

COLORADO

GENERAL ASSEMBLY

HIGHWAY LEGISLATION
REVIEW COMMITTEE

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COLORADO GENERAL ASSEMBLY

**HIGHWAY LEGISLATION
REVIEW COMMITTEE**

RECOMMENDATIONS FOR 1989

**Report to the
Colorado General Assembly**

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COLORADO GENERAL ASSEMBLY



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ROOM 029 STATE CAPITOL
DENVER, COLORADO 80203-1784
(303) 866-3521

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January 10, 1989

To Members of the Fifty-seventh Colorado General Assembly:

Submitted herewith is the final report of the Highway Legislation Review Committee. The committee was created pursuant to section 43-2-145, C.R.S., (Senate Bill 36, 1986 session). The purpose of the committee is "to give guidance and direction to the state department of highways in the development of the state system of highways, and to provide legislative overview of and input into such development . . ." Senate Bill 36 further authorized the committee to make recommendations to the governor and the General Assembly for legislation which it deems necessary, including recommendations concerning the financing of streets, roads, and mass transit.

At its meeting on January 4, 1989, the committee acted to recommend the proposed bills which are detailed herein. These bills were submitted to and approved by the Legislative Council at its meeting on January 10, 1989.

Respectfully submitted,

Senator Dave Wattenberg, Chairman
Highway Legislation Review Committee

DW/DC/cg

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HIGHWAY LEGISLATION REVIEW COMMITTEE

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Principal Analyst

Bill Goosmann
Research Associate

Ed Bowditch
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Kent Singer
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Bart Miller
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Mike Genoways
Staff Attorney

SUMMARY OF RECOMMENDATIONS

The Highway Legislation Review Committee (HLRC) was created in 1953 (section 43-2-101, et seq., C.R.S. (L. 53, p. 512)). This part of state law reorganized the state highway system and its relationships to county and city road systems. The charge to the committee was to review the implementation and impact of these new relationships. Committee members were appointed by the Governor every five years and included eight members of the General Assembly and seven non-legislative members "from such Highway Advisory groups as the Governor shall select" (section 43-2-145, C.R.S.).

The HLRC was reconstituted in 1986 "to give guidance and direction to the state department of highways in the development of the state system of highways and to provide legislative overview of and input into such development." This mandate included consultation with experts in highway construction and planning, review of the highway department's operations and projects, review of department performance audits, and recommendations concerning the financing of roads and mass transit in the state. The committee's purview also included the activities of public highway authorities (section 43-4-501, et seq., C.R.S.).

The committee is now comprised of eleven members -- five citizens appointed by the Governor, three representatives appointed by the Speaker of the House of Representatives, and three senators appointed by the President of the Senate. All members serve two-year terms. The HLRC began its activities during the 1987 legislative session and has continued to meet regularly since then.

The HLRC met monthly during the 1988 session and considered a wide range of issues including the results of performance audits of the highway department; cost allocation studies related to road use; mass transit and related governance issues; "regional mobility" legislation (House Bill 1345); and highway safety. The committee's activities continued with six meetings held during the 1988 interim and concerned in-depth study of state and local transportation needs and possible sources of funding, coordinating the programs of various transportation agencies and levels of government, and consideration of the role of mass transit in the Denver metropolitan area.

The committee coordinated its activities with those of the Colorado Transportation Roundtable, a 60-member group of elected officials and private individuals, including all members of the HLRC. Appointed by the Governor, the Roundtable served to form a broad consensus concerning statewide and metro Denver transportation issues. A more detailed review of the committee's discussions can be found in the background section of this report.

Committee Recommendations

The Highway Legislation Review Committee recommends 16 bills for consideration during the 1989 legislative session. Bills 1 and 2 are summarized below. The content of Bills 3 through 16 is synopsisized in the section on "Other Legislative Recommendations."

Concerning Surface Transportation in Colorado -- Bill 1

Bill 1 addresses a broad range of statewide and local highway and mass transit issues and represents an omnibus approach to pressing surface transportation problems, both statewide and in the Denver metropolitan area. These include:

Revenue Sources - increases gasoline taxes, reduces diesel fuel taxes, increases sales and income taxes, and eliminates "off-the-top" deductions from the state Highway Users Tax Fund (HUTF) to provide new revenues for state and local highway efforts. The bill also increases vehicle registration fees to support debt financing of certain highway projects;

Revenue Allocation - modifies the county distribution formula for state HUTF moneys, authorizes debt financing for Front Range capacity projects, and allows state and local cost-sharing for highway projects;

Metropolitan Transportation Finance Authority (MTFA)

- (a) creates the MTFA with broad responsibilities for absorbing many of the transportation planning and development functions of the Regional Transportation District (RTD), the Transit Construction Authority (TCA), E-470, and W-470;
- (b) authorizes MTFA to raise revenue from a variety of sources and to coordinate state, regional, and local transportation agencies and projects;
- (c) transfers RTD's 0.6 percent sales tax revenues to MTFA;
- (d) transfers to MTFA the new Highway Users Tax Fund revenues currently allocated to the six counties within the proposed MTFA; and
- (e) provides MTFA with a nine-member board appointed by the Governor and confirmed by the Senate.

Other - addresses efficiency and accountability aspects of state and local government highway departments, limits the duties of RTD to operating the regional bus system, changes the RTD board from elected to appointed membership and reduces its size, and requires RTD to achieve a specified farebox recovery percentage.

Concerning Registration of Motor Vehicles -- Bill 2

Bill 2 replaces the current gross ton-mile (GTM) tax (and several miscellaneous fees) with a restructured truck registration fee schedule. The schedule is based on registration of the truck at its heaviest expected load and by the maximum distance it is expected to travel in a year. The new registration schedule applies to all vehicles over 10,000 pounds. The system is intended to raise the amount of revenue foregone with the repeal of the GTM tax and the other fees.

In theory, the GTM method equitably apportions the amount of road use and road deterioration among heavy vehicles (weight times distance). However, from a practical standpoint, reporting requirements are complex and onerous for the operator administering and collecting the tax, is expensive for the state, and GTM is subject to evasion. Registration fees are designed to simplify compliance and collection while also decreasing enforcement costs to the state.

Other Legislative Recommendations -- Bills 3-16

As part of its oversight duties, the committee received legislative recommendations from the Colorado Department of Highways (CDOH), the Department of Revenue, the Colorado State Patrol, and RTD. Since these measures concern largely technical corrections to existing programs, they are reviewed later in this report as Bills 3-16. The list of recommendations is listed below.

Colorado Department of Highways

- consolidates CDOH's relocation authority with that of the Department of Local Affairs concerning people displaced by federally-aided highway projects;
- grants the department the authority to receive federal Urban Mass Transportation Administration funds;
- repeals requirements that regulations concerning oversize and overweight loads be approved by the General Assembly's transportation committees prior to adoption by the state highway commission; and

- allows local school boards to make exceptions to state law that currently mandates that school bus passengers be discharged so that they will not have to cross busy streets.

Department of Revenue

- allows the written part of the driver's license examination process to be conducted by third parties, conforms the age at which instructional permits can be issued, and allows the department to issue a driver's license and a picture identification to the same person at the same time;
- conforms Colorado statutes to changes in federal law which require states to issue commercial drivers' licenses;
- streamlines the process by which car dealers receive vehicle titles by providing same-day title service for an additional \$25;
- authorizes the use of a seventh digit for license plates; allows partial-year registration of Class A, B, and F motor vehicles; eliminates the requirement that notaries public certify vehicle titles; and establishes procedures for the department to collect fees for Colorado's Automobile Inspection and Readjustment (AIR) program from vehicles not registered in Colorado but which operate within the AIR program area;
- allows selected closure of ports of entry during times designated by the Executive Director of the Department of Revenue (e.g., Christmas);
- conforms the due dates for various tax returns to those specified under the International Fuel Tax Agreement; and
- (a) allows motor vehicle administrative hearings to be elective; (b) removes language that implies that a notification of revocation of a license cannot be enforced if the notification is returned to postal authorities unclaimed; (c) and allows the separate actions for a traffic offense committed in conjunction with alcohol use to run concurrently whether the driver is convicted of driving under the influence of alcohol (DUI) or driving while ability impaired by alcohol (DWAI).

