

CHAPTER 406

TRANSPORTATION

HOUSE BILL 26-1430

BY REPRESENTATIVE(S) Boesenecker and Sirota, Bacon, Camacho, Clifford, Duran, Froelich, Garcia, Lieder, Lindsay, McCormick, Nguyen, Smith, Woodrow, Zokaie, McCluskie, Jackson, Ricks, Story, Titone;
also SENATOR(S) Lindstedt and Amabile, Ball, Benavidez, Hinrichsen, Kipp, Wallace, Coleman.

AN ACT**CONCERNING ADJUSTMENTS TO TRANSPORTATION FUNDING.**

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Short title. The short title of this act is the "Colorado Budget Protection Act".

SECTION 2. Legislative declaration. (1) The general assembly finds and declares that:

(a) A proposed initiative for the 2026 general election could make the state's already difficult-to-balance budget even harder to balance;

(b) A response to this proposed initiative is necessary to avoid reductions of up to seven hundred million dollars in appropriations for critical state services including K-12 public education, health care, and higher education;

(c) These reduced appropriations could necessitate both a new budget stabilization factor and increased higher education tuition; and

(d) The state has taken unprecedented steps over the last seven years to increase funding for transportation programs and fully supports the need for sustainable transportation investment, so long as that investment does not come at the expense of critical state services for those ranging from young children to elderly adults.

(2) Therefore, the general assembly finds and declares that, if the voters approve a proposed initiative that would direct additional general fund money to transportation, this act will lower the gasoline excise tax, the special fuel excise tax,

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

and the road usage fee to ensure that state transportation funding is not increased at the expense of critical state services that are funded by general fund money.

SECTION 3. In Colorado Revised Statutes, 24-75-219, **amend** (7)(d)(II) as follows:

24-75-219. Transfers - transportation - capital construction - definitions.

(7) In addition to any other transfers required by this section:

(d)(II) On July 1, 2026, the state treasurer shall transfer ~~fifty million~~ five hundred thousand dollars from the general fund to the state highway fund;

SECTION 4. In Colorado Revised Statutes, 24-75-219, **amend as amended by House Bill 26-1289** (7)(d)(II) as follows:

24-75-219. Transfers - transportation - capital construction - definitions.

(7) In addition to any other transfers required by this section:

(d)(II) On July 1, 2026, the state treasurer shall transfer ~~forty-five million six hundred thousand~~ FIVE HUNDRED THOUSAND dollars from the general fund to the state highway fund;

SECTION 5. In Colorado Revised Statutes, 24-75-219, **amend** (7)(d)(III) and (7)(e); and **add** (7)(d)(II.5) and (7)(d)(III.5) as follows:

24-75-219. Transfers - transportation - capital construction - definitions.

(7) In addition to any other transfers required by this section:

(d)(II.5) ON JANUARY 1, 2027, OR AS SOON AS POSSIBLE THEREAFTER, THE STATE TREASURER SHALL TRANSFER FIFTY MILLION DOLLARS FROM THE SUPPORT ROAD TRANSPORTATION FUND CREATED IN SECTION 43-4-1601 TO THE STATE HIGHWAY FUND.

(III) On each July 1 from July 1, 2027, through ~~July 1, 2031~~, JULY 1, 2030, the state treasurer shall transfer one hundred million dollars from the ~~general fund~~ SUPPORT ROAD TRANSPORTATION FUND CREATED IN SECTION 43-4-1601 to the state highway fund; ~~and~~

(III.5) ON JULY 1, 2031, THE STATE TREASURER SHALL TRANSFER ONE HUNDRED MILLION DOLLARS FROM THE GENERAL FUND TO THE STATE HIGHWAY FUND; AND

(e) The department of transportation shall expend ten million dollars of each transfer from the general fund to the state highway fund made pursuant to subsection (7)(d)(I) ~~(7)(d)(II), or (7)(d)(III)~~ of this section ~~from July 1, 2025, through July 1, 2028~~, solely to mitigate the environmental and health impacts of increased air pollution from motor vehicle emissions in nonattainment areas by funding projects that reduce vehicle miles traveled or that directly reduce air pollution.

SECTION 6. In Colorado Revised Statutes, 24-75-219, **amend** (7)(e); **amend as amended by House Bill 26-1289** (7)(d)(III); and **add** (7)(d)(II.5) and (7)(d)(III.5) as follows:

24-75-219. Transfers - transportation - capital construction - definitions.

(7) In addition to any other transfers required by this section:

(d)(II.5) ON JANUARY 1, 2027, OR AS SOON AS POSSIBLE THEREAFTER, THE STATE TREASURER SHALL TRANSFER FIFTY MILLION DOLLARS FROM THE SUPPORT ROAD TRANSPORTATION FUND CREATED IN SECTION 43-4-1601 TO THE STATE HIGHWAY FUND.

(III) On each July 1 from July 1, 2027, through ~~July 1, 2031~~ JULY 1, 2030, the state treasurer shall transfer ~~ninety-six million four hundred thousand~~ ONE HUNDRED MILLION dollars from the ~~general fund~~ SUPPORT ROAD TRANSPORTATION FUND CREATED IN SECTION 43-4-1601 to the state highway fund; ~~and~~

(III.5) ON JULY 1, 2031, THE STATE TREASURER SHALL TRANSFER ONE HUNDRED MILLION DOLLARS FROM THE GENERAL FUND TO THE STATE HIGHWAY FUND; AND

(e) The department of transportation shall expend ten million dollars of each transfer from the general fund to the state highway fund made pursuant to subsection (7)(d)(I) ~~(7)(d)(II), or (7)(d)(III)~~ of this section ~~from July 1, 2025, through July 1, 2028~~, solely to mitigate the environmental and health impacts of increased air pollution from motor vehicle emissions in nonattainment areas by funding projects that reduce vehicle miles traveled or that directly reduce air pollution.

SECTION 7. In Colorado Revised Statutes, 24-75-219, **add** (7)(d)(II.5) as follows:

24-75-219. Transfers - transportation - capital construction - definitions.

(7) In addition to any other transfers required by this section:

(d)(II.5) ON JANUARY 1, 2027, OR AS SOON AS POSSIBLE THEREAFTER, THE STATE TREASURER SHALL TRANSFER FIFTY MILLION DOLLARS FROM THE GENERAL FUND TO THE STATE HIGHWAY FUND.

SECTION 8. In Colorado Revised Statutes, 24-82-1303, **amend** (2)(d) introductory portion; and **add** (2)(d.5) as follows:

24-82-1303. Financed purchase of an asset or certificate of participation agreements for capital construction and transportation projects.

(2)(d) Any financed purchase of an asset or certificate of participation agreement executed as required by subsection (2)(a) of this section shall provide that all of the obligations of the state under the agreement are subject to the action of the general assembly in annually making money available for all payments thereunder. BEFORE JANUARY 1, 2027, AND ON AND AFTER JULY 1, 2031, payments under any financed

purchase of an asset or certificate of participation agreement must be made, subject to annual allocation pursuant to section 43-1-113 by the transportation commission created in section 43-1-106 (1) or subject to annual appropriation by the general assembly, as applicable, from the following sources of money:

(d.5) ANY FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION AGREEMENT EXECUTED AS REQUIRED BY SUBSECTION (2)(a) OF THIS SECTION SHALL PROVIDE THAT ALL OF THE OBLIGATIONS OF THE STATE UNDER THE AGREEMENT ARE SUBJECT TO THE ACTION OF THE GENERAL ASSEMBLY IN ANNUALLY MAKING MONEY AVAILABLE FOR ALL PAYMENTS THEREUNDER. ON AND AFTER JANUARY 1, 2027, AND BEFORE JULY 1, 2031, PAYMENTS UNDER ANY FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION AGREEMENT MUST BE MADE, SUBJECT TO ANNUAL ALLOCATION PURSUANT TO SECTION 43-1-113 BY THE TRANSPORTATION COMMISSION CREATED IN SECTION 43-1-106 (1) OR SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY, AS APPLICABLE, FROM THE FOLLOWING SOURCES OF MONEY:

