



# Fiscal Note

## Legislative Council Staff

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### HB 26-1059: COST RECOVERY CASH FUND CONSOLIDATION

**Prime Sponsors:**

Rep. Hartsook; Stewart R.  
Sen. Frizell; Snyder

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**Published for:** House Finance**Drafting number:** LLS 26-0279**Version:** Initial Fiscal Note**Date:** January 20, 2026

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

#### Summary Information

**Overview.** The bill creates the Cost Recovery Cash Fund for the Department of Revenue to consolidate the funding of administrative costs for four programs starting July 1, 2027.

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

- Minimal State Workload
- State Transfers
- State Diversions

**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	Not estimated	\$0
Diverted Funds	\$0	\$224,248
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Fund sources for these diversions are shown in Table 1A below.

**Table 1A**  
**State Diversions**

<b>Fund Source</b>	<b>Budget Year</b> <b>FY 2026-27</b>	<b>Out Year</b> <b>FY 2027-28</b>
Cost Recovery Cash Fund	\$0	\$224,248
Enterprise Per Ride Fee Fund	\$0	-\$25,930
Oil and Gas Production Fees Fund	\$0	-\$7,328
Prepaid Wireless Trust Cash Fund	\$0	-\$450
Retail Delivery Fee Fund	\$0	-\$190,540
<b>Net Diversion</b>	<b>\$0</b>	<b>\$0</b>

See State Diversions section below for an explanation of these estimates. Actual amounts will vary.

## **Summary of Legislation**

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The bill creates the Cost Recovery Cash Fund in the State Treasury to hold money retained by the Department of Revenue (DOR) for administrative costs associated with several programs. This new cash fund is continuously appropriated to the DOR, has no reserve limit, and is a consolidation of the following cash funds currently operated by the department:

- the Oil and Gas Production Fees Collection Fund, which collects fees from oil and gas producers to pay for clean transit and wildlife remediation;
- the Enterprise Per Ride Fee Fund, which collects fees from transportation network companies to pay for air pollution mitigation; and,
- the Retail Delivery Fees Fund, which collects fees from delivery services to pay for state road maintenance.

On July 1, 2027, the bill repeals the funds listed above. All revenues that were directed to these repealed funds are instead directed to the Cost Recovery Cash Fund.

Under current law, DOR retains 3 percent of fees collected in the Prepaid Wireless Cash Trust Fund for administrative purposes. The bill requires DOR to transmit these retained funds to the State Treasurer for transmission to the Cost Recovery Cash Fund.

## **State Transfers**

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On June 30, 2027, the State Treasurer will transfer the balance of the Oil and Gas Production Fees Collection Fund, the Enterprise Per Ride Fee Fund, and the Retail Delivery Fees Fund into the Cost Recovery Cash Fund. The exact balance of these funds on June 30, 2027, will depend on fee collections and expenditures by the DOR and have not been estimated.

## **State Diversions**

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Beginning July 1, 2027, the bill diverts revenue from the repealed cash funds and the Prepaid Wireless Trust Cash Fund into the Cost Recovery Cash Fund by the estimated amounts listed in Table 1A. The estimated diversions for the Enterprise Per Ride Fee Fund and the Retail Delivery Fee Fund are based on a three-year average of the latest total annual revenue for these funds. The estimated diversion for the Prepaid Wireless Trust Cash Fund is 3 percent of the three-year average of total fund revenue. Finally, the estimated diversion for the Oil and Gas Production Fees Fund is based on the [Senate Bill 24-230 fiscal note](#).

## **State Expenditures**

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### **Department of Revenue**

The Department of Revenue will adjust its accounting procedures and fund administration for the affected cash funds and programs to align with the new Cost Recovery Cash Fund. This will reduce workload for accounting staff at DOR by a minimal amount; no change in appropriations is required.

### **Departments of Personnel and Treasury**

On net, workload in the Department of Personnel and Administration and the Treasury Department will minimally decrease to manage and perform accounting for fewer cash funds. No change in appropriations is required.

## **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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Personnel

Treasury

Revenue