Colorado State Patrol

- authorizes state-operated snowplows to use blue flashing lights and limits the use of green flashing lights to stationary command posts established at emergency sites.

Regional Transportation District

- allows RTD to hold an election concerning increasing its sales tax level without first conducting public hearings on corridor assessments.
- requires that RTD recover 20 percent of its operating costs from farebox revenues in fiscal year 1989-90, 25 percent in FY 1990-91, and 30 percent in FY 1991-92. Savings from this provision are to be used for RTD capital improvements. RTD currently recovers just over 15 percent of its operating expenses from farebox revenues. These same provisions have also been included in Bill 1.

ACTIVITIES OF THE COMMITTEE

The Highway Legislation Review Committee held 22 meetings from July 1987 to December 1988. The committee heard testimony and reports from various groups and considered a wide range of transportation-related topics during that time. Major topics discussed are listed below.

Transportation needs, funding and organization. Extensive consideration was given to the magnitude of state and local surface transportation needs and cost estimates, various revenue sources available to finance construction and maintenance activities, and governance structures that could improve the coordination of transportation projects in the Denver metropolitan area.

Highway needs were discussed in terms of high, medium, and low funding scenarios in such areas as additional lane construction, road design and safety improvements, and maintenance expenses. The committee also reviewed several different funding packages for the medium level of needs. The growing number of governments and separate agencies in the metro area with highway and mass transit construction and financing authority was also discussed. Committee members expressed concern about: 1) the lack of coordination between what were seen as interrelated segments of the metro-wide transportation system; and 2) conflicts over the limited revenue sources available for such projects.

The Department of Highways presented overall state system needs in its 2001 Plan. The Denver Regional Council of Governments also presented a report of its transportation finance task force in September 1988. In addition, various business-related groups appeared before the committee to present their perspectives on the state's transportation problems. These groups include the Greater Denver Chamber of Commerce, the Centennial Chamber of Commerce, the Colorado Association of Commerce and Industry, Colorado Contractors Association, and Colorado Concern.

Mass transit. The committee heard testimony about proposals to construct a mass transit system for Denver. RTD and TCA representatives frequently reported on the status of their projects. Representatives of the federal Urban Mass Transportation Administration, the San Diego Metropolitan Transit Development Board, and committee members Dr. Tom Stone and Representative Bob Bowen presented a broad range of mass transit issues. These included: disparities between ridership and system cost estimates and actual figures; the use of private companies to serve different transit needs; the advantages and disadvantages of various mass transit technologies; the effects of system design and technology choices on construction and future operating costs; the effect on ridership of low population densities, corridor selection, and existing costs such as parking rates.

Efficiency at the Department of Highways. The committee was directed to have a Management and Efficiency Study conducted of the Colorado Department of Highways. Arthur Andersen & Company completed the study and reported to the Highway Legislation Review Committee on its findings. In addition, Arthur Andersen gave periodic updates on its efficiency study and the progress of the Highway Department's implementation of the recommendations.

As part of Governor Romer's efficiency in state government program, Governor Romer and Dr. Ray Chamberlain, Executive Director of the Department of Highways, outlined efficiency measures for the Department of Highways. These measures included savings of \$5.4 million dollars.

County allocation formula. The Committee was involved with an effort to devise a new Highway Users Tax Fund allocation formula. A compromise measure was presented to the legislature in the 1988 session (Senate Bill 161), but the measure was defeated. A modified proposal will be presented to the legislature for the 1989 session.

Trucking industry. The HLRC examined current problems experienced by Colorado's trucking industry. In the legislation which reconstituted the HLRC, the committee was directed to authorize a study to determine the amount of damage done to state roads by heavy vehicles. The Wilbur Smith Company conducted a cost allocation study and presented its findings to the committee. In its presentation to the committee, a representative of the Wilbur Smith Company summarized the study by stating that cars and light trucks are overpaying transportation-related taxes by approximately 20 percent, and heavy vehicles were underpaying by about 40 percent.

The committee also received progress reports from a task force organized by the Department of Revenue to find an alternative to the gross-ton-mile tax. Another issue examined by the committee was the rate of Colorado's diesel tax and its impact on the trucking and truck-stop industry. The committee heard testimony on this issue from the Colorado Truck Stop Association and the Colorado Motor Carriers Association. The Truck Stop Association testified that Colorado's diesel tax rate was forcing truckers and truck companies to leave the state.

Bonding. In an effort to examine all possible transportation financing solutions, a panel concerning bonding for transportation purposes met with the committee. The panel included representatives from Hanifen Imhoff, Boettcher and Company, George K. Baum and Company, and Smith, Barney, Inc. The panel discussed the advantages and disadvantages of bonding, bonding sources used by other states, and the possible impact that a state bonding program might have on bonding by local governments.

Joint efforts with the Colorado Transportation Roundtable. The HLRC received monthly updates from the Colorado Transportation Roundtable. All HLRC committee members were members of the roundtable, either on the statewide or metro subgroup. Governor Romer presented the Roundtable's final recommendations to the committee in November 1988. The Roundtable's final recommendations are included in the appendix of this report, along with the Roundtable committee membership.

Update hearings. The committee acted as an oversight body and heard status report updates on various projects. Representatives from E-470, W-470, and the new Denver airport all testified on the status of their projects. The committee also allowed opponents of such projects to make presentations. In addition, representatives from the City and County of Denver spoke about the status of Denver's viaducts.

Citizen and industry testimony. The Highway Legislation Review Committee also allowed interested citizens and industry groups to present testimony on transportation-related topics. Examples of such groups include the Committee for a Better Airport, Montrose Highway 50 Company, representatives from Ponderosa High School, Highway 285 Task Force, and the Colorado Concrete Paving Association. (See Appendix A for a complete listing of all groups providing testimony.)

COMMITTEE RECOMMENDATIONS

The Highway Legislation Review Committee recommends 16 bills to address a variety of transportation-related issues. The bills are summarized below and are reprinted in their entirety in the final section of this report.

Concerning Surface Transportation in Colorado -- Bill 1

At its final meeting for 1988, the HLRC adopted a series of bills which were combined into the omnibus "Concerning Surface Transportation in Colorado." The committee recommends this bill as a set of solutions for meeting Colorado's surface transportation needs into the next century. The bill attempts to create major improvements in the current system of financing and managing state highways, local streets and roads, and mass transit. The HLRC considered these improvements a unified package because of the established need for a coordinated, balanced approach to the pressing needs of Colorado's transportation systems. The committee expressed hope that such a unified approach will benefit the entire state by reinforcing the vital link between transportation and the economic well-being of its citizens.

Major Provisions

The bill contains five principal components:

- Extension of the Senate Bill 36 increases in the gasoline tax and an extension of the special fuels tax at a reduced rate.
- A package of revenue raising measures to provide approximately \$167 million in new revenues for highway improvements across the state, including state highways, county roads, and city streets.
- Creation of a new Metropolitan Transportation Financing Authority (MTFA) with broad responsibilities for planning, setting priorities, constructing and financing transportation projects in the six-county metropolitan area. The new authority absorbs many of the transportation planning and development functions of existing agencies such as RTD, TCA, E-470, and W-470. In addition, Bill 1 proposes a number of conforming amendments to current law regarding the powers and duties of existing transportation agencies.

- Cooperative arrangements to permit the state highway department to participate in local road projects, and conversely, to allow local participation in state road projects which impact their local jurisdictions. In addition, local accountability and maintenance of effort considerations are included in the bill.
- A new formula for allocating monies from the Highway Users Tax Fund (HUTF) to counties which will result in increased distributions to counties with greater lane-mile and traffic count needs.

