



## Fiscal Note

### Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

## HB 25-1303: FUNDING FOR MOTOR VEHICLE COLLISION PREVENTION

#### Prime Sponsors:

Rep. Boesenecker; Lukens  
Sen. Roberts; Winter F.

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**Published for:** House Appropriations

**Drafting number:** LLS 25-0897

**Version:** Second Revised Note

**Date:** April 16, 2025

**Fiscal note status:** The revised fiscal note reflects the introduced bill, as amended by the House Transportation, Housing, and Local Government Committee and the House Finance Committee.

### Summary Information

**Overview.** The bill creates the Crash Prevention Enterprise in the Colorado Department of Transportation to provide grants for eligible projects intended to reduce certain motor vehicle collisions.

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

- State Revenue
- State Expenditures
- State Transfers
- Local Government

**Appropriations.** No appropriation is required as the Crash Prevention Enterprise Fund is continuously appropriated to the Department of Transportation.

**Table 1**  
**State Fiscal Impacts**

Type of Impact <sup>1</sup>	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$16.4 million	\$16.5 million
State Expenditures	\$252,399	\$16.4 million	\$16.5 million
Transferred Funds	\$252,399	\$252,399	\$0
Change in TABOR Refunds	\$0	\$0	\$0
Change in State FTE	2.5 FTE	5.0 FTE	5.0 FTE

<sup>1</sup> Fund sources for these impacts are shown in the tables below.

**Table 1A**  
**State Revenue<sup>1</sup>**

<b>Fund Source</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
General Fund	\$0	\$0	\$0
Crash Prevention Enterprise Fund	\$0	\$16,405,970	\$16,479,286
<b>Total Revenue</b>	<b>\$0</b>	<b>\$16,405,970</b>	<b>\$16,479,286</b>

<sup>1</sup> Actual revenue collections will be dependent on the number of automobile insurance policy holders that pay the fees set in the bill.

**Table 1B**  
**State Transfers**

<b>Fund Source</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
State Highway Fund	-\$252,399	\$252,399	\$0
Crash Prevention Enterprise Fund	\$252,399	-\$252,399	\$0
<b>Net Transfer</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**Table 1C**  
**State Expenditures**

<b>Fund Source</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
General Fund	\$0	\$0	\$0
Crash Prevention Enterprise Fund	\$205,620	\$16,312,412	\$16,385,728
Federal Funds	\$0	\$0	\$0
Centrally Appropriated	\$46,779	\$93,558	\$93,558
<b>Total Expenditures</b>	<b>\$252,399</b>	<b>\$16,405,970</b>	<b>\$16,479,286</b>
<b>Total FTE</b>	<b>2.5 FTE</b>	<b>5.0 FTE</b>	<b>5.0 FTE</b>

## Summary of Legislation

The bill creates the Crash Prevention Enterprise in the Department of Transportation (CDOT) to provide funding for transportation system infrastructure improvements that reduce the number of collisions between motor vehicles and vulnerable road users or wildlife. The Transportation Commission serves as the board for the enterprise.

## Crash Prevention Fee

Beginning July 1, 2026, the enterprise may impose a crash prevention fee of up to \$3.00 per year on the policyholder of each automobile insurance policy issued in the state, to be collected by the insurer and remitted to the enterprise. The Division of Insurance in the Department of Regulatory Agencies (DORA) will notify any insurers that fail to collect fees from policyholders of the fee requirement, and may institute an enforcement proceeding and seek civil penalties if an insurer fails to pay their fees within 15 days of receiving a notice.

## Grant Program

The enterprise may spend up to 70 percent of its funds on grants to eligible entities—including local governments, tribes, and other public or private entities—for eligible projects that reduce collisions between vehicles and vulnerable road users. It may spend up to 30 percent on projects that reduce wildlife collisions while facilitating wildlife migration and movement.

Grants may be used as matching money for federal funds or in combination with other state sources of transportation infrastructure funding. The bill outlines how the enterprise should prioritize awarding grants and what the enterprise must take into consideration.

## Reporting

By June 1, 2026, the enterprise must publish a 10-year plan that details how it will execute its business purpose and estimates available funding. It must also create and maintain a public accountability dashboard and provide an annual report to relevant legislative committees, including a more comprehensive report by January 31, 2031, on recommendations for statutory policy changes, an assessment on the crash prevention fee, and a cumulative accounting of enterprise revenue.

## Assumptions

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### Number of Policy Holders

The fiscal note assumes around 5.5 million policy holders will pay the crash prevention fee annually beginning in FY 2026-27, based on the number of insurance policies identified through the Department of Public Safety's insurance assessment fee. The number of policies is expected to grow by about 0.5 percent per year based on CDOT's fleet stock model that estimates the number of light vehicles that will be on the road.

### Vehicle Type

The fiscal note assumes the fee in the bill only applies to policy holders of standard automobiles under 26,000 pounds and not low-powered scooters, farm equipment, or other vehicles that fall under the statutory definition of motor vehicle.

## State Revenue

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The bill is estimated to increase cash fund revenue by about \$16.4 million in FY 2026-27 and at least \$16.5 million in FY 2027-28 and ongoing years. This revenue is deposited to the Crash Prevention Enterprise Fund and is not subject to the state's revenue limit under TABOR in years when the program qualifies as a state enterprise under TABOR. Actual revenue may differ from these estimates based on the fee amounts set by the enterprise and the actual number of policy holders in the state.

### Fee Impact on Automobile Insurance Policy Holders

Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. Table 2 shows the revenue impact of the maximum fee allowed by the bill.

