



Highway Users Tax Fund (HUTF) Briefing

Statewide Transportation Advisory Committee (STAC)

October 2022



CDOT Revenue Forecasting

Inputs

National Economic Data

State Population Data

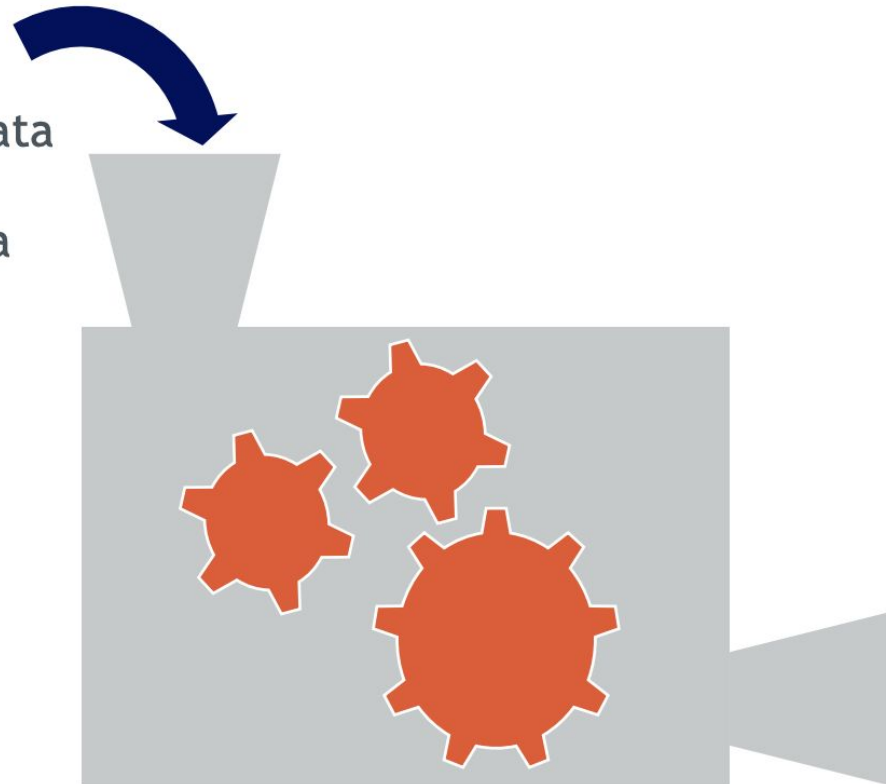
Motor Vehicle Data

DOR Data

Licenses Issued

VMT Data state &
national

