDUCE ROAD SAFETY SURCHARGE

Prime Sponsors:

Sen. Bridges; Kirkmeyer  
Rep. Bird; Sirota

Fiscal Analyst:

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Bill Outcome: Signed into Law  
Drafting number: LLS 25-0890

Version: Final Fiscal Note  
Date: July 16, 2025

Fiscal note status: This final fiscal note reflects the enacted bill. It 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 <sup>1</sup>	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
State Revenue	-\$19.0 million	-\$23.0 million	-\$3.9 million
State Expenditures	-\$18.3 million	-\$22.1 million	-\$3.9 million
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	-\$19.0 million	-\$23.0 million	not estimated
Change in State FTE	0.0 FTE	0.0 FTE	0.0 FTE

<sup>1</sup> Fund sources for these impacts are shown in the tables below.

**Table 1A  
State Revenue**

<b>Fund Source</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
General Fund	\$0	\$0	\$0
Highway Users Tax Fund	-\$19.0 million	-\$23.0 million	-\$3.9 million
<b>Total Revenue</b>	<b>-\$19.0 million</b>	<b>-\$23.0 million</b>	<b>-\$3.9 million</b>

**Table 1B  
State Expenditures**

<b>Fund Source</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
General Fund	\$0	\$0	\$0
State Highway Fund	-\$18.3 million	-\$22.1 million	-\$3.9 million
Federal Funds	\$0	\$0	\$0
Centrally Appropriated	\$0	\$0	\$0
<b>Total Expenditures</b>	<b>-\$18.3 million</b>	<b>-\$22.1 million</b>	<b>-\$3.9 million</b>
<b>Total FTE</b>	<b>0.0 FTE</b>	<b>0.0 FTE</b>	<b>0.0 FTE</b>

## Summary of Legislation

From September 1, 2025, through August 31, 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. From September 1, 2025, through August 31, 2027, the bill adjusts the percentages of all FASTER fees allocated among those three destinations, as shown in Table 2 below.

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

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

Finally, from September 1, 2025 through August 31, 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

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### 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**

<b>Vehicle</b>	<b>Fee</b>
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**

<b>Farm Vehicle</b>	<b>Fee</b>
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

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The bill reduces state revenue to the Highway Users Tax Fund (HUTF) by \$19.0 million in FY 2025-26, \$23.0 million in FY 2026-27, and \$3.9 million in FY 2027-28, as shown in Table 4. Revenue estimates are based on the March 2025 LCS Forecast.

**Table 4**  
**State Revenue**

<b>Allocation</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
<b>Road Safety Surcharge Reduction (HUTF)</b>	<b>-\$19.0 million</b>	<b>-\$23.0 million</b>	<b>-\$3.9 million</b>
State Highway Fund	-\$18.3 million	-\$22.1 million	-\$3.9 million
Counties	-\$0.7 million	-\$0.9 million	-\$0.1 million
Municipalities	\$37,000	\$20,000	\$0.1 million

## State Expenditures

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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 \$18.3 million in FY 2025 26, \$22.1 million in FY 2026-27, and \$3.9 million in FY 2027-28—which represents a total reduction of \$44.3 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.

Additionally, the bill is expected to increase workload in the Department of Revenue in the current FY 2024-25 and FY 2025-26 to make software changes to adjust the Road Safety Surcharge amounts. This programming work can be accomplished within existing appropriations.

## TABOR Refunds

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The bill is expected to decrease the amount of state revenue required to be refunded to taxpayers by \$19.0 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

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The bill will decrease revenue to counties and municipalities from the HUTF by a combined \$0.7 million in FY 2025-26, \$0.9 million in FY 2026-27 and \$6,000 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

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The bill was signed into law by the Governor on June 4, 2025, and takes effect on August 6, 2025, assuming no referendum petition is filed.

## State and Local Government Contacts

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Joint Budget Committee Staff  
Revenue

Transportation

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The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).