Senate Bill 36 extension. In 1986, the General Assembly acted to increase the tax rates on motor fuel to 18 cents per gallon on gasoline (from 12 cents) and to 20.5 cents per gallon on special fuels (from 13 cents). These tax increases are scheduled to expire on July 1, 1989, at which time gasoline would return to the 12 cent level and diesel fuel to the 13 cent level unless the General Assembly acts otherwise. The committee has determined that the revenues generated by the motor fuels taxes are crucial to meeting the goal of maintaining the state's roadways in a serviceable condition. Nonetheless, in recognition of changing economic conditions, the the following modifications are recommended in the structure of motor fuels tax rates.

- The gasoline tax is extended, effective July 1, 1989, at the rate of 18 cents per gallon. (Note, however, that other provisions of Bill 1 raise the effective rate on gasoline to 20 cents per gallon.) The sunset provision of Senate Bill 36 is repealed, extending the tax indefinitely, reflecting the committee's intent to provide ongoing support for highway construction and maintenance.
- The special fuels (diesel) tax is also extended indefinitely, but at the lower rate of 16 cents per gallon. The reduction of the tax rate by 4.5 cents is intended to make Colorado's diesel tax rate more competitive with neighboring states: the regional average for diesel tax is approximately 15 cents per gallon. The committee believes that increased consumption and related sales tax collections will offset some of the revenue losses resulting from the tax rate reduction.
- The minimum gross ton-mile tax created by Senate Bill 36 is not extended in Bill 1. This tax is allowed to expire in anticipation of the replacement of the gross ton-mile tax by a restructured heavy vehicle registration fee schedule set in Bill 2.

Bill 1 also eliminates the current minimum requirements on tax-exempt purchases of gasoline by governmental entities and the minimum requirements for tax-exempt purchases of special fuels by distributors.

Statewide financing measures. Bill 1 authorizes a number of new financing measures to supplement the HUTF in order to improve highway conditions on a statewide basis. The following revenue measures, expected to total approximately \$167 million, are included in the bill.

- The motor fuels tax on gasoline is increased from 18 to 20 cents per gallon. The tax on diesel fuel is decreased 4.5 cents. For fiscal year 1989-90, collections are expected to be \$30 million (minus \$8 million in reduced diesel collections) or a net gain of \$22 million.
- Driver's license fees are increased to produce approximately \$5 million to the HUTF. The current rate of \$6.50 for a driver's license is raised to \$13.
- The state sales and use tax is increased by .25 cents and the additional revenue generated by this increase is transferred to the HUTF. The statutory limitation on maximum state and local sales tax rates is raised to accommodate the increase. Anticipated revenues for FY 1989-90 are \$63 million.
- The state individual and corporate income tax rates are increased by .25 percent to provide replacement revenue to the general fund for purposes of eliminating "off-the-top" expenditures. These statutorily authorized transfers are used to finance highway related functions in other state agencies as well as specific repair and safety programs. The bill eliminates the HUTF transfer to each of these programs, with the exception of the Highway Crossing Protection Fund, but provides replacement funding in the form of new general fund revenue. Off-the-top expenditures and their replacement are expected to cost \$67 million in fiscal year 1989-90.
- The bill seeks extra cost efficiencies from the Colorado Department of Highways (CDOH). While cost savings of \$5.4 are currently projected for FY 1989-90, the bill urges the department to realize additional annualized savings through increased efficiency and cost containment measures. The bill also seeks to create additional efficiencies at the local level by requiring a study of cost effectiveness in highway administration, maintenance, and construction. The study is to be conducted by the CDOH, the Colorado Municipal League, and Colorado Counties, Inc., who shall report their findings and recommendations to the Governor and the General Assembly by July 1, 1990.

Debt financing. The final financing provision incorporated into the bill is a plan to provide the Colorado Highway Commission the authority to issue long-term revenue bonds for a Front Range Capacity Improvements Program. The funding mechanism anticipated is an average \$10 statewide increase in vehicle registration fees. Bonds would be sold in order to accelerate critical capacity projects on the Front Range.

New HUTF revenues. The new revenues generated by the finance package are to be distributed among the state highway system and local governments as follows:

- 60 percent (or roughly \$100 million) of new revenues is designated for improvements on the state highway system as prioritized by the state highway commission in its 2001 Plan;
- 22 percent (\$37 million) of new revenues is to be distributed to counties as per the new allocation formula explained later in this report (However, distributions which would have been allocated to the six counties in the Denver metropolitan region (Denver, Boulder, Adams, Arapahoe, Douglas and Jefferson) are instead pooled for distribution by the new Metropolitan Transportation Finance Authority); and
- 18 percent (\$29 million) is to be distributed to municipalities, with the exception of those cities in the six-county region which surrender their share of new monies to the MTFA.

Metropolitan Transportation Financing Authority. A third critical component of the proposed bill is the creation of a new Metropolitan Transportation Finance Authority (MTFA) for purposes of planning, setting priorities, and constructing transportation improvements in the six-county metropolitan region. Throughout its deliberations, the Highway Legislation Review Committee acknowledged the specialized transportation needs of the Denver metropolitan area as a unique set of circumstances demanding extraordinary solutions. To this end, the committee recommends a sweeping revision of current governance structures for both mass transit and regional roadways in the six-county region. The intent of this provision is to create a single entity authorized to oversee system-wide improvements throughout the metro area that will improve mobility, increase safety on the system, and continue to improve regional air quality. In addition, the MTFA is entrusted to consider the total needs of both vehicular traffic and mass transit in identifying corridor improvements. The authority is specifically directed to consider the life-cycle costs of such improvements on a corridor-by-corridor basis to guarantee the cost effectiveness of its strategies.

The bill states that the general priorities of the new authority are to be:

- 1) Traffic systems management and the coordination of traffic planning with local jurisdictions;

- 2) Improvements to the existing regional transportation system, especially in the areas of capacity improvements and new construction; and
- 3) The integration of mass transportation improvements such as high occupancy vehicle lanes, to coincide with other surface transportation improvements such as construction of beltways.

The authority is expected to rely on use of intergovernmental agreements to facilitate projects which are interjurisdictional in nature. The bill emphasizes that the authority is not to be an operating entity in any sense, but is to concentrate its efforts on the planning and the financing of transportation facilities and improvements.

The MTFAs governing body is a nine-member board of directors appointed by the Governor with the consent of the Senate. The membership is comprised of six elected officials from a local general purpose government, one from each county, and three at-large members with demonstrated expertise in the areas of transportation planning, finance, construction, or air quality. The elected officials are nominated by the Board of County Commissioners, which selects three members for the Governor's consideration. Members may be removed for cause by the Governor. Vacancies may be filled by repeating the same nomination and selection process.

The MTFAs has the following duties and functions.

- assume all mass transit planning and construction functions of the RTD; the RTD would become a bus-operating company only, for purposes of the bill, unless specifically contracted with to perform other functions. The currently elected RTD Board of Directors would be abolished and replaced by a Governor-appointed seven-member board.
- assume all duties and responsibilities of the Transit Construction Authority (TCA), which was created in 1987 to construct a mass transit line from downtown Denver to northern Douglas county;
- assume the duties of the E-470 and W-470 public highway authorities in construction of urban beltways when it is organizationally capable of doing so. E-470 and W-470 would be absorbed into the MTFAs for purposes of prioritizing and constructing beltway links;
- coordinate planning and development between local governments, the State Highway Department, and the Denver Regional Council of Governments (DRCOG) with staff assistance from DRCOG or other agencies. Such planning may include integration of air quality considerations; and
- create a priority list of highway and mass transit projects in conjunction with the agencies named above.