(I) FIRST, NINE MILLION DOLLARS ANNUALLY, OR ANY LESSER AMOUNT THAT IS SUFFICIENT TO MAKE EACH FULL PAYMENT DUE, SHALL BE PAID FROM THE GENERAL FUND OR ANY OTHER LEGALLY AVAILABLE SOURCE OF MONEY FOR THE PURPOSE OF FULLY FUNDING THE CONTROLLED MAINTENANCE AND CAPITAL CONSTRUCTION PROJECTS IN THE STATE TO BE FUNDED WITH THE PROCEEDS OF FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION AGREEMENTS AS SPECIFIED IN SUBSECTION (4)(a) OF THIS SECTION;

(II) NEXT, FIFTY MILLION DOLLARS ANNUALLY, OR ANY LESSER AMOUNT THAT IS SUFFICIENT TO MAKE EACH FULL PAYMENT DUE, SHALL BE PAID FROM ANY LEGALLY AVAILABLE MONEY UNDER THE CONTROL OF THE TRANSPORTATION COMMISSION SOLELY FOR THE PURPOSE OF ALLOWING THE CONSTRUCTION, SUPERVISION, AND MAINTENANCE OF STATE HIGHWAYS TO BE FUNDED WITH THE PROCEEDS OF FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION AGREEMENTS AS SPECIFIED IN SUBSECTION (4)(b) OF THIS SECTION AND SECTION 43-4-206 (1)(b)(V); AND

(III) THE REMAINDER OF THE AMOUNT NEEDED, IN ADDITION TO THE AMOUNTS SPECIFIED IN SUBSECTIONS (2)(d.5) AND (2)(d.5)(II) OF THIS SECTION, TO MAKE EACH FULL PAYMENT DUE SHALL BE PAID FROM THE SUPPORT ROAD TRANSPORTATION FUND CREATED IN SECTION 43-4-1601.

SECTION 9. In Colorado Revised Statutes, 39-26-123, **add** (3)(c) as follows:

39-26-123. Receipts - disposition - transfers of general fund surplus - sales tax holding fund - creation - definitions.

(3) For any state fiscal year commencing on or after July 1, 2013, the state treasurer shall credit eighty-five percent of all net revenue collected under this article 26 to the old age pension fund created in section 1 of article XXIV of the state constitution. The state treasurer shall credit to the general fund the remaining fifteen percent of the net revenue, less:

(c) THE AMOUNT CREDITED TO THE SUPPORT ROAD TRANSPORTATION FUND CREATED IN SECTION 43-4-1601, AS REQUIRED BY SECTION 43-4-1601 (5).

SECTION 10. In Colorado Revised Statutes, 39-27-102, **amend** (1)(a)(II)(A) and (1)(a)(II)(B) as follows:

39-27-102. Tax imposed on gasoline and special fuel - deposits - penalties.

(1) (a) (II) (A) Except as provided in subsection (1)(a)(IV) of this section, the excise tax imposed on gasoline is twenty-two cents per gallon or fraction thereof; EXCEPT THAT, ON AND AFTER JANUARY 1, 2027, BUT BEFORE JULY 1, 2030, THE EXCISE TAX IMPOSED ON GASOLINE IS FOURTEEN CENTS PER GALLON OR FRACTION THEREOF.

(B) The excise tax imposed on special fuel by subsection (1)(a)(I) of this section is twenty and one-half cents per gallon or a fraction thereof; EXCEPT THAT, ON AND AFTER JANUARY 1, 2027, BUT BEFORE JULY 1, 2030, THE EXCISE TAX IMPOSED ON SPECIAL FUEL BY SUBSECTION (1)(a)(I) OF THIS SECTION IS THIRTEEN CENTS PER GALLON OR A FRACTION THEREOF. This subsection (1)(a)(II)(B) does not apply to any special fuel specified in subsections (1)(a)(VI), (1)(a)(VII), and (1)(a)(VIII) of this section.

SECTION 11. In Colorado Revised Statutes, 42-3-112, **add** (1.6) as follows:

42-3-112. Failure to pay tax - penalty - rules - repeal.

(1.6) (a) NOTWITHSTANDING SUBSECTION (1)(a)(I) OF THIS SECTION, ON AND AFTER JANUARY 1, 2027, AND BEFORE JULY 1, 2030, THE LATE FEE IMPOSED IN SUBSECTION (1)(a)(I) OF THIS SECTION IS SET AT FIFTEEN DOLLARS FIFTY CENTS FOR EACH MONTH OR PORTION OF A MONTH FOLLOWING THE EXPIRATION OF THE REGISTRATION PERIOD, OR, IF APPLICABLE, THE EXPIRATION OF THE GRACE PERIOD DESCRIBED IN SECTION 42-3-114 FOR WHICH THE VEHICLE IS UNREGISTERED; EXCEPT THAT THE AMOUNT OF THE LATE FEE MUST NOT EXCEED SIXTY-TWO DOLLARS.

(b) THIS SUBSECTION (1.6) IS REPEALED, EFFECTIVE JULY 1, 2030.

SECTION 12. In Colorado Revised Statutes, 42-3-304, **amend** (25)(a), (25)(a.5)(II), and (25)(a.5)(IV) as follows:

42-3-304. Registration fees - passenger-mile taxes - clean screen fund - fees - report - rules - definitions - repeal.

(25) (a) (I) In addition to any other fee imposed by this section, for registration periods beginning during state fiscal years prior to state fiscal year 2022-23, each authorized agent shall annually collect a fee of fifty dollars at the time of registration on every electric motor vehicle. For registration periods beginning during state fiscal year 2022-23 or during any subsequent state fiscal year, each authorized agent shall continue to collect the fee, and the amount of the fee for registration periods beginning during any given state fiscal year is the amount of the fee collected for registration periods beginning during the prior state fiscal year, adjusted for inflation; except that an adjustment shall be made only if the rate of inflation is

positive and the adjustment must be the lesser of the actual rate of inflation or five percent. The department of revenue shall annually calculate the inflation-adjusted amount of the fee for registration periods beginning during each state fiscal year and shall publish the amount no later than April 15 of the calendar year in which the state fiscal year begins. The authorized agent shall transmit the fee to the state treasurer, who shall credit thirty dollars, adjusted for inflation, of each fee to the highway users tax fund created in section 43-4-201, and twenty dollars, adjusted for inflation, of each fee to the electric vehicle grant fund created in section 24-38.5-103.

(II) (A) NOTWITHSTANDING SUBSECTION (25)(a)(I) OF THIS SECTION, THE FEE IMPOSED IN SUBSECTION (25)(a)(I) OF THIS SECTION IS SET AT THE FOLLOWING AMOUNTS DURING THE FOLLOWING FISCAL YEARS BEGINNING ON JANUARY 1, 2027:

FISCAL YEAR	FEE
2026-27	\$38.35
2027-28	\$39.50
2028-29	\$40.68
2029-30	\$41.91

(B) THIS SUBSECTION (25)(a)(II) IS REPEALED, EFFECTIVE JULY 1, 2031.

(a.5) (II) For registration periods beginning during state fiscal years 2022-23 through 2031-32, the amount of the electric motor vehicle road usage equalization fee for a battery electric motor vehicle is as follows:

Fiscal Year	Fee
2022-23	\$4
2023-24	\$8
2024-25	\$12
2025-26	\$16
2026-27 BEFORE JANUARY 1, 2027	\$26
2026-27 ON AND AFTER JANUARY 1, 2027,	\$16.12
2027-28	\$36 \$22.32
2028-29	\$51 \$31.62

2029-30	\$66 \$40.92
2030-31	\$81
2031-32	\$96

(IV) For registration periods beginning during state fiscal years 2022-23 through 2031-32, the amount of the electric motor vehicle road usage equalization fee for a plug-in hybrid electric motor vehicle is:

Fiscal Year	Fee
2022-23	\$3
2023-24	\$5
2024-25	\$8
2025-26	\$11
2026-27 BEFORE JANUARY 1, 2027	\$13
2026-27 ON AND AFTER JANUARY 1, 2027	\$13 \$8.06
2027-28	\$16 \$9.92
2028-29	\$19 \$11.78
2029-30	\$21 \$13.12
2030-31	\$24
2031-32	\$27

SECTION 13. In Colorado Revised Statutes, 42-3-306, **add** (2)(b)(VIII) and (2.5) as follows:

42-3-306. Registration fees - passenger and passenger-mile taxes - fee schedule - repeal.