Motor Fuel Revenue Data



Projections

State Revenues

Federal Revenues

Grant Revenues

Misc. Revenues

Enterprise Revenues

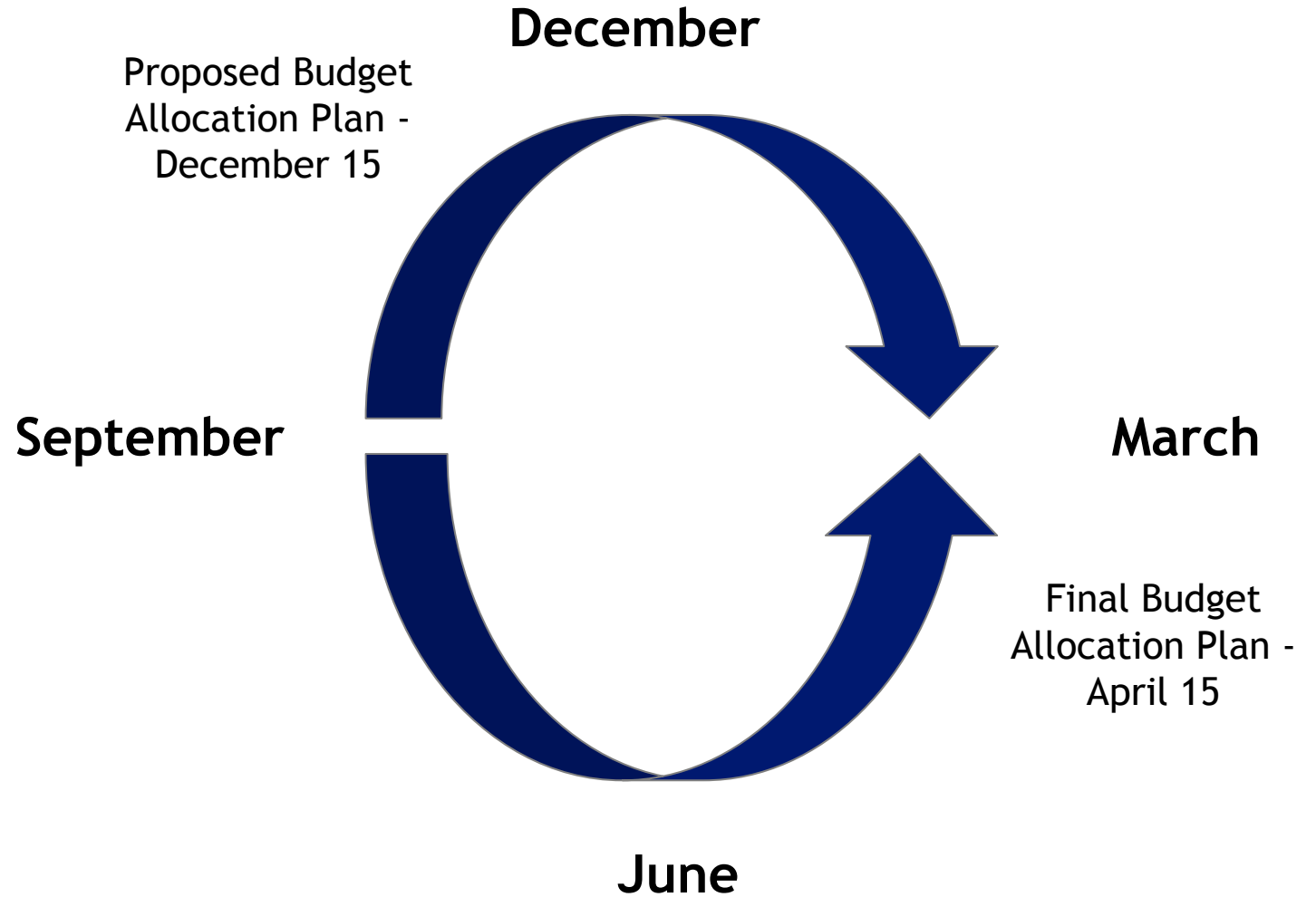


Quarterly Forecasting Schedule

OFMB staff does a quarterly revenue forecast for to track how revenues are performing against budget expectations.