The MTFFA is authorized to utilize the following revenue sources:

- The sales tax levy of .6 cents, presently collected for the RTD. MTFFA would appropriate a set amount of revenue to RTD for bus-operating purposes, provided RTD meets specified farebox recovery ratios. RTD would continue to maintain operating reserves and contingency funds.
- Local share of new HUTF revenues (see discussion of Senate Bill 36 extension above);
- Federal grants-in-aid and other federal funds.
- Other funding mechanisms such as tolls or bonding provisions, which are currently utilized by existing agencies which are folded into MTFFA. The MTFFA would also assume the corridor financing mechanisms currently allowed for RTD and TCA transit construction purposes.

In addition, the MTFFA is authorized to raise additional funds through a vote of the electorate for additional sales taxes (RTD's existing 1 cent levy for transit). Other financing powers not subject to voter approval include motor vehicle registration fees and sales taxes on gasoline within the authority area.

State and local cost sharing. The bill allows the Colorado Department of Highways to contribute funds to non-state system road projects and also permits local governments to contribute to state system road projects. Previous wording in statute prevented the use of state HUTF funds on local projects and vice versa. Members of the Colorado Highway Commission testified that certain projects existed in which such increased flexibility in funding would provide benefits to all parties. The bill also contains provisions to ensure increased local accountability and continued maintenance of effort at the local level. Specifically, the bill calls for cities and counties to match new revenues and not to offset existing appropriations.

New county allocation formula. Current statute allocates state road funds to counties as follows: 20 percent based on vehicle registrations and 80 percent based on county centerline-miles. The centerline-mile count is further adjusted by the difficulty of terrain.

The new formula is as follows: 30 percent based on vehicle registrations (15 percent "rural" and 15 percent "countywide"); 10 percent based on bridges (square footage); and 60 percent based on lane miles. The formula retains the terrain factor and also adjusts for maintenance differences between paved and unpaved roads (a ratio of 1.5 to 1). The bill also contains "hold harmless" provisions to modify the impact of funding reductions on counties that would realize a loss of HUTF funds under the new formula. These changes are intended to more accurately reflect those factors that influence road construction and maintenance costs. It effectively reallocates funds to those counties experiencing rapid growth, or with high concentrations of highways in their jurisdictions.

Bill 1 anticipates that the necessary funding to create the "hold harmless" portion of this provision will be derived from new county HUTF revenues before any distribution to the MTFA could be realized.

Concerning the Repeal of the Gross Ton-Mile Tax and Heavy Vehicle Registration Fees -- Bill 2

Colorado is one of eleven states that has a three-tier truck tax system composed of fuel taxes, registration fees, and gross ton-mile taxes. The majority of states have a two-tier system composed of two of the three elements. Bill 2 replaces the gross ton-mile (GTM) tax with a restructured truck registration fee schedule that applies to all vehicles over 10,000 pounds. The schedule is intended to raise the same amount of revenue lost with the repeal of GTM and several miscellaneous truck fees.

Payment of tax liability under GTM is based on the number of miles a vehicle travels with a given weight of cargo. In theory this system allows the state to equitably apportion the amount of road use and road deterioration among heavy vehicles. However, from a practical standpoint, it can be difficult for the carrier to accurately report (or for the state to accurately monitor) vehicle weight along different segments of road as cargo is loaded and unloaded.

Concerns associated with GTM include: reporting requirements which can be complex and onerous for the operator; the expense involved for the state to administer and collect the tax (estimated at 8-10 percent of collections versus 0.25 percent for income tax); and the system's almost exclusive reliance on the operator for accurate reporting of tax liability (which makes it subject to evasion). Replacement of GTM by the registration fee schedule is intended to simplify compliance and administration while also decreasing the costs associated with reporting and collection for both operators and the state.

Under Bill 2, the operators of trucks weighing over 10,000 pounds are required to register their vehicles:

- based on its weight under its heaviest expected load (13 categories); and
- based on the amount of miles the vehicle is expected to travel in the year for which the registration is valid (3 categories -- less than 10,000 miles; 10,000 to 30,000 miles; and over 30,000 miles).

The second factor above mandates that operators keep accurate yearly records of the number of miles a vehicle travels. Interstate vehicles making a one-time trip across the state may elect to use separate 72-hour permit schedule with reduced fees.

In addition to replacing the state's GTM provisions, Bill 2 repeals a series of small fees, trip permit fees, and some existing registration fees. Current revenues from GTM and the various fees are expected to be matched by the new registration schedule. Because of changes to the registration fee schedule, the category of "metro truck" in current statute is also removed. The bill contains certain exceptions to the new schedule, such as farm trucks, recreational vehicles, and wreckers and repair vehicles.

Concerning the Consolidation of the Relocation Authority of the State Department of Highways with the State Department of Local Affairs Relating to Federally Assisted Programs and Projects and State Highway Programs and Projects -- Bill 3

The bill changes Colorado law as it pertains to payment for relocation expenses when a person's property is acquired for a federally-aided project. Bill 3 also consolidates the current statutes in Titles 24 and 43 that pertain to relocation, placing all relocation statutes in Title 24 to assure uniform application of federal and state policy. The bill specifically states that "The Department of Local Affairs shall coordinate and implement the uniform policy for all relocation assistance for federally assisted programs and projects, except as provided in this section."

The bill expands the definition of "displaced person" to include any individual who has been displaced as a result of rehabilitation or demolition. The Department of Local Affairs may establish other eligibility criteria. Exempted from consideration as displaced persons are individuals who move into property after it has been acquired.

Payments for replacement housing and moving expenses are increased. Finally, Bill 3 expands the rule-making authority of the Department of Local Affairs to allow it to make changes in response to any future federal law changes.

This bill responds to federally mandated changes included in the Surface Transportation and Uniform Relocation Assistance Act of 1987.

Concerning the Authority of the State Department of Highways to Administer Funds Made Available Under the Federal Urban Mass Transit Act of 1964, As Amended -- Bill 4

Bill 4 allows the Colorado Department of Highways (CDOH) to receive certain funds from the Urban Mass Transit Administration, but with a specific provision that CDOH can only receive funds if there were no designated private recipients in Colorado. CDOH is authorized to "take all steps and adopt all procedures necessary to make and enter into such contracts and agreements as are necessary for the state application and administration of any funds made available under the federal 'Urban Mass Transportation Act of 1964.'"

Concerning the Repeal of the Requirement that Rules Pertaining to Special Permits for the Movement of Oversize Loads Be Reviewed by the Appropriate Standing Committee of the General Assembly Prior to Adoption by the State Highway Commission -- Bill 5

Bill 5 repeals the statutory provision requiring that rules and regulations concerning overweight and oversize loads be reviewed by the appropriate standing committees of the General Assembly by April 1, 1984. The current law, enacted in 1983, mandates that all rules and regulations pertaining to oversize and overweight vehicles must be submitted to the appropriate committees in the General Assembly prior to adoption by the Colorado Highway Commission.

If this bill is enacted, the commission would continue to retain the power to set rules and regulations for the administration and enforcement of oversize and overweight vehicles.

Concerning the Discharge of Passengers from School Buses -- Bill 6

Present law stipulates that school buses may not discharge passengers so they have to immediately cross highways or major thoroughfares. Bill 6 allows local school boards to determine that crossings can be made safely in certain locations. Local school boards are to work in conjunction with the "local traffic regulatory authority" in making such determinations. The bill continues the requirement that if adjacent access roads to a passenger's destination are available, school buses shall be prohibited from discharging that passenger onto the side of a thoroughfare.

The committee anticipates that this bill will alleviate the problem of school buses having to travel extra miles because they cannot drop passengers off at certain points.

Concerning the Use of Colored Lights by Official Vehicles -- Bill 7

The purposes of this bill are twofold: to designate blue as the color for flashing lights on state-operated snowplows and to designate green as the flashing light color for certain state and local emergency vehicles.

Flashing lights are operated as warning devices. All state service vehicles are presently required to have yellow flashing lights. Prior to 1978, state-operated snowplows had blue flashing lights. Emergency vehicles currently do not have official state designation. This bill stipulates that these vehicles would be officially designated as emergency vehicles in accordance with state or local government emergency plans. Green flashing lights could then only be used on emergency vehicles at designated stationary command posts at emergency locations.

