



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1248: OVERSIZE OVERWEIGHT PERMITTING

Prime Sponsors:

Rep. Johnson
Sen. Pelton R.

Fiscal Analyst:

Colin Gaiser, 303-866-2677
colin.gaiser@coleg.gov

Published for: House Trans., Hous. & Local Gov.**Drafting number:** LLS 26-0773**Version:** Initial Fiscal Note**Date:** March 12, 2026**Fiscal note status:** The fiscal note reflects the introduced bill.

Summary Information

Overview. The bill creates a new cash fund to collect revenue from oversize vehicle permits and requires the Office of Freight Mobility and Safety to establish a centralized permitting system by July 1, 2029.

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

- State Expenditures
- State Diversion
- Local Government

Appropriations. No appropriation is required. The Freight Cash Fund and the State Highway Fund are continuously appropriated to the Colorado Department of Transportation.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
State Revenue	\$0	\$0	\$0
State Expenditures	\$318,671	\$497,671	\$90,375
Diverted Funds	\$7,500,000	\$7,500,000	\$7,500,000
Change in TABOR Refunds	\$0	\$0	\$0
Change in State FTE	3.0 FTE	3.0 FTE	1.0 FTE

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

**Table 1A
 State Expenditures**

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
State Highway Fund	\$258,123	\$69,527	\$69,527
Freight Cash Fund	\$0	\$367,596	\$0
Federal Funds	\$0	\$0	\$0
Centrally Appropriated	\$60,548	\$60,548	\$20,848
Total Expenditures	\$318,671	\$497,671	\$90,375
Total FTE	3.0 FTE	3.0 FTE	1.0 FTE

**Table 1B
 State Diversion**

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
State Highway Fund	-\$7,500,000	-\$7,500,000	-\$7,500,000
Freight Cash Fund	\$7,500,000	\$7,500,000	\$7,500,000
Net Diversion	\$0	\$0	\$0

Summary of Legislation

The bill creates the Freight Cash Fund in the State Treasury. The fund is administered by the Office of Freight Mobility and Safety in the Department of Transportation (CDOT) and receives money collected from permit fees and surcharges for oversize and overweight vehicles. Under current law, these fees and surcharges are credited to the State Highway Fund. The Freight Cash Fund is continuously appropriated to the office and must be used for funding freight-related projects and administration.

By September 1, 2027, the bill requires the office to study the feasibility of implementing a centralized permitting system for oversize and freight vehicles. The office must implement this system by July 1, 2029. All state fees or surcharges collected through the system are credited to the Freight Cash Fund.

Background

Vehicle Permitting System

Currently, commercial vehicle owners must obtain an oversize or overweight permit from CDOT, which allows the vehicle to operate legally on designated highways. For oversize and overweight vehicles operating on city and county roads, the operator must also obtain permission or the appropriate permit from local governments. Because CDOT currently does not maintain a centralized permitting system, drivers with routes that travel through multiple jurisdictions must apply through each local government to receive the required permits. More information on commercial vehicle permits can be found on the [CDOT website](#).

State Highway Funds

CDOT is primarily funded from the State Highway Fund (SHF), 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 Diversion

Beginning in FY 2026-27, the bill diverts \$7.5 million annually from the State Highway Fund (SHF) to the new Freight Cash Fund. This amount is based on Office of Freight Mobility and Safety projections on ongoing revenue from overweight and oversize permits. This diversion will increase available funds available in the Freight Cash Fund to fund freight-related projects and support the Office of Freight Mobility and Safety, while decreasing money in the SHF.

By diverting revenue from the SHF, expenditures in CDOT will decrease for certain transportation projects. The size of the revenue reduction may require decreases to the CDOT maintenance budget in future years. This will be addressed through the annual budget process. The State Highway Fund is continuously appropriated and maintenance projects are approved at the discretion of the Transportation Commission.

State Expenditures

The bill increases state expenditures in the Department of Transportation by \$319,000 in FY 2026-27, \$498,000 in FY 2027-28, and \$90,000 in FY 2028-29 and future years. These costs, paid from the State Highway Fund and the Freight Cash Fund, are summarized in Table 2 and discussed below. The bill also impacts workload in the Department of Personnel and Administration, Department of the Treasury, and Colorado State Patrol.

**Table 2
 State Expenditures
 Colorado Department of Transportation**

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
Personal Services	\$183,283	\$183,283	\$68,247
Operating Expenses	\$3,840	\$3,840	\$1,280
Capital Outlay Costs	\$21,000	\$0	\$0
Feasibility Study	\$50,000	\$0	\$0
Permitting System Upgrades	\$0	\$250,000	\$0
Centrally Appropriated Costs	\$60,548	\$60,548	\$20,848
Total Costs	\$318,671	\$497,671	\$90,375
Total FTE	3.0 FTE	3.0 FTE	1.0 FTE

Colorado Department of Transportation

Office of Freight Mobility and Safety

The bill increases costs in the Office of Freight Mobility to study, develop, and implement a centralized permitting system by July 1, 2029. These costs are paid from the SHF in FY 2026-27 and the Freight Cash Fund in FY 2027-28 after the fund has received enough in permit fees. Any costs incurred in future years will be paid from the Freight Cash Fund.

Staff

The office requires 2.0 FTE of permit writers in FY 2026-27 and FY 2027-28 to address the office’s increased permitting responsibilities under the bill. Staff will facilitate the development of a central permitting system by gathering and maintaining information on roadway and bridge data and ensuring it is captured by the office’s routing software. The fiscal note assumes a July 2026 start date, and capital outlay and standard operating costs are included.

Feasibility Study

The office requires \$50,000 in FY 2026-27 only to conduct a feasibility study by September 1, 2027 on implementing a centralized permitting system for all state and local roadways.

Permitting System Upgrades

The bill increases programming costs in the office by about \$250,000 in FY 2027-28 to internally develop and test the new permitting system. The office will upload local infrastructure data, GIS layering, and other details on freight routes into the routing software to build a model of potential freight routes.

Other Agency Impacts

Cash Fund Creation—Departments of Personnel and Treasury

Workload will increase for the Departments of Personnel and Administration (DPA) and Treasury to manage and perform accounting for the cash fund created in the bill. While no appropriation is required at this time, the department may seek additional funding through the annual budget process based on the cumulative impact of all cash funds created through legislation.

Colorado State Patrol

The bill may increase workload for the Colorado State Patrol to collaborate with CDOT on implementing the centralized permitting system. This additional workload is assumed 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 may include employee insurance, supplemental employee retirement payments, indirect cost assessments, and other costs, are shown in Table 2 above

Local Government

Workload may increase for some local governments to collaborate with CDOT on developing a centralized permitting system. Beginning July 1, 2029, workload may decrease for certain local governments if the new centralized permitting system reduces the administrative workload related to reviewing and issuing oversize vehicle permits.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature and applies to permits issued on and after July 1, 2026.

State and Local Government Contacts

Legislative Council Staff	Revenue
Local Affairs	Transportation
Personnel	Treasury
Public Safety	

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](#).