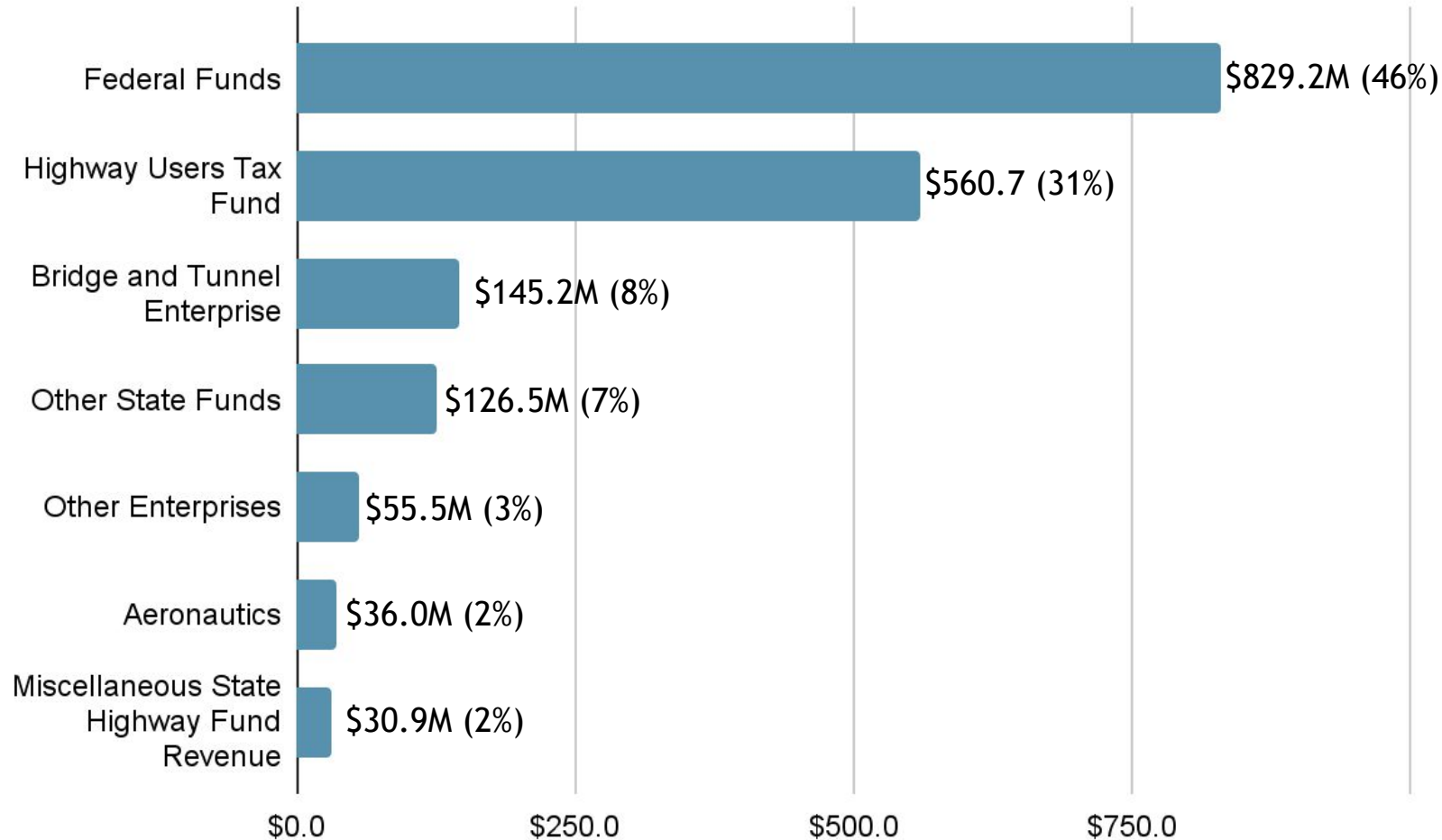
In general, the Proposed Budget Allocation Plan is developed using the September forecast.

The forecast for the Final Revenue Allocation Plan may be updated if there are major changes in the December forecast.





CDOT Funding Overview (FY23)



- CDOT is funded through a combination of state and federal sources
- Federal sources make up 46% of CDOT revenue in FY 2022-23
- The Highway Users Tax Fund (HUTF) is the largest source of state funding, representing 31% of CDOT revenue and nearly 60% of state revenue to CDOT



HUTF Revenue Sources

Motor Fuel Taxes - State excise taxes are levied at 22 cents per gallon for gasoline and 20.5 cents per gallon for diesel/special fuel

Motor Vehicle Registrations

- **Age and Weight-Based Vehicle Registration Fees** - Annual registration fees based on the age and weight of a vehicle are deposited in the HUTF.
- **Plug-in Electric Motor Vehicle Registration Fee** - The state currently assesses a \$50 annual registration fee on plug-in hybrid electric vehicles and battery electric vehicles.
- **Electric Vehicle Road Usage Equalization Fee** - SB 21-260 imposes an additional road usage equalization registration fee on regular and commercial plug-in electric vehicles.

FASTER Revenue - In 2009, the General Assembly passed SB 09-108, also known as the Funding Advancements for Surface Transportation and Economic Recovery (FASTER) Act.

- **Road Safety Surcharge** - The Road Safety Surcharge applies to every registered vehicle, and it ranges between \$16 and \$39, depending on the vehicle.