Bill 7 is expected to alleviate the problem of drivers not being able to see snowplows during blizzard conditions.

Concerning the Farebox Recovery Ratio of the Regional Transportation District -- Bill 8

This bill would require that the RTD achieve a specified percentage of operating costs through farebox revenues. For Fiscal Year 1989-90, RTD would be required to achieve a 20 percent recovery rate; for FY 1990-91, RTD would have to achieve a 25 percent recovery rate; and for each year thereafter achieve a 30 percent recovery rate. Currently, RTD has a farebox recovery ratio of approximately 15 percent. Bill 8 gives a specific definition of farebox recovery as "the percentage of operating costs which are recovered by farebox revenues." The bill mandates that RTD prepare its budget based on the allowable farebox recovery rate for that year.

Bill 8 is also included as part of the "Colorado Surface Transportation Act of 1989" (Bill 1). If Bill 1 is enacted, RTD would obtain its operating revenues from the Metropolitan Transportation Finance Authority (MTFA). The MTFA could monitor RTD's farebox recovery rate and withhold funds if RTD did not meet the necessary ratio. If Bill 1 does not pass and Bill 8 is enacted, then RTD would be limited as to what it could raise through sales taxes.

Concerning Elections Regarding the Authority of the Regional Transportation District to Levy Additional Sales Taxes -- Bill 9

Bill 9 allows the district to hold an election on increasing its sales tax level without first conducting public hearings.

The RTD .6 percent sales tax may be increased by one percent if approved in an election. RTD also has the authority to levy commercial property assessments within each mass transit corridor and establish tax increment areas within each corridor. Present law stipulates that hearings concerning the commercial property assessments must be held prior to the sales tax election. Bill 9 removes the requirement that hearings be held prior to a sales tax election.

Current law also requires that in order to implement the sales tax, RTD must hold an election between 1988 and 1991, and must hold the election in February, May, October, or December. The bill removes the election deadline, and allows for such elections to be held in November in addition to the other months.

Additional Bills

The Colorado Department of Revenue requested a series of bills dealing with technical corrections to various motor vehicle penalties and procedures.

Concerning Colorado Drivers' Licenses -- Bill 10

Bill 10 allows the written part of the drivers' license examination process to be conducted by third parties. Current statute only allows third parties to give driving tests. This provision applies mostly to trucking companies.

The bill also conforms the age at which instructional permits can be issued (15.5 years). Current law contains two different ages at which individuals can apply for instructional permits, depending on whether or not the individual is enrolled in an approved driver education program. Last, the bill allows the department to issue a driver's license and a picture ID to the same person at the same time. Current statute states that either one or the other can be issued, but not both at the same time.

Concerning Motor Vehicle Drivers' Licenses -- Bill 11

Bill 11 conforms Colorado statutes to changes in federal law which require states to issue commercial drivers' licenses. The federal mandate is intended to lead to a universal truck driving license in which one license would be valid in all states. This program should eliminate the need for drivers to carry separate license plates for each state in which they operate.

Concerning the Provision of Certificates of Title for Motor Vehicle Dealers on the Same day of Application -- Bill 12

Bill 12 streamlines the process by which car dealers receive vehicle titles by providing same-day title service for an additional \$25.

Concerning Changes in Administrative Practices Relating to Vehicles Subject to State Regulation, and in Connection Therewith Increasing the Positions on Personalized License Plates, Changing the Manner of Calculating Specific Ownership Tax on Mobile Machinery and Construction Equipment, Placing Purjury Penalties on Certain Title Documents, and Providing for Collection of Emissions Program Fees From Nonresident Vehicle Owners -- Bill 13

Bill 13 authorizes the use of a seventh digit for license plates; allows partial-year registration of Class A, B, and F motor vehicles (some of which are used seasonally); eliminates the requirement that notaries public certify vehicle titles; and establishes procedures for the department to collect fees for Colorado's Automobile Inspection and Readjustment (AIR) program from vehicles not registered in Colorado but operating within the state's AIR program area.

Concerning Port of Entry Weigh Stations -- Bill 14

Bill 14 allows selected closure of ports of entry during times designated by the Executive Director of the Department of Revenue (e.g., Christmas day).

Concerning the Change of Dates by Which Certain Tax Returns Relating to Motor Vehicles Must be Filed from a Monthly Basis to a Quarterly Basis -- Bill 15

Bill 15 conforms the due dates for various tax returns to those specified under the International Fuel Tax Agreement.

Concerning Procedures for Revocation and Suspension of Drivers' Licenses -- Bill 16

Bill 16 modifies the requirement that an administrative hearing be held regarding driving violations involving points. Current statute requires a hearing in all instances but, under Bill 16, the hearing becomes elective.

Currently, penalties for driving with a license under revocation (for DUI) can be avoided if the mailed revocation notification is returned to postal authorities (i.e., if the person does not pick up his or her mail). Bill 16 would delete this returned-mail provision.

For traffic offenses committed in conjunction with alcohol use, current statute allows the actions related to the traffic offense and the DUI charge to run concurrently. However, those in a similar situation but convicted of DWAI (a lesser offense) cannot have their penalties run concurrently, resulting in a more severe penalty for a lesser offense. Bill 16 eliminates this disparity.

BACKGROUND REPORT

In order to provide a context for the deliberations and recommendations of the Highway Legislation Review Committee, the following materials have been provided:

PART I -- current methods used to finance state and local transportation systems.

Section 1 explains the operation of Colorado's Highway Users Tax Fund.

Section 2 explores transportation finance methods used in other states.

Section 3 examines public policy issues related to various transportation financing methods.

PART II -- Colorado's state and local road and mass transit needs and projected costs to the year 2001.

PART III -- history of mass transit in the Denver metropolitan area from the late 1800s to the present.

PART IV -- management and efficiency studies of the operations of the Colorado Department of Highways and proposed cost savings measures.

PART V -- relationships between taxation of trucking and highway finance in Colorado and neighboring states.

Section 1 attempts to determine the impact of recent diesel fuel tax increases on consumption and related economic activity.

Section 2 explores the relationship between highway finance in Colorado and its neighboring states and how the differences influence Colorado's dependence on truck-related taxes and fees.

Section 3 discusses the result of a recent cost allocation study of highway use in Colorado.

PART VI -- role of debt financing for transportation projects, related public policy concerns, and a discussion of recent debt financing initiatives in Arizona.

PART I

Transportation Finance

Section 1: Colorado's Highway Users Tax Fund

Introduction. In general, Colorado highway finance is based on the concept of user fees. Revenues are collected at three levels -- state-collected, locally-shared taxes from the state's Highway Users Tax Fund (HUTF); property and sales taxes by local governments; and a variety of taxes, assessments, fees, and tolls by various independent agencies.

State constitutional provisions. Colorado adopted Section 18 of Article X to the Colorado Constitution in 1934. The amendment provides that all revenues from motor vehicle licenses, registration fees, or other charges related to motor vehicle operations, and the excise tax on gasoline or other liquid motor fuels be used exclusively for state public highways.

The Colorado Constitution allows the state to levy up to four mills on each dollar of property valuation for "state purposes" (Article X, Section 11). The Colorado Supreme Court has ruled that "Any legitimate expenditure of the state necessary to be provided for by a state tax is a state purpose, and the tax to be provided is a tax for state purposes" (*People ex rel. Thomas v. Scott*, 9 Colo. 430, 12 P. 608, 1986). A state-level property tax was last levied in 1964. Based on 1985 levels of assessed valuation, a four mill levy would raise about \$132 million.

Colorado state government is prohibited by the state constitution from incurring general obligation (GO) debt except for "casual deficiencies of revenue," erecting public buildings, and in times of insurrection and war (Article XI, Section 3). The Colorado Supreme Court has ruled that the intent of this section is to prevent the pledging of state general purpose revenues in future years thereby obligating and constraining succeeding legislatures. However, there are instances where the state can use debt that does not violate the constitution. (Note: Please be aware that the cases and conclusions presented below do not represent legal opinions.)

