



## Fiscal Note

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## HB 25-1292: TRANSMISSION LINES IN STATE HIGHWAY RIGHTS-OF-WAY

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**Prime Sponsors:**

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**Fiscal note status:** The fiscal note reflects the introduced bill.

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### Summary Information

**Overview.** The bill establishes criteria for the development of utility corridors and requires a study on state highway corridors and high voltage transmission development.

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

- State Revenue
- State Expenditures
- TABOR Refunds
- Statutory Public Entity

**Appropriations.** No appropriation required. The State Highway Fund is continuously appropriated to the Department of Transportation.

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**Table 1**  
**State Fiscal Impacts<sup>1</sup>**

| <b>Type of Impact</b>   | <b>Budget Year<br/>FY 2025-26</b> | <b>Out Year<br/>FY 2026-27</b> |
|-------------------------|-----------------------------------|--------------------------------|
| State Revenue           | \$106,247                         | \$124,347                      |
| State Expenditures      | \$106,247                         | \$124,347                      |
| Transferred Funds       | \$0                               | \$0                            |
| Change in TABOR Refunds | \$106,247                         | \$124,347                      |
| Change in State FTE     | 0.8 FTE                           | 1.0 FTE                        |

**Table 1A**  
**State Revenue**

| <b>Fund Source</b>   | <b>Budget Year<br/>FY 2025-26</b> | <b>Out Year<br/>FY 2026-27</b> |
|----------------------|-----------------------------------|--------------------------------|
| General Fund         | \$0                               | \$0                            |
| Cash Funds           | \$106,147                         | \$124,347                      |
| <b>Total Revenue</b> | <b>\$106,147</b>                  | <b>\$124,347</b>               |

**Table 1B**  
**State Expenditures**

| <b>Fund Source</b>        | <b>Budget Year<br/>FY 2025-26</b> | <b>Out Year<br/>FY 2026-27</b> |
|---------------------------|-----------------------------------|--------------------------------|
| General Fund              | \$0                               | \$0                            |
| Cash Funds                | \$88,677                          | \$102,509                      |
| Federal Funds             | \$0                               | \$0                            |
| Centrally Appropriated    | \$17,470                          | \$21,838                       |
| <b>Total Expenditures</b> | <b>\$106,147</b>                  | <b>\$124,347</b>               |
| <b>Total FTE</b>          | <b>0.8 FTE</b>                    | <b>1.0 FTE</b>                 |

## Summary of Legislation

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The bill establishes criteria for the development of utility corridors and requires a study on state highway corridors and high voltage transmission development.

### Transmission Developer and CDOT Requirements

The bill requires the Department of Transportation (CDOT) to provide transmission developers the best available information on potential future state highway development projects that could impact the placement of a high voltage line within a state highway right-of-way. If CDOT and the transmission developer agree that a site may be suitable for a high voltage line, CDOT must develop a preconstruction plan review schedule, and, upon approval of the requirements in the preconstruction plan, the developer must provide a report on mitigation strategies needed to avoid potential impacts to certain communities. CDOT must approve this report before it issues the developer a permit for the use of a state highway right-of-way.

Transmission developers must consider development sites in the following order of priority: existing utility corridors, then state highway rights-of-way, and then new utility corridors.

By January 1, 2027, CDOT must update its rules concerning access to state highway rights-of-way to accommodate high voltage lines.

## Surcharges on Transmission Developers

CDOT may impose surcharges on a transmission developer for installing high voltage lines in a state highway right-of-way, including a one-time surcharge to cover permit costs and an annual use surcharge.

## State Highway Corridor Study

The Colorado Energy Office (CEO) and the Colorado Electric Transmission Authority (CETA), in collaboration with other state agencies, must study state highway corridors to identify potential corridors that may be suitable for high voltage transmission development. Funding for the study must come from private partners, and the study must be completed no more than 18 months after securing funding.

## Background

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CDOT is primarily funded from the State Highway Fund, 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 Revenue

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The bill may increase state revenue to the State Highway Fund by \$106,147 in FY 2025-26 and \$124,347 in FY 2026-27 and ongoing years from one-time and annual surcharges CDOT may assess to transmission developers. It is unknown how many transmission developers may apply for a permit for the use of state highway right-of-way. The fiscal note assumes fees will be set to cover CDOT's administrative costs. This revenue is subject to TABOR.

## State Expenditures

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The bill increases state expenditures by about \$106,000 in FY 2025-26 and \$124,000 in FY 2026-27 for CDOT to administer the permit program, paid from the State Highway Fund, as shown in Table 2 below. The CEO will also incur expenses to conduct a study, though these costs will be paid with private funding and are discussed for informational purposes only.

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

| <b>Cost Component</b>        | <b>Budget Year<br/>FY 2025-26</b> | <b>Out Year<br/>FY 2026-27</b> |
|------------------------------|-----------------------------------|--------------------------------|
| Personal Services            | \$80,963                          | \$102,509                      |
| Operating Expenses           | \$1,024                           | \$1,280                        |
| Capital Outlay Costs         | \$6,670                           | \$0                            |
| Centrally Appropriated Costs | \$17,470                          | \$21,838                       |
| <b>Total Costs</b>           | <b>\$106,147</b>                  | <b>\$124,347</b>               |
| <b>Total FTE</b>             | <b>0.8 FTE</b>                    | <b>1.0 FTE</b>                 |

**Department of Transportation**

The bill increases costs in the State Highway Fund for CDOT to administer the state highway rights-of-way permit program, and also increases workload for CDOT staff to participate in the study.

**Permitting Staff**

CDOT requires \$106,147 in FY 2025-26 and \$124,347 in FY 2026-27 and ongoing years for an administrator to review applications for state highway right-of-way permits, process new permits, and assist with implementation and billing structure of the surcharge. Costs are prorated to assume a September 2025 start date, and capital outlay and standard operating costs are included.

**State Highway Corridor Study**

Workload will increase for CDOT staff to contribute to and provide information for the state highway corridors study. CDOT staff will also update rules on state highway rights-of-way, which can be performed within CDOT’s existing rulemaking schedule. The fiscal note assumes CDOT can absorb these workload increases with existing resources.

**Colorado Energy Office**

The CEO will have an increase in workload to facilitate funding from a public-private partnership in order to conduct an analysis of Colorado state highway corridors for potential high-voltage transmission line development at an estimated cost of \$100,000. The fiscal note assumes that this funding will not be credited to a state fund, and will be spent directly on the consultant by a private party. The fiscal note also assumes that the CEO will support the study within existing resources.

## Department of Regulatory Agencies

The Public Utilities Commission in the Department of Regulatory Agencies must collaborate on the state highway corridor study. The commission must also verify that transmission developers are following the bill's siting requirements in any application for a certificate of public conveyance. This workload is expected 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 include employee insurance and supplemental employee retirement payments, are shown in the expenditure tables above.

## TABOR Refunds

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The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in the State Revenue section above. 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, increased cash fund revenue will reduce the amount of General Fund available to spend or save.

## Statutory Public Entity

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Similar to CEO, the bill increases workload in the Colorado Electric Transmission Authority to collaborate on conducting the study on state highway corridors and high voltage transmission line development.

## Effective Date

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The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

## **State and Local Government Contacts**

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Colorado Energy Office

Transportation

Local Affairs

Treasury

Regulatory Agencies