**Table 2**  
**Fee Impact on Automobile Insurance Policy Holders**

<b>Fiscal Year</b>	<b>Type of Fee</b>	<b>Estimated Fee</b>	<b>Number Affected</b>	<b>Total Fee Impact</b>
FY 2026-27	Crash Prevention Fee	\$3.00	5,468,657	<b>\$16,405,970</b>
FY 2027-28	Crash Prevention Fee	\$3.00	5,493,095	<b>\$16,479,286</b>

### Voter Approval of New State Enterprises

Current law requires voter approval for a state enterprise with projected or actual revenue from fees and surcharges over \$100 million in its first five fiscal years. The new enterprise in this bill will begin operating in FY 2025-26. Through FY 2029-30, the enterprise is projected to collect less than \$100 million in fees and not require voter approval.

### Civil Penalties

The bill may increase revenue in the General Fund to the extent the Division of Insurance imposes civil penalties on insurers that fail to collect the crash enterprise fee. This revenue is subject to TABOR. The fiscal note assumes most insurers will comply with the bill's requirements and any change in state revenue is expected to be minimal.

### Court Filing Fees

The bill may increase revenue to the Judicial Department from an increase in civil case filings. Revenue from filing fees is subject to TABOR. Overall, any change in state revenue is expected to be minimal.

## Gifts, Grants, and Donations

The bill potentially increases state revenue to the Crash Prevention Enterprise Fund from gifts, grants, or donations; however, no sources have been identified at this time. Gifts, grants, and donations are exempt from TABOR revenue limits.

## State Transfers

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To support the enterprise prior to the start of fee collections, the fiscal note assumes CDOT will transfer money from one of its funds as a loan to the Crash Prevention Enterprise. It is assumed that such a transfer will be made from the State Highway Fund to the enterprise fund in FY 2025-26, and that a corresponding transfer from the enterprise fund to the State Highway Fund will be made in FY 2026-27 to repay the loan. Based on the fiscal note's expenditure estimates for administrative and start-up costs for the enterprise in FY 2025-26, it assumes that \$252,399 will be transferred and repaid between the funds.

## State Expenditures

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The bill increases expenditures by about \$252,000 in FY 2025-26 and up to \$16.4 million in FY 2026-27 in the Crash Prevention Enterprise in CDOT. Ongoing expenditures beginning in FY 2027-28 will be around \$16.5 million per year, depending on actual fee collections and grantmaking decisions by the enterprise. These costs are paid from the Crash Prevention Enterprise Fund, and are outlined in Table 3 and discussed below. The bill also affects workload in DORA, the Judicial Department, and the Department of Natural Resources.

**Table 3**  
**State Expenditures**  
**Department of Transportation**

<b>Cost Component</b>	<b>Budget Year FY 2025-26</b>	<b>Out Year FY 2026-27</b>	<b>Out Year FY 2027-28</b>
Personal Services	\$169,070	\$338,140	\$338,140
Operating Expenses	\$3,200	\$6,400	\$6,400
Capital Outlay Costs	\$33,350	\$0	\$0
Grants to Eligible Projects	\$0	\$15,967,872	\$16,041,188
Centrally Appropriated Costs	\$46,779	\$93,558	\$93,558
<b>Total Costs</b>	<b>\$252,399</b>	<b>\$16,405,970</b>	<b>\$16,479,286</b>
<b>Total FTE</b>	<b>2.5 FTE</b>	<b>5.0 FTE</b>	<b>5.0 FTE</b>

## **Department of Transportation**

The bill increases costs for the Crash Prevention Enterprise in CDOT starting in FY 2025-26. These costs are for staff support and grants to eligible entities.

### **Staff**

CDOT requires 5.0 FTE beginning in FY 2025-26 to administer and support the Crash Prevention Enterprise. Staff includes a program administrator to establish initial infrastructure and administer the grant program, and maintain the enterprise website and dashboard; a budget analyst to provide ongoing budget support; two accountants to provide accounting support for the enterprise, coordinate with the DORA on overseeing insurance companies, and develop the initial accounting architecture; and a contract administrator to establish, review, and administer grant contracts. All positions are assumed to have a January 2026 start date, and capital outlay and standard operating costs are included.

### **Grants**

After paying its administrative costs, all remaining funds are available for grants to eligible entities. Actual costs will depend on the number of applications received and grantmaking decisions by enterprise staff.

## **Other Agency Impacts**

### **Department of Regulatory Affairs**

The bill increases workload in the Division of Insurance in the DORA to compile a list of insurers that issue auto insurance in Colorado, notify insurers that have failed to submit crash prevention fees, and seek civil penalties for cases of noncompliance. This increase in workload will be absorbed with existing resources.

### **Judicial Department**

The bill may increase workload in the trial courts to handle any cases of insurers failing to collect the crash enterprise fee. The fiscal note anticipates most insurers will comply with the bill's requirements and any impact is absorbable with existing resources.

### **Department of Natural Resources**

The Division of Parks and Wildlife in the Department of Natural Resources will provide guidance to the enterprise on potential projects that aim to reduce collisions between vehicles and wildlife. Any increase in workload will be absorbed with existing resources.

## **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.

## **Local Government**

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The bill increases revenue and expenditures for local governments that apply for and receive grants from the enterprise.

## **Effective Date**

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

## **State and Local Government Contacts**

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Judicial

Transportation

Natural Resources

Treasury

Regulatory Agencies

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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](#).