(2) Fees required for the annual registration of passenger-carrying motor vehicles are as follows:

(b) (VIII) (A) NOTWITHSTANDING SUBSECTION (2)(b)(V) OF THIS SECTION, THE FEES IMPOSED IN SUBSECTION (2)(b)(V) OF THIS SECTION ARE SET AT THE FOLLOWING AMOUNTS FOR THE FOLLOWING AGE OF VEHICLES ON AND AFTER JANUARY 1, 2027, AND BEFORE JULY 1, 2030: FOR MOTOR VEHICLES LESS THAN SEVEN YEARS OLD, FIVE DOLLARS FIFTY-EIGHT CENTS, FOR MOTOR VEHICLES AT LEAST SEVEN YEARS

OLD BUT LESS THAN TEN YEARS OLD, FOUR DOLLARS THIRTY-FOUR CENTS, AND FOR MOTOR VEHICLES TEN YEARS OLD OR OLDER, THREE DOLLARS TEN CENTS.

(B) THIS SUBSECTION (2)(b)(VIII) IS REPEALED, EFFECTIVE JULY 1, 2030.

(2.5) (a) NOTWITHSTANDING SUBSECTIONS (2)(a) AND (2)(b) OF THIS SECTION, THE FEES IMPOSED IN SUBSECTIONS (2)(a) AND (2)(b) OF THIS SECTION ARE SET AS FOLLOWS, ON AND AFTER JANUARY 1, 2027, AND BEFORE JULY 1, 2030:

(I) MOTORCYCLES AND AUTOCYCLES, ONE DOLLAR EIGHTY-SIX CENTS;

(II) PASSENGER CARS, STATION WAGONS, TAXICABS, AMBULANCES, MOTOR HOMES, AND HEARSEs:

(A) WEIGHING TWO THOUSAND POUNDS OR LESS, THREE DOLLARS SEVENTY-TWO CENTS;

(B) WEIGHING AT LEAST TWO THOUSAND ONE POUNDS AND FORTY-FIVE HUNDRED POUNDS OR LESS, THREE DOLLARS SEVENTY-TWO CENTS PLUS TWENTY CENTS PER ONE HUNDRED POUNDS, OR FRACTION THEREOF, OF WEIGHT OVER TWO THOUSAND POUNDS; AND

(C) WEIGHING MORE THAN FOUR THOUSAND FIVE HUNDRED POUNDS, SEVEN DOLLARS SEVENTY-FIVE CENTS PLUS SIXTY CENTS PER ONE HUNDRED POUNDS, OR FRACTION THEREOF, OF WEIGHT OVER FOUR THOUSAND FIVE HUNDRED POUNDS; EXCEPT THAT, FOR MOTOR HOMES WEIGHING MORE THAN SIX THOUSAND FIVE HUNDRED POUNDS, SUCH FEES SHALL BE TWENTY-FOUR DOLLARS FIFTY CENTS PLUS THIRTY CENTS PER ONE HUNDRED POUNDS, OR FRACTION THEREOF, OF WEIGHT OVER SIX THOUSAND FIVE HUNDRED POUNDS.

(b) THIS SUBSECTION (2.5) IS REPEALED, EFFECTIVE JULY 1, 2030.

SECTION 14. In Colorado Revised Statutes, 42-4-505, **add** (1)(d) as follows:

42-4-505. Longer vehicle combinations - rules.

(1) (d) NOTWITHSTANDING ANY LAW TO THE CONTRARY, FOR PERMIT FEES COLLECTED ON OR AFTER JANUARY 1, 2027, THE DEPARTMENT OF TRANSPORTATION, ON BEHALF OF THE ROAD ENTERPRISE CREATED IN 43-4-1703, SHALL TRANSMIT ALL PERMIT FEES COLLECTED PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION TO THE STATE TREASURER, WHO SHALL CREDIT THE PERMIT FEES TO THE ROAD ENTERPRISE CASH FUND CREATED IN SECTION 43-4-1705.

SECTION 15. In Colorado Revised Statutes, 42-4-510, **add** (11)(c) as follows:

42-4-510. Permits for excess size and weight and for manufactured homes - penalty - rules - definitions.

(11) (c) (I) NOTWITHSTANDING ANY LAW TO THE CONTRARY, FOR PERMIT FEES COLLECTED ON OR AFTER JANUARY 1, 2027, THE DEPARTMENT OF TRANSPORTATION, ON BEHALF OF THE ROAD ENTERPRISE CREATED IN 43-4-1703, SHALL TRANSMIT ALL

PERMIT FEES COLLECTED PURSUANT TO SUBSECTION (11)(a) OF THIS SECTION TO THE STATE TREASURER, WHO SHALL CREDIT THE PERMIT FEES TO THE ROAD ENTERPRISE CASH FUND CREATED IN SECTION 43-4-1705.

(II) THIS SUBSECTION (11)(c) DOES NOT APPLY TO LOCAL FEES IMPOSED BY A LOCAL GOVERNMENT OR LOCAL AUTHORITY PURSUANT TO SUBSECTION (11)(b) OF THIS SECTION, WHICH ARE REMITTED TO THE APPROPRIATE LOCAL GOVERNMENT OR LOCAL AUTHORITY.

SECTION 16. In Colorado Revised Statutes, 43-1-106, **add** (17)(e) as follows:

43-1-106. Transportation commission - efficiency and accountability committee - powers and duties - report - rules - definitions.

(17) (e) (I) NOTWITHSTANDING ANY LAW TO THE CONTRARY, THE DEPARTMENT SHALL NOT CONVENE THE COMMITTEE CREATED IN SUBSECTION (17)(a) OF THIS SECTION IN CALENDAR 2026 AND MAY REDIRECT ANY WORKLOAD SAVINGS RESULTING FROM THIS SUBSECTION (17)(e) TO HELP OFFSET WORKLOAD IMPACTS ASSOCIATED WITH THE ADMINISTRATION OF THE TRANSPORTATION FUNDING WORKING GROUP CREATED IN SECTION 43-1-139.

(II) THIS SUBSECTION (17)(e) IS REPEALED EFFECTIVE JULY 1, 2027.

SECTION 17. In Colorado Revised Statutes, **add** 43-1-139 as follows:

43-1-139. Transportation funding working group - definitions - repeal.

(1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "FACILITATOR" MEANS THE NEUTRAL FACILITATOR THAT THE DEPARTMENT CONTRACTS WITH PURSUANT TO SUBSECTION (3) OF THIS SECTION.

(b) "WORKING GROUP" MEANS THE TRANSPORTATION FUNDING WORKING GROUP CREATED IN SUBSECTION (2) OF THIS SECTION.

(2) THERE IS CREATED IN THE DEPARTMENT THE TRANSPORTATION FUNDING WORKING GROUP. THE WORKING GROUP SHALL MEET AS NECESSARY TO EVALUATE AND MAKE RECOMMENDATIONS CONCERNING FUNDING STATE AND LOCAL SURFACE TRANSPORTATION MAINTENANCE, REPAIR, CAPACITY, AND SAFETY.

(3) THE DEPARTMENT SHALL CONTRACT WITH A NEUTRAL FACILITATOR TO ORGANIZE AND MANAGE THE WORKING GROUP'S MEETINGS, GUIDE THE WORKING GROUP'S DELIBERATIONS, AND DRAFT THE REPORTS REQUIRED PURSUANT TO SUBSECTIONS (7)(a) AND (7)(b) OF THIS SECTION.

(4) (a) THE WORKING GROUP CONSISTS OF THE FOLLOWING MEMBERS:

(I) THE EXECUTIVE DIRECTOR OR THE EXECUTIVE DIRECTOR'S DESIGNEE;

(II) ONE MEMBER APPOINTED BY THE GOVERNOR WITH EXPERTISE IN PUBLIC FINANCE;

(III) ONE MEMBER APPOINTED BY THE GOVERNOR TO REPRESENT ENVIRONMENTAL CONSERVATION OR ENVIRONMENTAL JUSTICE GROUPS;

(IV) ONE MEMBER APPOINTED BY THE PRESIDENT OF THE SENATE TO REPRESENT COUNTIES ACROSS THE STATE;

(V) ONE MEMBER APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES WITH EXPERTISE AS A TRANSPORTATION PLANNER OR AS A PROFESSIONAL ENGINEER;

(VI) ONE MEMBER APPOINTED BY THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES TO REPRESENT AN ASSOCIATION OF MOTOR CARRIERS;

(VII) ONE MEMBER APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES TO REPRESENT MUNICIPALITIES ACROSS THE STATE;

(VIII) ONE MEMBER APPOINTED BY THE PRESIDENT OF THE SENATE TO REPRESENT ECONOMIC DEVELOPMENT ORGANIZATIONS; AND

(IX) ONE MEMBER APPOINTED BY THE MINORITY LEADER OF THE SENATE TO REPRESENT CONSTRUCTION CONTRACTOR PROFESSIONALS.