- **Late Registration Fees** - In Colorado, motor vehicles must be registered annually. At the end of each registration motor vehicle owners have a one-month grace period to renew their registration. The FASTER late registration fee is charged when a motor vehicle is registered after the grace period.
- **Daily Vehicle Rental Fee** - All car rental companies in Colorado are required to collect a fee of \$2 for each day a vehicle is rented.
- **Oversize/Overweight Vehicle Surcharges** - Special permits are required when a vehicle exceeds the size and weight restrictions for Colorado's roadways.

Road Usage Fee - SB 21-260 created the road usage fee, which will be assessed on each gallon of gasoline and diesel.

Retail Delivery Fees - SB 21-260 imposed new fees on retail deliveries that are subject to the state sales tax, which are collected from the purchaser by the retailer.

Other

- **Miscellaneous HUTF Revenue** - This category includes revenue from traffic penalties and judicial collections, interest earnings, and various cash program revenues.



HUTF Revenue Sources

Statewide HUTF Revenue (millions)

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
	Actual	Actual	Actual	Budget	Budget
Statewide HUTF Distribution	\$1,115.2	\$1,076.5	\$1,043.1	\$1,053.4	\$1,114.8
Distributions to other State Agencies	\$161.0	\$167.7	\$165.8	\$180.4	\$191.0
CDOT	\$580.7	\$552.2	\$536.5	\$534.1	\$560.7
Counties	\$215.3	\$204.5	\$198.6	\$197.8	\$210.3
Municipalities	\$147.7	\$141.2	\$136.9	\$135.9	\$147.5
Distributed for Other Purposes	\$10.5	\$10.9	\$5.3	\$5.3	\$5.3

First Stream Revenue - First stream revenue consists of the first \$0.07 of fuel excise taxes and most vehicle registration fees. After “off-the-top” distributions to the Colorado State Patrol and the Department of Revenue, 65 percent of first stream revenue is distributed to CDOT, 26 percent is distributed to counties, and 9 percent is distributed to municipalities.

Second Stream Revenue - Second stream HUTF revenue consists of motor fuel taxes in excess of the first \$0.07 and age-based registration fees. Of this revenue, 60 percent is distributed to CDOT, 22 percent to counties, and 18 percent to municipalities.

Third Stream Revenue - Third stream revenues include the fees, surcharges, and fine revenues authorized by FASTER that are distributed to CDOT. Of this revenue, \$15.0 million is set aside for spending on transit projects, and the remaining funding is distributed using the same formula as second stream revenue.

SB 21-260 Fees - Revenue from Road Usage Fees and the Electric Vehicle Road Usage Equalization Fee are distributed using the same formula as second stream revenue. Of the revenue generated from the state’s portion of Retail Delivery fee, 71.1 percent is distributed to the HUTF and 28.9 percent is distributed to the Multimodal Transportation and Mitigation Options Fund. Of the revenue deposited in the HUTF, 40 percent is paid to the State Highway Fund, 33 percent is paid to counties, and 27 percent is paid to municipal governments.

