



## Fiscal Note

### Legislative Council Staff

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## HB 26-1398: RETAIL DELIVERY FEE REVENUE ALLOCATION

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**Prime Sponsors:**

Rep. Brown; Sirota  
Sen. Amabile; Kirkmeyer

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**Fiscal note status:** This fiscal note reflects the reengrossed bill, which was recommended by the Joint Budget Committee as part of its FY 2026-27 budget package.

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### Summary Information

**Overview.** The bill modifies expenditure requirements out of the Multimodal Transportation Options Fund beginning in FY 2026-27.

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

- State Expenditures
- Local Government

**Appropriations.** No appropriation is required.

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**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	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

## Summary of Legislation

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The bill modifies expenditure requirements for the Multimodal Transportation and Mitigation Options Fund (MMOF). Beginning July 1, 2026, money from the fund must be expended as follows:

- 70 percent to the Transportation Commission for local multimodal projects; and
- 30 percent to the Transportation Commission for state multimodal projects.

## Background and Assumptions

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The Multimodal Transportation and Mitigation Options Fund (MMOF) consists of money transferred from the General Fund, retail delivery fee revenue, and interest. Under current law, 85 percent of money expended from the fund must be used for local multimodal projects, with the remaining 15 percent spent on state multimodal projects.

Money from the fund is appropriated to the Transportation Commission (commission) within the Department of Transportation (CDOT). The commission selects the state multimodal projects and determines a formula for disbursement of the amount allocated for local multimodal projects based on criteria such as population and transit ridership in an area. Local recipients of the MMOF funds must match the award with local government funds unless otherwise specified.

Table 2 below presents actual and projected revenue deposited into the MMOF, excluding General Fund transfers, based on CDOT's forecast.

**Table 2**  
**Revenue Collected in the MMOF**

<b>Revenue Type</b>	<b>Actual FY 2024-25</b>	<b>Forecast FY 2025-26</b>	<b>Forecast FY 2026-27</b>	<b>Forecast FY 2027-28</b>
Retail Delivery Fee	\$9,144,987	\$10,112,617	\$11,577,784	\$12,907,362
Interest	\$5,871,190	\$4,290,000	\$4,290,000	\$4,290,000
<b>Total</b>	<b>\$15,016,177</b>	<b>\$14,402,617</b>	<b>\$15,867,784</b>	<b>\$17,197,362</b>

Historically, besides transfers to the MMOF, CDOT's appropriation requests for revenue collected in the MMOF included only revenue from the retail delivery fee. However, the fiscal note assumes that MMOF appropriations for FY 2026-27 and future years will be based on projected revenue from both the retail delivery fee and interest, consistent with the department's current and planned requests. For FY 2026-27, only revenue collected in the MMOF from the retail delivery fee is assumed to be appropriated.

## State Expenditures

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The bill results in no net change to state expenditures. The bill will increase MMOF expenditures for state multimodal projects by \$2.4 million in FY 2026-27 and \$2.6 million in FY 2027-28 with similar amounts in future years, while correspondingly decreasing MMOF expenditures for local multimodal projects by the same amount. Table 3A and 3B below presents the shift in expenditures as a result of the bill.

**Table 3A**  
**Change in Local and State Project Spending from MMOF**  
FY 2026-27

<b>Project Type</b>	<b>Current Law</b>	<b>HB 26-1398</b>	<b>Net Change</b>
Local Multimodal Projects	\$13,487,616	\$11,107,449	<b>-\$2,380,168</b>
State Multimodal Projects	\$2,380,168	\$4,760,335	<b>\$2,380,168</b>
<b>FY 2026-27 Total</b>	<b>\$15,867,784</b>	<b>\$15,867,784</b>	<b>\$0</b>

Projected expenditures in Table 3A are for the revenue collected in the MMOF only and do not include transfers to the MMOF.

**Table 3B**  
**Change in Local and State Project Spending from MMOF**  
FY 2027-28

<b>Project Type</b>	<b>Current Law</b>	<b>HB 26-1398</b>	<b>Net Change</b>
Local Multimodal Projects	\$14,617,758	\$12,038,153	<b>-\$2,579,604</b>
State Multimodal Projects	\$2,579,604	\$5,159,209	<b>\$2,579,604</b>
<b>FY 2027-28 Total</b>	<b>\$17,197,362</b>	<b>\$17,197,362</b>	<b>\$0</b>

Projected expenditures in Table 3B are for the revenue collected in the MMOF only and do not include transfers to the MMOF.

## **Local Government**

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The bill will decrease MMOF disbursements for local multimodal projects by \$2.4 million in FY 2026-27 and \$2.6 million in FY 2027-28 with similar amounts in future years. Since local governments are generally required to match the state disbursements from the MMOF, the bill will result in decreased expenditures for local governments to the extent that local governments do not invest in multimodal projects that would have otherwise been funded by the MMOF disbursements and local funding matches. For local governments that choose to replace reduced MMOF disbursements with local government funds, the bill will increase local government expenditures.

## **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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Transportation