In 1934, the state constitution was amended to dedicate all revenues from motor vehicle licenses and fees and motor fuel taxes exclusively for the construction and maintenance of the state's highways (Article X, Section 18; L. 35, Ch. 93). After this change, the General Assembly adopted legislation authorizing \$25 million in revenue anticipation warrants to be repaid exclusively from two newly-created state highway funds (L. 35, Ch. 124 and 181). The warrants were challenged but the Colorado Supreme Court ruled that, because the highway fund revenues were not available for any other general purposes, the warrants would not place any burden on the state's general revenues. Therefore, their use for retiring warrants was constitutional (*Johnson v. McDonald*, 97 Colo. 324, 49 P.2d 1017, 1935).

Over a series of cases, the court has developed a "special fund" doctrine which holds that "a statute which at the same time it creates a debt, creates the fund to pay (the debt), and which fund would not be otherwise available for general purposes, is clearly outside the constitutional (debt) prohibition" (In re Senate Resolution No. 2, 94 Colo. 101, 31 P.2d 325, 1933). Based on the evidence from several cases in this area, commingling of dedicated and general purpose revenues to retire debt does not appear to be constitutional. Also, how the debt obligation and its repayment are structured appear to bear on the debt's constitutionality.

Based on these court cases, Colorado appears to be able to finance transportation projects with debt through:

- dedication of Section 18 user fees to a special fund created solely for the retirement of the debt; and
- creation of a new revenue source dedicated to a special fund created solely for the retirement of the debt.

In either case, it appears that the current structure of the HUTF would not accommodate the court's requirements for permissible debt financing. Two considerations remain:

- * what impact the technical differences between the anticipation warrants issued in 1935 and other forms of debt currently available would have on the court's view of the constitutionality of these other forms; and
- * the current use of HUTF funds to support other state agencies may bring the revenues under the "general purpose" issues noted above.

Creation of the HUTF. The Highway Users Tax Fund (HUTF) was created in 1953 (Senate Bill 178) and is administered by the Colorado Department of Highways (CDOH). The fund serves as the collection and distribution point for revenues used to:

- construct, operate, and maintain the state highway system;
- provide financial assistance for county and municipal roads;
- fund the operations of CDOH; and
- finance highway-related programs in other state agencies and to support tax collections by local governments and the Department of Revenue (commonly referred to as "off-the-top" deductions).

HUTF revenue sources. The fund was originally the repository of those revenues sources listed in the state constitution. However, the major sources of revenue contributing to the fund at this time are excise taxes on motor fuels. Other revenue

sources include driver's licenses fees, annual registration fees on motor vehicles, trailers, and semi-trailers, penalty assessments, and the ton-mile and passenger-mile taxes. Portions of sales taxes attributable to the sale of motor vehicles and related items -- referred to as "Noble" moneys -- have also been transferred to the fund in the last ten years.

HUTF revenues for FY 1987-88 were estimated to be approximately \$402.7 million. Motor fuel taxes accounted for 74.4 percent of the fund (\$299.6 million). Other revenue sources to the HUTF included:

- \$32.9 million in gross ton-mile taxes (7.7 percent);
- \$31.4 million in motor vehicle registration fees (7.4 percent);
- \$23.1 million in driver license fees and other miscellaneous sources (5.4 percent); and
- \$15.7 million in General Fund transfers (9.4 percent) which represent a portion of the revenues gained from federal income tax reform.

The State Highway Fund, after off-the-top deductions and distribution to cities and counties, was expected to receive about \$201.5 million (50 percent).

Motor fuel excise taxes. The motor fuel tax applies to all gasoline, gasohol, and special fuels including diesel, kerosene, liquified petroleum gases, and natural gas. Certain exemptions from the tax apply.

In 1986, the General Assembly raised the fuel tax to 18 cents per gallon for gasoline and gasohol and 20.5 cents for special (diesel) fuels (Senate Bill 36). The increase is set to expire July 1, 1989, at which time the General Assembly intends to modify or extend the tax increase after reviewing the results of the cost allocation study of highway use.

Sales and use tax transfers. The diversion of sales and use taxes attributable to the sale of motor vehicles and related items -- the Noble money -- was authorized by Senate Bill 536 (1979). The bill allowed the transfer of moneys from the 15 percent of sales and use taxes that were not designated to fund the Old Age Pension Fund (Art. XXIV, Sect. 2, Colo. Const.) though the amount was not to exceed actual collections.

House Bill 1350 (1987) abolished the Noble transfers and in its place allocated state income tax revenues generated by federal tax reform to the HUTF for four years. The FY 1987-88 transfer is limited to the amount of funds remaining after payment of General Fund appropriations, the reserve requirement, and fund paybacks (up to \$40 million). The most recent estimate is \$15.7 million. For FY 1989, the General Fund transfer is limited to \$30 million and, for FYs 1990 and 1991, the limit is \$10 million. The transfers are to be repealed on July 1, 1991. The transfers are to be distributed as follows:

FY 1988 (\$15.7 million)

- 75 percent to the state highway fund (\$11.78 million)
- 15 percent to counties (\$2.35 million)
- 10 percent to municipalities (\$1.57 million);

FY 1989 (\$30 million)

- \$20 million to the state highway fund
- \$ 6 million to the counties
- \$ 4 million to the municipalities; and

FY 1990 and FY 1991 (\$10 million)

- \$ 6 million to the counties
- \$ 4 million to the municipalities.

Gross ton-mile tax. Colorado's gross ton-mile tax was enacted in 1927 (section 42-3-123 to 42-3-127, C.R.S.). The GTM tax is imposed on owners and operators of trucks registered as metro vehicles when operating beyond their permitted radius and to all other trucks, truck trailers, trailers, and semi-trailers having an empty weight exceeding 10,000 pounds. The amount of the tax is based on the number of miles the vehicle travels on public roads in Colorado and the empty weight and cargo weight of the truck in tons. The GTM is paid in lieu of higher vehicle registration fees.

The present rate of taxation listed below was adopted in 1955. Certain exemptions are specified in the law.

- 1) 0.8 mills (0.08 of 1 cent) upon each gross ton-mile of empty vehicle weight; and
- 2) 2.0 mills (0.2 of 1 cent) upon each gross ton-mile of cargo weight.

Passenger-mile tax. The tax rate of one mill per passenger-mile was first imposed in 1927 and has remained unchanged since that date (sections 42-3-123 to 42-3-127, C.R.S.). Passenger miles are determined by multiplying the actual number of revenue passengers carried by each motor vehicle by the number of miles carried. In lieu of paying the passenger-mile tax, passenger buses may obtain a temporary certificate of public convenience and necessity for a fee of \$10. Passenger buses registered in another state making occasional trips to Colorado may obtain a trip permit for a \$25 fee (Senate Bill 71, 1988) or pay the amount of the passenger-mile tax due, whichever is greater. The tax does not apply to mass transit vehicles or taxicabs, hotel buses, sightseeing buses, or limousines operated within city limits.

Motor vehicle registration fees. Registration fees have been imposed since 1913 and currently apply to all motor vehicles (section 42-3-101, et seq., C.R.S.). Fees for passenger cars are based on the weight while buses pay the fee based on seating capacity. Additional fees are also collected for local governments and vehicle emission programs. Certain exemptions are specified in law.

Driver's licenses. Any person who is at least 16 years of age and drives a motor vehicle upon a highway in the state is required to obtain a driver's license (section 42-2-101, C.R.S.; certain exemptions apply). The current fee is \$6.50. Revenues are transferred to the HUTF after diversions for local government administrative expenses. Driver's license fees were first required in 1913.

HUTF Revenue Collections

A ten-year history of HUTF revenue collections from each source can be found in Table I on the next page.

