



Fiscal Summary

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Measure: Initiative 126 – STATE REVENUE SUPPORTING ROAD TRANSPORTATION

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Fiscal Summary of Initiative 126

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, through the Colorado Department of Transportation and various state enterprises, to spend current revenue streams from various transportation-related sources only on road transportation projects. This will obligate the state to spend an estimated \$1.28 billion in revenue collected in FY 2026-27 (a half-year impact) and \$2.63 billion in revenue collected in FY 2027-28 only on road transportation, preventing this funding from being used from other purposes. Over the full 10-year period, the measure is estimated to obligate up to \$29.24 billion for road transportation projects only. The measure does not specify years in which the revenue must be spent.

To the extent that other programs and initiatives besides road transportation projects would have been funded with this revenue under current law, these programs may see reduced 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.

The measure is not expected to change expenditures of federal funds, as its requirement that federal funds received for use on public streets, roads, highways and bridges be spent on road transportation is assumed to codify current practice.

Local Government

The measure would prevent local governments from using road transportation revenue collected and distributed by the state between 2027 and 2036 on projects not permitted under this measure.

Initiative 126

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 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.