



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 25-069: TIRE CHAIN TRACTION CONTROL DEVICE PERMIT

Prime Sponsors:

Sen. Catlin; Roberts
Rep. Lukens; Velasco

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Fiscal note status: This fiscal note reflects the introduced bill.

Summary Information

Overview. The bill creates a permit allowing the holder to install or remove tire chains or alternate traction devices on motor vehicles at a certain location.

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

- State Expenditures
- State Revenue
- TABOR Refunds
- Local Government

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

**Table 1
State Fiscal Impacts**

Type of Impact ¹	Budget Year FY 2025-26	Out Year FY 2026-27
State Revenue	\$91,700	\$42,515
State Expenditures	\$91,697	\$42,513
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$91,700	\$42,515
Change in State FTE	1.0 FTE	0.5 FTE

¹ Fund sources for these impacts are shown in the table below.

**Table 1A
State Revenue**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	\$0	\$0
Cash Funds	\$91,700	\$42,515
Total Revenue	\$91,700	\$42,515

**Table 1B
State Expenditures**

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27
General Fund	\$0	\$0
Cash Funds	\$73,206	\$33,268
Federal Funds	\$0	\$0
Centrally Appropriated	\$18,491	\$9,245
Total Expenditures	\$91,697	\$42,513
Total FTE	1.0 FTE	0.5 FTE

Summary of Legislation

The bill requires the Department of Transportation (CDOT) to issue a permit that authorizes the holder to install or remove tire chains or alternate traction devices on motor vehicles at a location designated in the permit. CDOT may place conditions on the permit concerning the safe and orderly movement of traffic. CDOT is also allowed to charge a fee to offset the costs of issuing permits.

Background and Assumptions

This bill establishes a permit system similar to a tire chain permit program [established by the Washington Legislature](#) in 2006. According to the Washington State Department of Transportation, five small businesses have signed up and been approved for the program. The fiscal note assumes CDOT will approve a similar number of permits.

State Revenue

The bill increases revenue to the State Highway Fund by about \$92,000 beginning in FY 2025-26 and \$43,000 in ongoing years from fees for tire chain or traction device permits; see Technical Note. If CDOT sets a permit fee, the fee is required to offset CDOT’s direct and indirect costs of issuing the permits, as outlined in the State Expenditures section.

Fee Impact on Permit Recipients

Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. These fee amounts are estimates only, actual fees will be set administratively by CDOT based on program costs and the number of permits subject to the fee. Table 2 below identifies the fee impact of this bill.

Table 2
Fee Impact of Tire Chain or Traction Device Permit Fee

Year	Estimated Fee	Number Affected	Total Fee Impact
FY 2025-26	\$18,340	5	\$91,700
FY 2026-27	\$8,503	5	\$42,515

State Expenditures

The bill increases state expenditures in the Department of Transportation by about \$92,000 in FY 2025-26, and \$42,500 in FY 2026-27 and ongoing. These costs, paid from the State Highway Fund, are summarized in Table 3 and discussed below.

Table 3
State Expenditures
Department of Transportation

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27
Personal Services	\$65,256	\$32,268
Operating Expenses	\$1,280	\$640
Capital Outlay Costs	\$6,670	\$0
Centrally Appropriated Costs	\$18,491	\$9,245
Total Costs	\$91,697	\$42,513
Total FTE	1.0 FTE	0.5 FTE

Staff

CDOT requires 1.0 FTE in FY 2025-26 and 0.5 FTE in FY 2026-27 and ongoing years for an administrator to develop the permit program, review applications and inspect qualifications of applicants, conduct oversight of permit recipients to ensure compliance, and coordinate with traffic incident management and CDOT regional staff. The fiscal note assumes a July 2025 start date, and capital outlay and standard operating costs are included.

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, leased space, and indirect cost assessments, are shown in the expenditure table above.

TABOR Refunds

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 December 2024 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.

Technical Note

The bill requires fees to be credited to the Highway Users Tax Fund (HUTF). However, the bill's direct and indirect costs are paid from the State Highway Fund, which receives 65 percent of HUTF revenue. The fiscal note assumes fee revenue will be credited directly to the State Highway Fund to offset the costs of implementing the bill.

Effective Date

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

Judicial

Public Safety

Regulatory Agencies

Revenue

Transportation

Treasury

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](#).