(b) THE APPLICABLE APPOINTING AUTHORITIES SHALL MAKE ALL OF THE APPOINTMENTS DESCRIBED IN SUBSECTION (4)(a) OF THIS SECTION NO LATER JUNE 19, 2026.

(c) MEMBERS OF THE WORKING GROUP SERVE AT THE PLEASURE OF THE APPLICABLE APPOINTING AUTHORITY. IF A VACANCY OCCURS, THE APPROPRIATE APPOINTING AUTHORITY SHALL APPOINT A REPLACEMENT MEMBER WHO MEETS THE REQUIREMENTS SET FORTH IN SUBSECTION (4)(a) OF THIS SECTION FOR THE VACANT POSITION NOT LATER THAN ONE WEEK FROM THE DATE THE VACANCY EXISTS. IF THE APPROPRIATE APPOINTING AUTHORITY FAILS TO APPOINT A REPLACEMENT MEMBER AS REQUIRED BY THIS SUBSECTION (4)(c), THE GOVERNOR SHALL APPOINT A REPLACEMENT MEMBER WHO MEETS THE REQUIREMENTS SET FORTH IN SUBSECTION (4)(a) OF THIS SECTION.

(d) MEMBERS OF THE WORKING GROUP SERVE WITHOUT COMPENSATION AND WITHOUT REIMBURSEMENT FOR EXPENSES.

(e) MEMBERS OF THE WORKING GROUP MAY PARTICIPATE REMOTELY IN WORKING GROUP MEETINGS.

(5) (a) THE FACILITATOR SHALL CONVENE THE FIRST MEETING OF THE WORKING GROUP PRIOR TO JULY 3, 2026. THE WORKING GROUP SHALL ADOPT BYLAWS AT THE FIRST WORKING GROUP MEETING.

(b) THE WORKING GROUP SHALL MEET AT LEAST ONCE EVERY TWO WEEKS BEGINNING THE WEEK OF JUNE 29, 2026, THROUGH THE WEEK OF NOVEMBER 2, 2026. THE WORKING GROUP MAY MEET MORE OFTEN AT THE DISCRETION OF THE FACILITATOR. A MAJORITY OF THE MEMBERS OF THE WORKING GROUP MAY VOTE TO

EXTEND THE WORK OF THE COMMISSION PAST THE WEEK OF NOVEMBER 2, 2026, OR TO TERMINATE THE WORKING GROUP'S WORK AT ANY TIME.

(c) THE WORKING GROUP MAY MEET WITH SUBJECT MATTER EXPERTS AS NEEDED, SUCH AS EXPERTS ON THE STATE BUDGET, PUBLIC FINANCING, AND TRANSPORTATION CONSTRUCTION.

(6) THE WORKING GROUP'S PURPOSE IS TO IDENTIFY APPROACHES TO AUGMENT STATE AND LOCAL FUNDING FOR SURFACE TRANSPORTATION MAINTENANCE, REPAIR, CAPACITY, AND SAFETY BY INCREASING REVENUE, WHILE FOCUSING ON INCREASING REVENUE THAT IS PROTECTED FOR SUCH PURPOSES, IS SUSTAINABLE, AND DOES NOT NECESSITATE CUTS TO CORE STATE AND LOCAL SERVICES.

(7) (a) NO LATER THAN SEPTEMBER 7, 2026, THE WORKING GROUP SHALL SUBMIT A PRELIMINARY STATUS REPORT TO THE TRANSPORTATION, HOUSING, AND LOCAL GOVERNMENT COMMITTEE OF THE HOUSE OF REPRESENTATIVES, THE TRANSPORTATION AND ENERGY COMMITTEE OF THE SENATE, THE TRANSPORTATION COMMISSION CREATED IN SECTION 43-1-106, AND THE GOVERNOR. THE REPORT MUST INCLUDE:

(I) A SUMMARY OF THE WORKING GROUP'S DISCUSSIONS AND FINDINGS; AND

(II) THE POTENTIAL STATE BUDGETARY IMPACTS, AS DISCUSSED BY THE WORKING GROUP, OF POTENTIAL APPROACHES TO AUGMENT STATE AND LOCAL FUNDING FOR SURFACE TRANSPORTATION MAINTENANCE, REPAIR, CAPACITY, AND SAFETY NEEDS.

(b) NO LATER THAN NOVEMBER 13, 2026, THE WORKING GROUP SHALL SUBMIT A REPORT TO THE TRANSPORTATION, HOUSING, AND LOCAL GOVERNMENT COMMITTEE OF THE HOUSE OF REPRESENTATIVES, THE TRANSPORTATION AND ENERGY COMMITTEE OF THE SENATE, THE TRANSPORTATION COMMISSION CREATED IN SECTION 43-1-106, AND THE GOVERNOR. THE REPORT MUST INCLUDE THE WORKING GROUP'S FINDINGS AND RECOMMENDATIONS TO THE GENERAL ASSEMBLY CONCERNING MATTERS EVALUATED BY THE WORKING GROUP.

(8) (a) THE DEPARTMENT SHALL BE AVAILABLE TO ASSIST THE WORKING GROUP IN CARRYING OUT THE WORKING GROUP'S DUTIES. THE DEPARTMENT MAY ADOPT INTERNAL PROCEDURES TO ENSURE THAT THE WORKING GROUP'S WORK IS CONDUCTED IN AN ORDERLY, TIMELY, AND GOAL-ORIENTED MANNER.

(b) NOTWITHSTANDING ANY LAW TO THE CONTRARY, THE DEPARTMENT MAY EXPEND MONEY FROM THE STATE HIGHWAY FUND, CREATED IN SECTION 43-1-219, FOR THE WORKING GROUP'S PURPOSES INCLUDING FOR HIRING PROFESSIONAL FACILITATION SERVICES, ASSISTING THE WORKING GROUP PURSUANT TO SUBSECTION (8)(a) OF THIS SECTION, AND OTHER NECESSARY SERVICES.

(9) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2027.

SECTION 18. In Colorado Revised Statutes, 43-4-217, **amend** (3)(b)(I)(E), (3)(b)(I)(G), (4)(b)(I)(E), and (4)(b)(I)(G); **repeal** (3)(b)(I)(F) and (4)(b)(I)(F), and **add** (3)(b)(I)(E.5), (3)(b)(I)(F.5), (4)(b)(I)(E.5), (4)(b)(I)(F.5), and (9) as follows:

43-4-217. Additional funding - road usage fees - rules - legislative declaration - definitions.

(3) (b) (I) The amount of the road usage fee for each gallon of gasoline acquired, sold, offered for sale, or used in this state from April 1, 2023, through June 30, 2023, and during state fiscal years 2023-24 through 2031-32 is:

(E) Six cents per gallon, ~~for state fiscal year 2026-27;~~ ON AND AFTER JULY 1, 2026, BUT BEFORE JANUARY 1, 2027;

(E.5) FOUR CENTS PER GALLON, ON AND AFTER JANUARY 1, 2027, BUT BEFORE JULY 1, 2027;

(F) ~~Seven cents per gallon, for state fiscal year 2027-28; and~~

(F.5) AN AMOUNT DETERMINED PURSUANT TO SUBSECTION (9)(b) OF THIS SECTION FOR STATE FISCAL YEARS 2027-28 THROUGH 2029-30; AND

(G) Eight cents per gallon, for state fiscal years ~~2028-29 through~~ 2030-31 AND 2031-32.