As the table on the following page demonstrates, individual categories within the HUTF display a wide variance in terms of growth. As a means of comparison, between 1979 and 1988, total HUTF revenues increased 192.8 percent while the inflation rate was 58.3 percent (Denver CPI-U, U.S. Department of Labor) and the Federal Highway Administration's Highway Maintenance and Operation Cost Trend Index increased 71.4 percent.

Distribution of HUTF Revenues

Revenues from the HUTF are apportioned to entities and programs on a monthly basis. Two formulas are used to distribute motor fuel taxes to the state, cities, and counties:

- (1) Revenues raised by the first seven cents of the fuel tax comprise the state's "Basic Fund." They are first used to finance highway-related programs in various state departments -- off-the-top deductions, and the remainder are distributed to state and local government highway funds. Off-the-top deductions are limited to an annual growth factor of seven percent.
- (2) Revenues raised by the 1981, 1983, and 1986 fuel tax increases are first used to fund bridge repair and are then distributed to state and local governments. These formulas are presented in greater detail below.

Motor Fuel Tax Distribution

Basic Fund - First 7 Cents (1969 law)

- A. Off-the-top deductions
- B. Remaining funds
 - 65% to state highway fund
 - 26% to counties
 - 9% to cities

Additional Revenues (amendments in 1981, 1983, 1986)

- A. Bridge repair (16%)
- B. Remaining funds (84%)
 - 60% to state highway fund
 - 22% to counties
 - 18% to cities

Table I

Ten-Year History of HUTF Revenue Collections 1/
(in millions)

	FY 1978-79	FY 1979-80	FY 1980-81	FY 1981-82	FY 1982-83	FY 1983-84	FY 1984-85	FY 1985-86	FY 1986-87	FY 1987-88	FY 1979-88	Percent Inc/(Dec)
Fuel Tax												
1st 7 Cents	\$114.8	\$113.5	\$108.3	\$109.7	\$110.4	\$115.0	\$112.7	\$116.2	\$113.6	\$113.6		(0.8)%
1st Add. 2/	--	--	--	29.2	31.5	73.4	73.8	78.1	85.2	85.2		191.8
2nd Add. 3/	--	--	--	--	--	--	--	--	92.3	100.7		9.1
Sales/Use	--	30.0	33.0	36.0	47.0	51.7	51.6	51.4	40.0	0.0		71.3
GTM	21.8	23.0	24.9	24.0	23.0	28.6	30.3	30.1	31.8	32.9		50.9
Registration	22.5	24.3	25.5	25.9	28.1	28.6	29.1	29.5	30.7	31.4		39.6
Penalty	3.8	3.9	3.7	2.9	2.6	2.4	2.4	2.5	4.5	4.8		26.3
Other 4/	8.0	10.9	12.3	13.0	9.8	12.0	13.6	15.7	14.0	17.3		116.3
Interest	1.1	1.1	0.7	1.8	1.4	1.6	1.0	0.9	1.0	1.1		0.0
General Fund 5/	--	--	--	--	--	--	--	--	--	15.7		--
TOTAL	<u>\$172.0</u>	<u>\$206.6</u>	<u>\$208.4</u>	<u>\$242.5</u>	<u>\$253.7</u>	<u>\$313.3</u>	<u>\$314.5</u>	<u>\$324.4</u>	<u>\$413.2</u>	<u>\$402.7</u>		<u>192.8%</u>

1/ Colorado Department of Highways, (CDOH), Budget Reports for FYs 1982-83, 1983-84, and 1988-89.

2/ Includes a 2-cent increase for gasoline and diesel fuel in FY 1981-82, a 3-cent increase on gasoline and a 4-cent increase on diesel fuel in FY 1983-84.

3/ Includes a 6-cent increase for gasoline and a 7.5-cent increase for diesel fuel in FY 1986-87.

4/ Includes drivers' license fees.

5/ Moneys generated by federal income tax reform.

Basic Fund Distribution

Off-the-top deductions. The off-the-top deductions are used to finance highway-related functions in other state agencies as well as specific repair and safety programs. First, allocations from the first seven cents of the motor fuel tax are made to the Highway Crossing Protection Fund (section 43-4-201 (2), C.R.S.). Other programs receiving HUTF moneys include the Colorado State Patrol, revenue collections by the Department of Revenue, and the AIR program.

Highway crossing protection fund. Created in 1965, this fund is used to install, construct, and improve automatic and other safety signals at street/railroad crossings that are approved or ordered by the Public Utilities Commission (section 40-4-106 (2)(a), C.R.S.). Twenty thousand dollars a month is deposited into the fund until the fund exceeds \$240,000. Moneys from the fund are used when projects are not approved to receive federal funds, nor may the funds be used to match federal funds for a project. The PUC also allocates the costs between railroad companies, local governments, and the state. The PUC is required to apportion no less than 20 percent of project costs to railroad companies. Projects are funded on a first come, first served basis.

History of off-the-top funding. Table II contains a ten-year history of department off-the-top receipts (totals may not add due to rounding). 1/ It should be noted that the Colorado State Patrol was transferred from the Department of Highways to the newly created Department of Public Safety on July 1, 1984.

Table II

Highway Users Tax Fund "Off-the-Top" Deductions
(in millions)

Department	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	Percent Inc./ (Dec.) FY 1979-88
	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	
Admin.	\$1.1	\$2.0	\$2.1	\$1.7	\$1.6	\$3.2	\$3.0	\$3.6	\$3.2	\$2.8	
Correct.	1.4	1.7	1.2	1.2	1.4	1.9	2.2	2.7	2.9	3.2	
Governor	--	--	--	--	--	--	--	--	--	0.2	
Health	--	--	--	--	--	0.2	0.2	0.2	0.3	0.3	
Highways	18.0	19.2	21.3	21.4	22.7	22.9	0.2	0.3	0.3	0.3	
Labor	0.3	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.5	0.5	
Local Affrs.	0.2	0.3	0.3	0.4	0.4	0.5	--	--	--	--	
Pub. Safety	--	--	--	--	--	--	25.7	27.7	30.9	30.9	
Reg. Agen.	1.2	1.5	1.4	1.4	1.6	1.7	1.9		1.6	1.6	
Revenue	15.7	16.4	14.5	19.8	18.9	19.6	21.5	22.6	23.9	22.8	
Treasury	--	--	--	--	--	0.2	--	--	--	--	
Cap. Const.	0.0	0.1	0.6	0.7	1.0	1.1	0.5	0.4	1.9	4.0	
Subtotal	\$37.9	\$41.4	\$41.8	\$46.9	\$47.9	\$51.7	\$55.8	\$58.0	\$65.6	\$66.7	
Highway Crossing Fund	0.2	0.2	0.2	0.2	0.0	0.2	0.2	0.2	0.1	0.2	
TOTAL	\$38.1	\$41.6	\$42.0	\$47.2	\$48.0	\$51.9	\$56.0	\$58.2	\$65.7	\$66.9	75.6%

The following table details the growth in the off-the-top transfers as a percentage of the total basic fund. The deductions in FY 1987-88 consumed 11.1 percent more of the basic fund receipts than in FY 1978-79 (totals may not add due to rounding).
1/

**Percentage of Basic Fund Gross Receipts
(in millions)**

Fiscal Year	Basic Fund Gross Receipts	Total Off-the- Top	Percentage of Basic Fund Gross Receipts
1978-79	\$172.0	\$38.1	22.2%
1979-80	176.6	41.6	23.6
1980-81	175.4	42.0	23.9
1981-82	177.3	47.2	26.6
1982-83	175.5	48.0	27.4
1983-84	188.2	51.9	27.6
1984-85	189.1	56.0	29.6
1985-86	194.9	58.2	29.9
1986-87	193.7	65.7	33.9
1987-88	200.9	67.0	33.3

Basic fund distributions after off-the-top. Net revenues remaining after the off-the-top deductions are distributed to the state (65 percent), counties (26 percent), and cities (9 percent). The amounts that have been distributed to those entities since FY 1978-79 are provided below (totals may not add due to rounding). 1/

**Basic Fund Distributions After Off-the-Top Deduction
(in millions)**

	FY 1978-79	FY 1979-80	FY 1980-81	FY 1981-82	FY 1982-83
State	\$87.0	\$87.7	\$86.7	\$84.6	\$82.9
County	34.8	35.1	34.7	33.8	33.1
Cities	12.0	12.1	12.0	11.7	11.5
TOTAL	\$133.9	\$135.0	\$133.4	\$130.2	\$127.5
	FY	FY	FY	FY	FY
	1983-84	1984-85	1985-86	1986-87	1987-88
State	\$88.6	\$86.5	\$88.8	\$83.2	\$87.1
County	35.5	35.6	35.5	33.3	34.8
Cities	12.3	12.0	12.3	11.5	12.1
TOTAL	\$136.4	\$134.1	\$136.7	\$128.0	\$134.0

Additional Fuel Tax Distribution

Additional fuel tax revenues are the result of the increases in motor fuel taxes that are listed below. The first 16 percent of the revenues generated by additional fuel taxes are allocated to the bridge repair fund.

