



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1398: RETAIL DELIVERY FEE REVENUE ALLOCATION

Prime Sponsors:

Rep. Brown; Sirota
Sen. Amabile; Kirkmeyer

Fiscal Analyst:

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Fiscal note status: This fiscal note reflects the introduced bill, which was recommended by the Joint Budget Committee as part of its FY 2026-27 budget package.

Summary Information

Overview. The bill modifies expenditure requirements out of the Multimodal Transportation Options Fund beginning in FY 2026-27.

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

- State Expenditures
- Local Government

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

The bill modifies expenditure requirements for the Multimodal Transportation and Mitigation Options Fund (MMOF). Beginning July 1, 2026, money from the fund must be expended as follows:

- 70 percent to the Transportation Commission for local multimodal projects; and
- 30 percent to the Transportation Commission for state multimodal projects.

Background

The Multimodal Transportation and Mitigation Options Fund (MMOF) consists of money transferred from the General Fund, retail delivery fee revenue, and interest. Under current law, 85 percent of money expended from the fund must be used for local multimodal projects, with the remaining 15 percent spent on state multimodal projects.

Money from the fund is appropriated to the Transportation Commission (commission) within the Department of Transportation (CDOT). The commission selects the state multimodal projects and determines a formula for disbursement of the amount allocated for local multimodal projects based on criteria such as population and transit ridership in an area. Local recipients of the MMOF funds must match the award with local government funds unless otherwise specified.

Table 2 below presents actual and projected revenue deposited into the MMOF, excluding General Fund transfers.

Table 2
Revenue Collected in the MMOF

Revenue Type	Actual FY 2024-25	Forecast FY 2025-26	Forecast FY 2026-27	Forecast FY 2027-28
Retail Delivery Fee	\$9,144,987	\$10,233,344	\$11,577,784	\$12,907,362
Interest	\$5,871,190	\$6,569,928	\$6,828,543	\$7,960,980
Total	\$15,016,177	\$16,803,271	\$18,406,327	\$20,868,342

Historically, besides transfers to the MMOF, CDOT's appropriation requests for revenue collected in the MMOF have included only revenue from the retail delivery fee. However, CDOT plans to base appropriation requests for FY 2027-28 and beyond on both revenue from the retail delivery fee and interest earned in the fund.

Assumptions

The fiscal note assumes that CDOT's MMOF appropriation requests for FY 2027-28 onwards will be based on projected revenue from both the retail delivery fee and interest, consistent with the department's planned requests. For FY 2026-27, only revenue collected in the MMOF from the retail delivery fee is assumed to be appropriated.

State Expenditures

The bill results in no net change to state expenditures. The bill will increase MMOF expenditures for state multimodal projects by \$1.7 million in FY 2026-27 and \$3.1 million in FY 2027-28 with similar amounts in future years, while correspondingly decreasing MMOF expenditures for local multimodal projects by the same amount. Table 3A and 3B below presents the shift in expenditures as a result of the bill.

Table 3A
Change in Local and State Project Spending from MMOF
FY 2026-27

Project Type	Current Law	HB 26-1398	Net Change
Local Multimodal Projects	\$9,841,116	\$8,104,449	-\$1,736,668
State Multimodal Projects	\$1,736,668	\$3,473,335	\$1,736,668
FY 2026-27 Total	\$11,577,784	\$11,577,784	\$0

Projected expenditures in Table 3A are for the revenue collected in the MMOF only and do not include transfers to the MMOF.

Table 3B
Change in Local and State Project Spending from MMOF
FY 2027-28

Project Type	Current Law	HB 26-1398	Net Change
Local Multimodal Projects	\$17,738,091	\$14,607,839	-\$3,130,251
State Multimodal Projects	\$3,130,251	\$6,260,503	\$3,130,251
FY 2027-28 Total	\$20,868,342	\$20,868,342	\$0

Projected expenditures in Table 3B are for the revenue collected in the MMOF only and do not include transfers to the MMOF.

Local Government

The bill will decrease MMOF disbursements for local multimodal projects by \$1.7 million in FY 2026-27 and \$3.1 million in FY 2027-28 with similar amounts in future years. Since local governments are generally required to match the state disbursements from the MMOF, the bill will result in decreased expenditures for local governments to the extent that local governments do not invest in multimodal projects that would have otherwise been funded by the MMOF disbursements and local funding matches. For local governments that choose to replace reduced MMOF disbursements with local government funds, the bill will increase local government expenditures.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Joint Budget Committee Staff

Transportation

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](#).