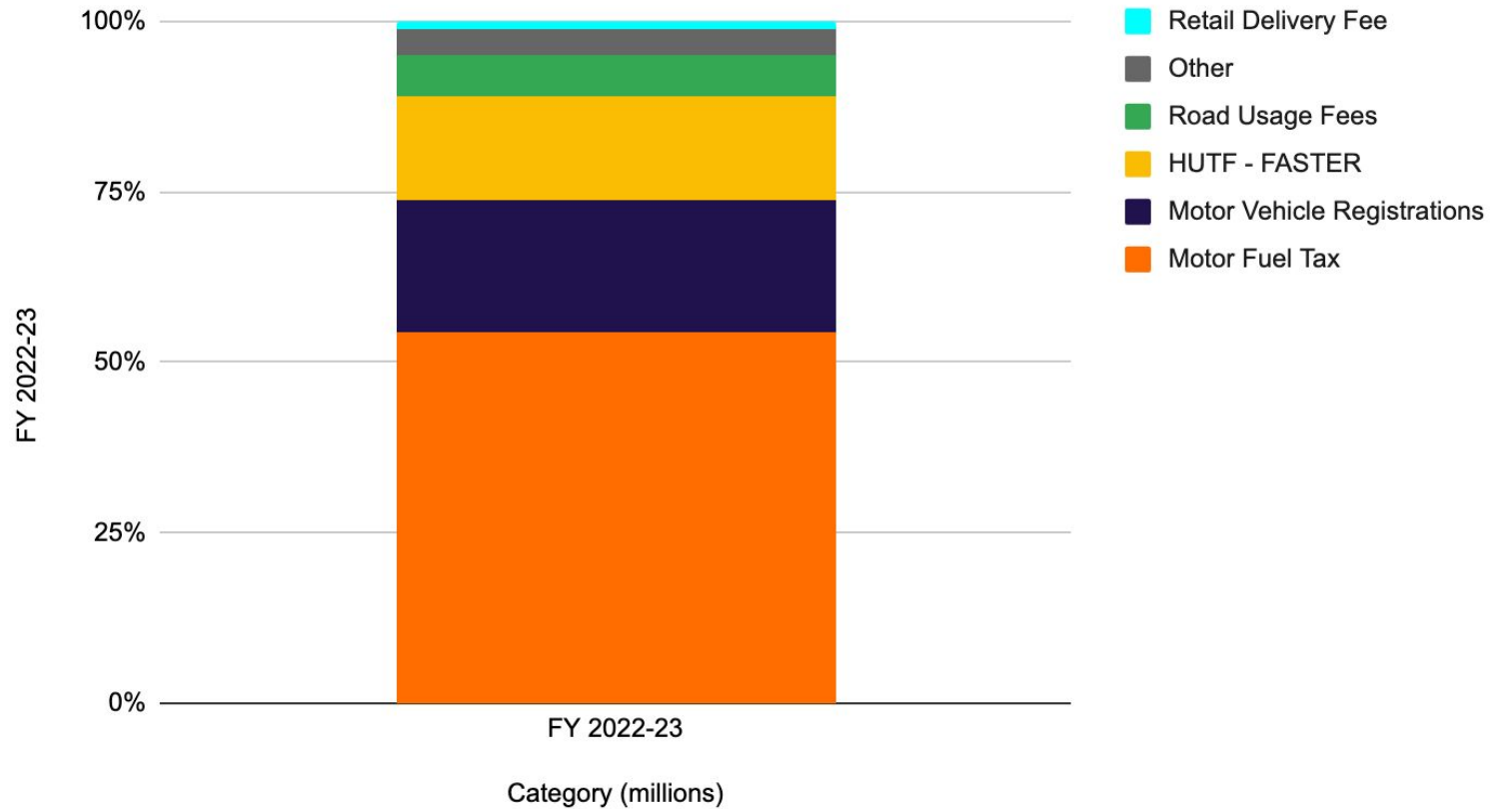


HUTF Revenue Sources

FY 2022-23 Forecasted HUTF Revenue - CDOT

Category (millions)	FY 2022-23 Forecasted
Motor Fuel Tax	\$304.80
Motor Vehicle Registrations	\$108.90
HUTF - FASTER	\$84.80
Road Usage Fees	\$33.90
Other	\$21.80
Retail Delivery Fee	\$6.60
	\$560.70

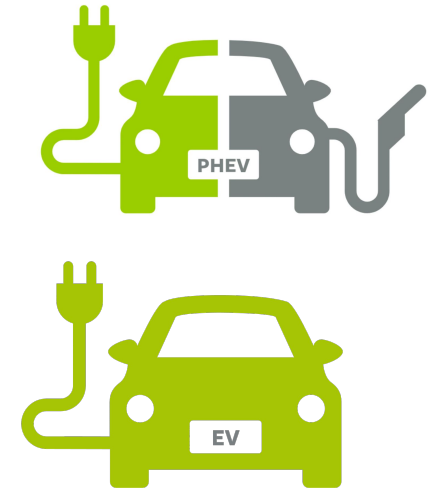
Electric Vehicle Road Usage Equalization Fee - \$0.3 M
 Plug-in Electric Motor Vehicle Registration Fee - \$3.4 M