(4) (b) (I) The amount of the road usage fee for each gallon of special fuel acquired, sold, offered for sale, or used in this state from April 1, 2023, through June 30, 2023, and during state fiscal years 2023-24 through 2031-32 is:

(E) Six cents per gallon, ~~for state fiscal year 2026-27;~~ ON AND AFTER JULY 1, 2026, BUT BEFORE JANUARY 1, 2027;

(E.5) FOUR CENTS PER GALLON, ON AND AFTER JANUARY 1, 2027, BUT BEFORE JULY 1, 2027;

(F) ~~Seven cents per gallon, for state fiscal year 2027-28; and~~

(F.5) AN AMOUNT DETERMINED PURSUANT TO SUBSECTION (9)(b) OF THIS SECTION FOR STATE FISCAL YEARS 2027-28 THROUGH 2029-30; AND

(G) Eight cents per gallon, for state fiscal years ~~2028-29 through~~ 2030-31 AND 2031-32.

(9) (a) AS PART OF THE MARCH REVENUE FORECAST, PREPARED IN MARCH OF 2027, 2028, AND 2029, LEGISLATIVE COUNCIL STAFF AND THE OFFICE OF STATE PLANNING AND BUDGETING SHALL PROJECT THE ROAD USAGE FEE RATES NECESSARY FOR THE AMOUNT OF THE REDUCED ROAD USAGE FEES REVENUE IN THE NEXT FISCAL YEAR, ASSUMING THAT THE ROAD USAGE FEE RATES ESTABLISHED IN SUBSECTIONS (3)(b) AND (4)(b) OF THIS SECTION ARE EQUAL, TO EQUAL THE LESSER OF:

(I) THE TOTAL OF REQUIRED STATE REVENUE TRANSPORTATION DIVERSION FOR THE NEXT STATE FISCAL YEAR MINUS THE SUM OF, FOR THE NEXT FISCAL YEAR:

(A) REDUCED GASOLINE EXCISE TAX REVENUE;

(B) REDUCED SPECIAL FUEL EXCISE TAX REVENUE;

(C) REDUCED VEHICLE REGISTRATION FEE REVENUE; AND

(D) REDUCED TRANSPORTATION LEASE AND STATE HIGHWAY FUND PAYMENT AMOUNTS; OR

(II) REVENUE FROM THE BASE ROAD USAGE FEES.

(b) IN MARCH OF 2027, 2028, AND 2029, UPON ADOPTING A MARCH REVENUE FORECAST TO PREPARE THE GENERAL ANNUAL APPROPRIATION ACT FOR THE NEXT STATE FISCAL YEAR, THE JOINT BUDGET COMMITTEE OF THE GENERAL ASSEMBLY SHALL NOTIFY THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE OF THE ROAD USAGE FEE RATES PROJECTED IN THE ADOPTED REVENUE FORECAST, AND THAT RATE IS THE RATE OF THE ROAD USAGE FEE FOR THE NEXT STATE FISCAL YEAR.

(c) AS USED IN THIS SUBSECTION (9), UNLESS THE CONTEXT OTHERWISE REQUIRES:

(I) "ADJUSTED ROAD USAGE FEES" MEANS THE RATE OF THE ROAD USAGE FEES ON GASOLINE AND SPECIAL FUEL FOR A STATE FISCAL YEAR ESTABLISHED IN ACCORDANCE WITH SUBSECTION (9)(a) OF THIS SECTION.

(II) "BASE ROAD USAGE FEES" MEANS:

(A) FOR STATE FISCAL YEAR 2027-28, SEVEN CENTS PER GALLON; AND

(B) FOR STATE FISCAL YEARS 2028-29 AND 2029-30, EIGHT CENTS PER GALLON.

(III) "REDUCED GASOLINE EXCISE TAX REVENUE" MEANS THE DIFFERENCE IN REVENUE COLLECTED FOR A STATE FISCAL YEAR, IF THE EXCISE TAX IMPOSED ON GASOLINE PURSUANT TO SECTION 39-27-102 (1)(a)(II)(A) WERE IMPOSED AT A RATE OF TWENTY-TWO CENTS PER GALLON OR A FRACTION THEREOF OR WERE IMPOSED AT A RATE OF FOURTEEN CENTS PER GALLON OR A FRACTION THEREOF.

(IV) "REDUCED ROAD USAGE FEES REVENUE" MEANS THE DIFFERENCE IN REVENUE COLLECTED FROM THE FEE ON GASOLINE AND SPECIAL FUEL FOR A STATE FISCAL YEAR BETWEEN THE AMOUNT BASED ON THE BASE ROAD USAGE FEES AND THE AMOUNT BASED ON THE ADJUSTED ROAD USAGE FEES.

(V) "REDUCED SPECIAL FUEL EXCISE TAX REVENUE" MEANS THE DIFFERENCE IN REVENUE COLLECTED FOR A STATE FISCAL YEAR, IF THE EXCISE TAX IMPOSED ON SPECIAL FUEL PURSUANT TO SECTION 39-27-102 (1)(a)(II)(B) WERE IMPOSED AT A RATE OF TWENTY AND ONE-HALF CENTS PER GALLON OR A FRACTION THEREOF OR WERE IMPOSED AT A RATE OF THIRTEEN CENTS PER GALLON OR A FRACTION THEREOF.

(VI) "REDUCED TRANSPORTATION LEASE AND STATE HIGHWAY FUND PAYMENTS" MEANS AN AMOUNT EQUAL TO THE SUM OF THE TRANSFERS DESCRIBED IN SECTIONS 24-82-1303 (2)(d.5)(II), 24-82-1303 (2)(d.5)(III), 24-75-219 (7)(d)(II.5), AND 24-75-219 (7)(d)(III) FOR THE APPLICABLE STATE FISCAL YEAR.

(VII) "REDUCED VEHICLE REGISTRATION FEE REVENUE" MEANS THE DIFFERENCE IN REVENUE COLLECTED FOR A STATE FISCAL YEAR, AS A RESULT OF THE REDUCTION OF ANY FEES IN SECTION 42-3-112, 42-3-304, 42-3-306, AND 43-4-804 PURSUANT TO THIS HOUSE BILL 26-1430, ENACTED IN 2026.

(VIII) "REQUIRED STATE REVENUE TRANSPORTATION DIVERSION" MEANS THE TOTAL AMOUNT APPROPRIATED OR TRANSFERRED FROM THE SUPPORT ROAD TRANSPORTATION FUND CREATED IN SECTION 43-4-1601 FOR A STATE FISCAL YEAR.

SECTION 19. In Colorado Revised Statutes, **add** 43-4-219 as follows:

43-4-219. State revenue collected to support road transportation.

STATE REVENUE COLLECTED TO SUPPORT ROAD TRANSPORTATION, AS DEFINED IN SECTION 22 (3)(c) OF THE STATE CONSTITUTION, DOES NOT INCLUDE FEE REVENUE RESULTING FROM A FEE IMPOSED BY ANY ENTERPRISE.

SECTION 20. In Colorado Revised Statutes, 43-4-804, **add** (2) as follows:

43-4-804. Highway safety projects - surcharges, fees, and fines - crediting of money to highway users tax fund - rules - definitions - repeal.

(2) (a) NOTWITHSTANDING SUBSECTIONS (1)(a)(I) AND (1)(a)(IX) OF THIS SECTION, THE ROAD SAFETY SURCHARGE IMPOSED IN SUBSECTION (1)(a) OF THIS SECTION IS SET AT THE FOLLOWING AMOUNTS:

(I) FOR A MOTORCYCLE, AS DEFINED IN SECTION 42-1-102 (55); A TRAILER COACH, AS DEFINED IN SECTION 42-1-102 (106); AN AUTOCYCLE, AS DEFINED IN SECTION 42-1-102 (7.5); OR ANY VEHICLE THAT WEIGHS TWO THOUSAND POUNDS OR LESS:

(A) SEVEN DOLLARS SIXTY-THREE CENTS ON AND AFTER JANUARY 1, 2027, AND BEFORE JULY 1, 2027; OR

(B) TEN DOLLARS ON AND AFTER JULY 1, 2027;

(II) FOR ANY VEHICLE THAT WEIGHS MORE THAN TWO THOUSAND POUNDS BUT NOT MORE THAN FIVE THOUSAND POUNDS:

(A) ELEVEN DOLLARS NINETY-SEVEN CENTS ON AND AFTER JANUARY 1, 2027, AND BEFORE JULY 1, 2027; OR

(B) FOURTEEN DOLLARS ON AND AFTER JULY 1, 2027;

(III) FOR ANY VEHICLE THAT WEIGHS MORE THAN FIVE THOUSAND POUNDS BUT NOT MORE THAN TEN THOUSAND POUNDS:

(A) FIFTEEN DOLLARS SEVEN CENTS ON AND AFTER JANUARY 1, 2027, AND BEFORE JULY 1, 2027; OR

(B) SEVENTEEN DOLLARS ON AND AFTER JULY 1, 2027;

(IV) FOR ANY VEHICLE THAT IS A PASSENGER BUS OR THAT WEIGHS MORE THAN TEN THOUSAND POUNDS BUT NOT MORE THAN SIXTEEN THOUSAND POUNDS:

(A) TWENTY DOLLARS SIXTY-FIVE CENTS ON AND AFTER JANUARY 1, 2027, AND BEFORE JULY 1, 2027; OR

(B) TWENTY-THREE DOLLARS ON AND AFTER JULY 1, 2027;

(V) FOR ANY VEHICLE THAT WEIGHS MORE THAN SIXTEEN THOUSAND POUNDS:

(A) TWENTY-ONE DOLLARS EIGHTY-NINE CENTS ON AND AFTER JANUARY 1, 2027, AND BEFORE JULY 1, 2027; OR

(B) TWENTY-FOUR DOLLARS ON AND AFTER JULY 1, 2027;

(b) THIS SUBSECTION (2) IS REPEALED, EFFECTIVE JULY 1, 2030.

SECTION 21. In Colorado Revised Statutes, 43-4-1203, **add** (11) as follows:

43-4-1203. Clean transit enterprise - creation - board - powers and duties - rules - fees - fund.

(11) COMMENCING ON OR BEFORE JUNE 30, 2026, IN DETERMINING THE AMOUNT OF REVENUE THE ENTERPRISE GENERATES FROM FEES OR SURCHARGES FOR PURPOSES OF SECTION 24-77-108, THE AMOUNT OF FEES AND SURCHARGES MUST BE ACCOUNTED FOR ON A CASH RATHER THAN AN ACCRUAL ACCOUNTING BASIS.

SECTION 22. In Colorado Revised Statutes, **add** part 16 to article 4 of title 43 as follows:

PART 16
SUPPORT ROAD TRANSPORTATION FUND

43-4-1601. Support road transportation fund - definitions.

(1) THE SUPPORT ROAD TRANSPORTATION FUND IS CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF STATE REVENUE COLLECTED TO SUPPORT ROAD TRANSPORTATION CREDITED TO THE FUND BY THE STATE TREASURER PURSUANT TO SUBSECTION (5) OF THIS SECTION.

(2) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO THE FUND.

(3) (a) THE MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE DEPARTMENT OF TRANSPORTATION FOR USE BY THE TRANSPORTATION COMMISSION FOR PAYMENTS MADE IN ACCORDANCE WITH SECTION 24-82-1303 (2)(d.5)(II) AND (2)(d.5)(III).

(b) THE STATE TREASURER SHALL APPORTION THE MONEY IN THE FUND MONTHLY, EXCLUDING MONEY NECESSARY FOR THE TRANSFERS OR PAYMENTS FROM THE FUND REQUIRED PURSUANT TO SECTIONS 24-82-1303 (2)(d.5)(II), 24-82-1303 (2)(d.5)(III), 24-75-219 (7)(d)(II.5), AND 24-75-219 (7)(d)(III), BASED UPON ESTIMATES FROM THE

DEPARTMENT OF REVENUE OF CURRENT MONTHLY COLLECTIONS OF STATE REVENUE COLLECTED TO SUPPORT ROAD TRANSPORTATION, WITH MONTHLY RECONCILIATION OF THE STATE, COUNTY, AND MUNICIPAL ACCOUNTS IN EACH SUCCESSIVE MONTH. THE DEPARTMENT OF REVENUE SHALL PROVIDE ESTIMATES TO THE STATE TREASURER BY THE SEVENTH WORKING DAY OF EACH MONTH. THE STATE TREASURER SHALL APPORTION THE MONEY IN THE FUND WITHIN FIVE WORKING DAYS OF RECEIVING ESTIMATES FROM THE DEPARTMENT OF REVENUE.

(c) THE STATE TREASURER SHALL APPORTION MONEY FROM THE FUND AS FOLLOWS:

(I) SIXTY PERCENT IS PAID TO THE STATE HIGHWAY FUND AND EXPENDED AS DESCRIBED IN SECTION 43-4-206;

(II) TWENTY-THREE PERCENT IS PAID TO THE COUNTY TREASURERS OF THE RESPECTIVE COUNTIES AND ALLOCATED AND EXPENDED AS DESCRIBED IN SECTION 43-4-207; AND

(III) SEVENTEEN PERCENT IS PAID TO CITIES AND INCORPORATED TOWNS WITHIN THE LIMITS OF THE RESPECTIVE COUNTIES AND ALLOCATED AND EXPENDED AS DESCRIBED IN SECTION 43-4-208 (2).

(4) NOTWITHSTANDING ANY PROVISION TO THE CONTRARY, MONEY ALLOCATED UNDER SUBSECTION (3) OF THIS SECTION SHALL NOT BE USED FOR ANY PURPOSE THAT IS NOT AUTHORIZED BY SECTION 22 OF ARTICLE X OF THE STATE CONSTITUTION.

(5) BEGINNING JANUARY 1, 2027, THE STATE TREASURER SHALL CREDIT TO THE FUND STATE REVENUE COLLECTED TO SUPPORT ROAD TRANSPORTATION AS REQUIRED BY SECTION 22 OF ARTICLE X OF THE STATE CONSTITUTION.

(6) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "FUND" MEANS THE SUPPORT ROAD TRANSPORTATION FUND CREATED IN SUBSECTION (1) OF THIS SECTION.

(b) "STATE REVENUE COLLECTED TO SUPPORT ROAD TRANSPORTATION" HAS THE SAME MEANING AS IN SECTION 22 (3)(c) OF ARTICLE X OF THE STATE CONSTITUTION.

SECTION 23. In Colorado Revised Statutes, **add** part 17 to article 4 of title 43 as follows:

PART 17
ROAD ENTERPRISE

43-4-1701. Legislative declaration.

(1) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

(a) THE CONTINUED PROSPERITY OF THE STATE AND ITS CITIZENS REQUIRES A SAFE, WELL-MAINTAINED, INTEGRATED, MULTIMODAL, AND SUSTAINABLE SURFACE

TRANSPORTATION SYSTEM THAT IS ACCESSIBLE IN ALL PARTS OF THE STATE AND THAT ALLOWS EFFICIENT MOVEMENT OF PEOPLE, GOODS, AND INFORMATION;

(b) THE STATE HIGHWAY SYSTEM IS A FUNDAMENTAL ELEMENT OF THE SURFACE TRANSPORTATION SYSTEM AND THE CONDITION OF THE ROADWAYS COMPRISING THE STATE HIGHWAY SYSTEM ARE ESSENTIAL TO THE EFFICIENT MOVEMENT OF PEOPLE, GOODS, AND INFORMATION;

(c) THE CONDITION OF THE STATE HIGHWAY SYSTEM, IN PARTICULAR THE CONDITION OF THE ROADWAY SURFACE, HAS DETERIORATED OVER TIME AS A RESULT OF THE AGING OF THE SYSTEM AND INCREASED DEMANDS UPON IT, INCLUDING GROWING POPULATION AND VEHICLE MILES TRAVELED;

(d) IN PARTICULAR OVERSIZE AND OVERWEIGHT VEHICLES AND LONGER VEHICLE COMBINATIONS CAUSE A DISPROPORTIONATE AMOUNT OF WEAR AND TEAR ON THE STATE'S HIGHWAY SYSTEM;

(e) THERE IS AN URGENT PRESENT NEED TO IMPROVE THE CONDITION OF THE STATE HIGHWAY SYSTEM THROUGH INCREASED INVESTMENT IN PREVENTIVE MAINTENANCE, REPAIR, REHABILITATION, AND RECONSTRUCTION OF THE ROADWAY SURFACE; AND