Electric Vehicle Fees

Fiscal Year	Estimated Plug-in Electric Vehicle Fee Rate	EV Road Usage Equalization Fee - BEV	EV Road Usage Equalization Fee - PHEV	Total Registration Fees Paid by BEVs	Total Registration Fees Paid by PHEVs
FY 2022-23	\$51.50	\$4.00	\$3.00	\$55.50	\$54.50
FY 2023-24	\$53.05	\$8.00	\$5.00	\$61.05	\$58.05
FY 2024-25	\$54.64	\$12.00	\$8.00	\$66.64	\$62.64
FY 2025-26	\$56.28	\$16.00	\$11.00	\$72.28	\$67.28
FY 2026-27	\$57.96	\$26.00	\$13.00	\$83.96	\$70.96
FY 2027-28	\$59.70	\$36.00	\$16.00	\$95.70	\$75.70
FY 2028-29	\$61.49	\$51.00	\$19.00	\$112.49	\$80.49
FY 2029-30	\$63.34	\$66.00	\$21.00	\$129.34	\$84.34
FY 2030-31	\$65.24	\$81.00	\$24.00	\$146.24	\$89.24
FY 2031-32	\$67.20	\$96.00	\$27.00	\$163.20	\$94.20



SB 21-260 indexed the existing \$50 Plug-in Electric Vehicle Fee to inflation. Of this fee, 60% goes to the HUTF and 40% goes to the Electric Vehicle Grant Fund in the Colorado Energy Office.

SB 21-260 created the EV Road Usage Equalization Fee, which is phased in over 10 years. This fee rate is different for Battery Electric Vehicles (BEVs) and Plug-in Hybrid Electric Vehicles (PHEVs). Of this fee, 60% is distributed to CDOT and 40% is distributed to counties and municipalities.



Electric Vehicle Fees

The EV Road Usage Equalization Fee, once fully phased in alongside the existing (now-indexed) Electric Vehicle Fee, was designed to achieve rough parity with what is paid in state gas tax and road usage fees by an average driver of an average vehicle.

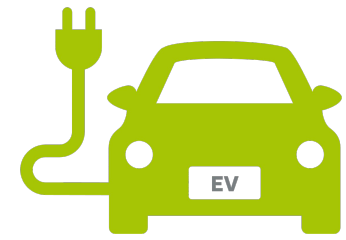
Average annual miles traveled for all light duty vehicles (2019) - **11,520***

Average annual mileage per gallon of all Light Duty Vehicles (2019) - **22.2 MPG***

Average annual fuel consumption per vehicle (2019) - **518 Gallons***

Average fuel tax paid in 2022 (\$0.22 per gallon) - **\$114**

Average fuel tax and fuel fee paid in 2032 (combined \$0.30 per gallon) - **\$155**



Total EV fees in 2023 for PHEVs -
\$54.50 + fuel tax

Total EV fees in 2023 for BEVs -
\$55.50

Total EV fees in 2032 for PHEVs -
\$94.20 + fuel tax and fuel fee

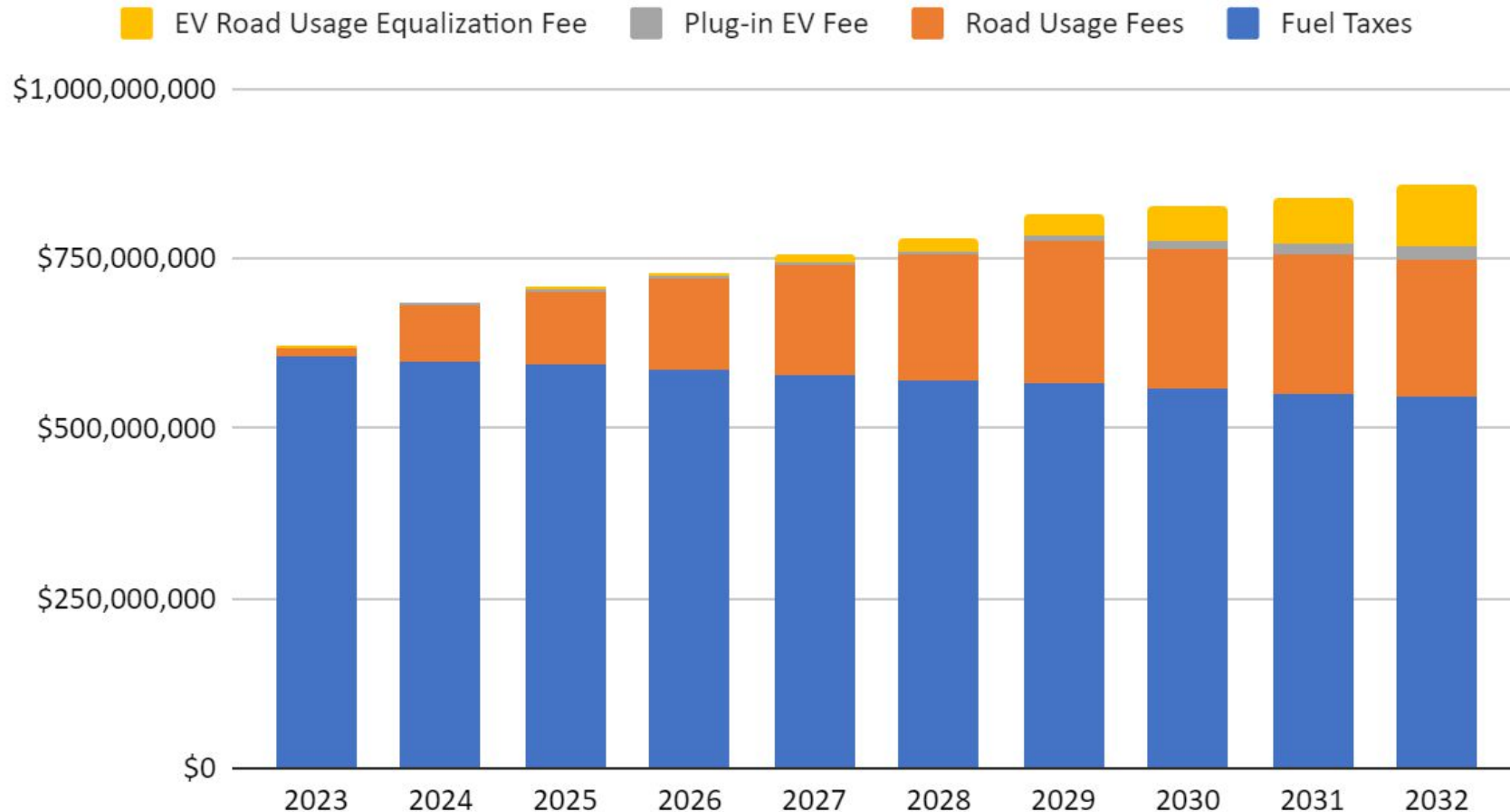
Total EV fees in 2032 for BEVs -
\$163.20

*<https://www.fhwa.dot.gov/policyinformation/statistics/2020/vm1.cfm>



Electric Vehicle Fees

Fuel Taxes, Road Usage Fees and SB 21-260 EV Fees Revenue



Increases to Road Usage Fee revenues are primarily driven by the increase in rates each year. Overall, fuel consumption is expected to decline in the long term.

Statewide revenue from EV fees is expected to gradually displace revenue from motor fuel taxes and the road usage fees.

BEVs and PHEVs pay EV fees in addition to traditional age and weight-based registration fees and in the case of PHEVs, motor fuel tax and road usage fees.

In 2022 EVs make up approximately 2 percent of the state's vehicle fleet, which is forecasted to increase to approximately 15 percent by 2032.



APPENDICES



Statewide HUTF Forecasts

Statewide HUTF Forecasts - FY 2022-23 Quarter 1