(f) DUE TO THE LIMITED AVAILABILITY OF STATE AND FEDERAL FUNDING AND THE NEED TO COMPLETE PREVENTIVE MAINTENANCE, REPAIR, REHABILITATION, AND RECONSTRUCTION PROJECTS TO IMPROVE THE CONDITION OF THE ROADWAY SURFACE OF THE STATE HIGHWAY SYSTEM AND TO SUPPORT THE ONGOING MAINTENANCE OF THE ROADWAY SURFACE, IT IS NECESSARY TO CREATE A ROAD ENTERPRISE AND TO AUTHORIZE THE ENTERPRISE TO:

(I) COMPLETE PREVENTIVE MAINTENANCE, REPAIR, REHABILITATION, AND RECONSTRUCTION PROJECTS TO IMPROVE THE CONDITION OF THE ROADWAY SURFACE OF THE STATE HIGHWAY SYSTEM AND TO SUPPORT THE ONGOING MAINTENANCE OF THE ROADWAY SURFACE; AND

(II) IMPOSE PERMIT FEES FOR OVERSIZE AND OVERWEIGHT VEHICLES AND LONGER VEHICLE COMBINATIONS AT RATES REASONABLY CALCULATED TO DEFRAY THE COSTS OF MAINTAINING THE ROADWAY SURFACES OF THE STATE HIGHWAY SYSTEM, RECEIVE AND EXPEND REVENUE GENERATED BY THE PERMIT FEES AND OTHER MONEY, ISSUE REVENUE BONDS AND OTHER OBLIGATIONS, AND EXERCISE OTHER POWERS NECESSARY AND APPROPRIATE TO CARRY OUT ITS PURPOSES.

(2) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT:

(a) THE ROAD ENTERPRISE PROVIDES BUSINESSES SERVICES WHEN, IN EXCHANGE FOR THE PAYMENT OF PERMIT FEES FOR OVERSIZE AND OVERWEIGHT VEHICLES AND LONGER VEHICLE COMBINATIONS, IT COMPLETES PREVENTIVE MAINTENANCE, REPAIR, REHABILITATION, AND RECONSTRUCTION PROJECTS TO IMPROVE THE CONDITION OF THE ROADWAY SURFACE OF THE STATE HIGHWAY SYSTEM AND SUPPORTS THE ONGOING MAINTENANCE OF THE ROADWAY SURFACE;

(b) BY COMPLETING ROADWAY SURFACE PROJECTS AS SERVICES AS AUTHORIZED BY THIS SECTION, THE ROAD ENTERPRISE PROVIDES A BENEFIT TO FEE PAYERS BY IMPROVING THE CONDITION OF THE ROADWAY SURFACE OF THE STATE HIGHWAY SYSTEM THAT OFFSETS THE WEAR AND TEAR CAUSED BY THOSE FEE PAYERS AND, THEREFORE, OPERATES AS A BUSINESS IN ACCORDANCE WITH THE DETERMINATION OF THE COLORADO SUPREME COURT IN COLORADO UNION OF TAXPAYERS FOUNDATION V. CITY OF ASPEN, 2018 CO 36;

(c) CONSISTENT WITH THE DETERMINATION OF THE COLORADO SUPREME COURT IN *NICHOLL V. E-470 PUBLIC HIGHWAY AUTHORITY*, 896 P.2d 859 (COLO. 1995), THE POWER TO IMPOSE TAXES IS INCONSISTENT WITH ENTERPRISE STATUS UNDER SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION, AND, THEREFORE, IT IS THE CONCLUSION OF THE GENERAL ASSEMBLY THAT THE REVENUE COLLECTED BY THE ROAD ENTERPRISE IS GENERATED BY FEES, NOT TAXES, BECAUSE THE PERMIT FEES FOR OVERSIZE AND OVERWEIGHT VEHICLES AND LONGER VEHICLE COMBINATIONS IMPOSED BY THE ENTERPRISE ARE:

(I) IMPOSED FOR THE SPECIFIC PURPOSE OF ALLOWING THE ENTERPRISE TO DEFRAY THE COSTS OF PROVIDING THE SERVICES SPECIFIED IN SECTION 43-4-1703 (2); AND

(II) COLLECTED AT RATES THAT ARE REASONABLY CALCULATED BASED ON THE COSTS OF THE SERVICES PROVIDED BY THE ENTERPRISE;

(d) SO LONG AS THE ENTERPRISE QUALIFIES AS AN ENTERPRISE FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION, THE REVENUE FROM PERMIT FEES FOR OVERSIZE AND OVERWEIGHT VEHICLES AND LONGER VEHICLE COMBINATIONS IS NOT STATE FISCAL YEAR SPENDING, AS DEFINED IN SECTION 24-77-102 (17), OR STATE REVENUES, AS DEFINED IN SECTION 24-77-103.6 (6)(c), AND DOES NOT COUNT AGAINST EITHER THE STATE FISCAL YEAR SPENDING LIMIT IMPOSED BY SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION OR THE EXCESS STATE REVENUES CAP, AS DEFINED IN SECTION 24-77-103.6 (6)(b)(I)(G); AND

(e) NO OTHER ENTERPRISE CREATED SIMULTANEOUSLY OR WITHIN THE PRECEDING FIVE YEARS SERVES PRIMARILY THE SAME PURPOSE AS THE ROAD ENTERPRISE, AND THE ROAD ENTERPRISE WILL GENERATE REVENUE FROM PERMIT FEES OF LESS THAN ONE HUNDRED MILLION DOLLARS TOTAL IN ITS FIRST FIVE FISCAL YEARS. ACCORDINGLY, THE CREATION OF THE ROAD ENTERPRISE DOES NOT REQUIRE VOTER APPROVAL PURSUANT TO SECTION 24-77-108.

43-4-1702. Definitions.

AS USED IN THIS PART 17, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "ENTERPRISE" MEANS THE ROAD ENTERPRISE CREATED IN SECTION 43-4-1703.

(2) "FEES" MEANS THE PERMIT FEES FOR OVERSIZE AND OVERWEIGHT VEHICLES AND LONGER VEHICLE COMBINATIONS IMPOSED BY THE ENTERPRISE AND COLLECTED PURSUANT TO SECTIONS 42-4-505 AND 42-4-510.

(3) "FUND" MEANS THE ROAD ENTERPRISE CASH FUND CREATED IN SECTION 43-4-1704 (1).

43-4-1703. Road enterprise - creation - powers and duties.

(1) (a) THE ROAD ENTERPRISE IS AND OPERATES AS A GOVERNMENT-OWNED BUSINESS WITHIN THE DEPARTMENT IN ORDER TO EXECUTE ITS BUSINESS PURPOSE AS SPECIFIED IN SUBSECTION (2) OF THIS SECTION BY EXERCISING THE POWERS AND PERFORMING THE DUTIES AND FUNCTIONS SET FORTH IN THIS SECTION. THE TRANSPORTATION COMMISSION CREATED IN SECTION 43-1-106 (1) SHALL SERVE AS THE ENTERPRISE BOARD AND SHALL, WITH THE CONSENT OF THE EXECUTIVE DIRECTOR, APPOINT AN ENTERPRISE DIRECTOR WHO POSSESSES SUCH QUALIFICATIONS AS THE COMMISSION AND THE STATE PERSONNEL BOARD MAY ESTABLISH. THE ENTERPRISE DIRECTOR SHALL OVERSEE THE DISCHARGE OF ALL RESPONSIBILITIES OF THE ENTERPRISE AND SHALL SERVE AT THE PLEASURE OF THE ENTERPRISE BOARD.

(b) THE ENTERPRISE IS A **TYPE 1** ENTITY, AS DEFINED IN SECTION 24-1-105, AND EXERCISES ITS POWERS AND PERFORMS ITS DUTIES AND FUNCTIONS UNDER THE DEPARTMENT. THE GOVERNING BOARD OF THE ENTERPRISE IS MADE UP OF THE TRANSPORTATION COMMISSION CREATED IN SECTION 43-1-106 (1).

(2) (a) THE BUSINESS PURPOSE OF THE ENTERPRISE IS TO COMPLETE PREVENTIVE MAINTENANCE, REPAIR, REHABILITATION, AND RECONSTRUCTION PROJECTS TO IMPROVE THE CONDITION OF THE ROADWAY SURFACE OF THE STATE HIGHWAY SYSTEM AND TO SUPPORT THE ONGOING MAINTENANCE OF THE ROADWAY SURFACE.

(b) TO ALLOW THE ENTERPRISE TO ACCOMPLISH THIS PURPOSE AND FULLY EXERCISE ITS POWERS AND DUTIES THROUGH THE ENTERPRISE BOARD, THE ENTERPRISE MAY:

(I) IMPOSE FEES AS AUTHORIZED BY SECTION 43-4-1705 (1);

(II) ISSUE REVENUE BONDS PAYABLE FROM THE REVENUES AND OTHER AVAILABLE MONEY OF THE ENTERPRISE PLEDGED FOR THEIR PAYMENT;

(III) SEEK, ACCEPT, AND EXPEND MONEY FROM FEDERAL SOURCES; AND

(VI) SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS, AND DONATIONS.

(3) THE ENTERPRISE CONSTITUTES AN ENTERPRISE FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION SO LONG AS IT RETAINS THE AUTHORITY TO ISSUE REVENUE BONDS AND RECEIVES LESS THAN TEN PERCENT OF ITS TOTAL ANNUAL REVENUE IN GRANTS FROM ALL COLORADO STATE AND LOCAL GOVERNMENTS COMBINED. SO LONG AS IT CONSTITUTES AN ENTERPRISE PURSUANT TO THIS SUBSECTION (3), THE ENTERPRISE IS NOT SUBJECT TO SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION.

(4) IN ADDITION TO ANY OTHER POWERS AND DUTIES SPECIFIED IN THIS SECTION, THE ENTERPRISE HAS THE FOLLOWING GENERAL POWERS AND DUTIES:

(a) TO PROVIDE SERVICES AS SET FORTH IN SUBSECTION (2) OF THIS SECTION; AND

(b) TO HAVE AND EXERCISE ALL RIGHTS AND POWERS NECESSARY OR INCIDENTAL TO OR IMPLIED FROM THE SPECIFIC POWERS AND DUTIES GRANTED BY THIS SECTION.

43-4-1704. Road enterprise cash fund.

(1) THE ROAD ENTERPRISE CASH FUND IS CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF FEES THAT THE STATE TREASURER CREDITS TO THE FUND PURSUANT TO SECTIONS 42-4-505 (1)(d) AND 42-4-510 (11)(c); GIFTS, GRANTS, AND DONATIONS; AND ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND.

(2) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO THE FUND.

(3) MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE ENTERPRISE FOR THE DIRECT AND INDIRECT COSTS OF SERVING ITS BUSINESS PURPOSE AND IN PERFORMING ITS POWERS AND DUTIES AS THE PURPOSE, POWERS, AND DUTIES ARE SET FORTH IN SECTION 43-4-1703 (2).

(4) THE DEPARTMENT MAY TRANSFER MONEY FROM ANY LEGALLY AVAILABLE SOURCE TO THE ENTERPRISE FOR THE PURPOSE OF DEFRAYING EXPENSES INCURRED BY THE ENTERPRISE BEFORE IT RECEIVES FEE REVENUE OR REVENUE BOND PROCEEDS. THE ENTERPRISE MAY ACCEPT AND EXPEND ANY MONEY SO TRANSFERRED, AND, NOTWITHSTANDING ANY STATE FISCAL RULE OR GENERALLY ACCEPTED ACCOUNTING PRINCIPLE THAT COULD OTHERWISE BE INTERPRETED TO REQUIRE A CONTRARY CONCLUSION, SUCH A TRANSFER IS A LOAN FROM THE DEPARTMENT TO THE ENTERPRISE THAT IS REQUIRED TO BE REPAID AND IS NOT A GRANT FOR PURPOSES OF SECTION 20 (2)(d) OF ARTICLE X OF THE STATE CONSTITUTION OR AS DEFINED IN SECTION 24-77-102(7). ALL MONEY TRANSFERRED AS A LOAN TO THE ENTERPRISE MUST BE CREDITED TO THE FUND. AS THE ENTERPRISE RECEIVES SUFFICIENT REVENUE IN EXCESS OF EXPENSES, THE ENTERPRISE SHALL REIMBURSE THE DEPARTMENT FOR THE PRINCIPAL AMOUNT OF ANY LOAN MADE BY THE DEPARTMENT PLUS INTEREST AT A RATE SET BY THE DEPARTMENT.

43-4-1705. Road enterprise fees.

(1) IN FURTHERANCE OF ITS BUSINESS PURPOSE, BEGINNING JANUARY 1, 2027, THE ENTERPRISE SHALL IMPOSE FEES FOR OVERSIZE AND OVERWEIGHT VEHICLES AND LONGER VEHICLE COMBINATIONS.

(2) FOR THE PURPOSE OF MINIMIZING COMPLIANCE COSTS FOR FEE PAYERS AND ADMINISTRATIVE COSTS, THE DEPARTMENT, AS DESCRIBED IN SECTIONS 42-4-505 (1)(d) AND 42-4-510 (11)(c), SHALL PERFORM THE COLLECTION, ADMINISTRATION, AND ENFORCEMENT OF THE FEES IMPOSED BY THE ENTERPRISE PURSUANT TO SUBSECTION (1) OF THIS SECTION.

(3) AS REQUIRED BY SECTIONS 42-4-505 (1)(d) AND 42-4-510 (11)(c), THE DEPARTMENT SHALL TRANSMIT ANY FEE REVENUE IT COLLECTS TO THE STATE TREASURER, WHO SHALL CREDIT THE REVENUE, MINUS THE COSTS TO THE DEPARTMENT FOR COLLECTING THE FEES, TO THE FUND.

SECTION 24. Effective date. (1) Except as otherwise provided in this section, this act takes effect upon passage.

(2) Section 3 of this act takes effect only if House Bill 26-1289 does not become law.

(3) Section 4 of this act takes effect only if House Bill 26-1289 becomes law, in which case section 4 takes effect upon passage or on the effective date of House Bill 26-1289, whichever is later.

(4) Section 5 of this act takes effect only if House Bill 26-1289 does not become law and an initiative that amends the state constitution to change existing law on transportation funding and to increase the amount of state revenue dedicated to road transportation is approved by the people at the next general election, in which case section 5 of this act takes effect on the date of the official declaration of the vote thereon by the governor or January 1, 2027, whichever is later.

(5) Section 6 of this act takes effect only if House Bill 26-1289 becomes law and an initiative that amends the state constitution to change existing law on transportation funding and to increase the amount of state revenue dedicated to road transportation is approved by the people at the next general election, in which case section 6 of this act takes effect on the date of the official declaration of the vote thereon by the governor or January 1, 2027, whichever is later.

(6) Section 7 of this act takes effect only if an initiative that amends the state constitution to change existing law on transportation funding and to increase the amount of state revenue dedicated to road transportation is not approved by the people at the next general election or does not appear on the statewide ballot for the next general election, in which case section 7 takes effect on the date of the official declaration of the vote thereon by the governor or January 1, 2027, whichever is later.

(7) Sections 8 through 13, 18 through 20, and 22 of this act take effect only if an initiative that amends the state constitution to change existing law on transportation funding and to increase the amount of state revenue dedicated to road transportation is approved by the people at the next general election, in which case sections 8 through 13, 18 through 20, and 22 of this act take effect on the date of the official declaration of the vote thereon by the governor or January 1, 2027, whichever is later.

(8) Sections 16 and 17 of this act take effect only if a petition for any ballot issue that would be part of the statewide ballot for the general election held on November 3, 2026, and that would amend the state constitution to change existing law on transportation funding and to increase the amount of state revenue dedicated to road transportation is either:

(a) Not filed with the secretary of state on or before May 27, 2026, in which case sections 16 and 17 of this act take effect on June 1, 2026; or

(b) Withdrawn on or before June 15, 2026, pursuant to section 1-40-134, Colorado Revised Statutes, from the statewide ballot for the general election held

on November 3, 2026, in which case sections 16 and 17 of this act take effect on June 16, 2026.

SECTION 25. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for the support and maintenance of the departments of the state and state institutions.

Approved: June 4, 2026