Additional Motor Fuel Tax Increases

<u>Year</u>	<u>Gasoline</u>	<u>Special Fuel</u>
1981	2 cents	2 cents
1983	3 cents	4 cents
1986	6 cents	7.5 cents

Bridge repair fund. The bridge repair fund was created in 1981 for bridge repair, replacement, and posting (section 43-4-205 (7), C.R.S.). Bridge fund moneys are first distributed to the state's special bridge account and, thereafter, to the counties and cities based on total cost needs under criteria of the most current federal bridge inventory. The statute also specifies that county and city bridge needs are to be determined by a "special highway committee" composed of local government members. Local governments must also provide 20 percent matching funds. Prior to June 30, 1992, the General Assembly is to reexamine the need for the fund. Distributions of bridge fund revenues from FY 1983-84 to FY 1987-88 are presented below (totals may not add due to rounding). 1/

Distribution of Bridge Repair Funds (in millions)

	<u>FY 1983-84</u>	<u>FY 1984-85</u>	<u>FY 1985-86</u>	<u>FY 1986-87</u>	<u>FY 1987-88</u>
State	\$2.7	\$3.0	\$2.8	\$6.9	\$8.9
County	5.6	5.7	6.2	14.3	13.8
Cities	3.4	3.2	3.5	7.3	7.0
TOTAL	\$11.8	\$11.8	\$12.5	\$28.5	\$29.7

Fuel tax distributions after bridge fund deductions. The remaining 84 percent of the additional motor fuel taxes are distributed to the state (60 percent), counties (22 percent), and cities (18 percent). Dollar amounts under this formula are provided below (figures may not add due to rounding). 1/

**Distribution of Additional Motor Fuel Taxes
(in millions)**

	<u>FY 1978-79</u>	<u>FY 1978-80</u>	<u>FY 1980-81</u>	<u>FY 1981-82</u>	<u>FY 1982-83</u>
State				\$16.0	\$17.7
County				7.3	8.3
Cities				<u>5.9</u>	<u>6.4</u>
TOTAL				\$29.2	\$32.4
	<u>FY 1983-84</u>	<u>FY 1984-85</u>	<u>FY 1985-86</u>	<u>FY 1986-87</u>	<u>FY 1987-88</u>
State	\$39.7	\$37.2	\$39.3	\$89.5	\$93.8
County	19.2	13.6	14.4	32.9	34.4
Cities	<u>14.5</u>	<u>11.2</u>	<u>11.8</u>	<u>26.8</u>	<u>28.1</u>
TOTAL	\$61.7	\$62.0	\$65.6	\$149.2	\$156.2

Distribution of General Fund Transfers

General Fund transfers to the HUTF since 1979 have included revenues from sales and use taxes on specific purchases and revenues attributable to revision of the federal income tax laws.

Noble funds. Senate Bill 536 (1979) diverted a portion of sales and use taxes attributable to motor vehicles and related items to the HUTF. The money was distributed in the same ratio (60/22/18) as additional motor fuel taxes. Total distributions between FY 1979-80 and 1987-88 are presented below (figures may not add due to rounding). 1/

**Distribution of Noble Funds
(in millions)**

	<u>FY 1978-79</u>	<u>FY 1978-80</u>	<u>FY 1980-81</u>	<u>FY 1981-82</u>	<u>FY 1982-83</u>
State		\$18.0	\$19.8	\$21.6	\$17.4
County		6.6	7.3	7.9	6.4
Cities		<u>5.4</u>	<u>5.9</u>	<u>6.5</u>	<u>5.2</u>
TOTAL		\$30.0	\$33.0	\$36.0	\$29.0

	<u>FY 1983-84</u>	<u>FY 1984-85</u>	<u>FY 1985-86</u>	<u>FY 1986-87</u>	<u>FY 1987-88</u>
State	\$31.0	\$31.0	\$30.9	\$24.0	\$11.8
County	11.4	11.4	11.3	8.8	2.4
Cities	<u>9.3</u>	<u>9.3</u>	<u>9.3</u>	<u>7.2</u>	<u>1.5</u>
TOTAL	\$51.7	\$51.6	\$51.4	\$40.0	\$15.7

Phasing out the Noble diversion. The Noble distribution formula remained unchanged until it was phased out during in the 1987 session (House Bill 1350). The funds were replaced in part by increased state income tax revenues attributable to the federal Tax Reform Act of 1986. The actual transfer for FY 1987-88 is the amount of increased income tax revenue remaining after meeting General Fund appropriations, the six percent reserve requirement, and restoration of moneys borrowed from the Water Conservation Board Construction and the Severance Tax Trust Funds. The most recent estimate for FY 1987-88 and transfers for fiscal years 1989 through 1991 are listed below.

General Fund Transfers Per House Bill 1350

FY 1988 (\$15.7 million)

- 75 percent (\$11.78 million) to the state highway fund
- 15 percent (\$2.35 million) to counties
- 10 percent (\$1.57 million) to municipalities;

FY 1989 (\$30 million)

- \$20 million to the state highway fund
- \$6 million to the counties
- \$4 million to the municipalities; and

FY 1990 and FY 1991 (\$10 million)

- \$6 million to the counties
- \$4 million to the municipalities.

State Allocations of Funds

After the distribution of motor fuel taxes to the Highway Crossing Protection Fund, General Fund transfers to cities and counties, bridge fund, and other off-the-top expenditures, 65 percent of the first seven cents and 60 percent of the additional fuel taxes and General Fund appropriations are placed in the State Highway Fund. This fund is used to pay for CDOH operations and for financing state highway projects.

The following tables provide a history of the funds budgeted by CDOH for construction, maintenance, and operation of state highways and the amount of federal, state, and local government contributions.

Table III lists the amounts dispersed for construction, maintenance, operation, and administrative expenses of the department. Federal funds are not available for maintenance activities on the state system (totals may not add due to rounding). 1/

Table IV lists the amounts and sources of funds for construction and maintenance (totals may not add due to rounding). 1/

Table III

**Cost of Highway Construction and Maintenance
(in millions)**

	<u>FY</u> <u>1978-89</u>	<u>FY</u> <u>1979-80</u>	<u>FY</u> <u>1980-81</u>	<u>FY</u> <u>1981-82</u>	<u>FY</u> <u>1982-83</u>	<u>FY</u> <u>1983-84</u>	<u>FY</u> <u>1984-85</u>	<u>FY</u> <u>1985-86</u>	<u>FY</u> <u>1986-87</u>	<u>FY</u> <u>1987-88</u>
Construction										
Federal	\$9.7	\$15.6	\$18.8	\$54.5	\$109.8	\$153.1	\$145.7	\$127.6	\$148.6	\$164.7
100% State	1.8	12.7	33.0	9.1	7.9	1.3	18.5	9.5	61.3	62.4
Other	167.5	142.1	144.9	109.9	189.9	120.7	187.7	157.8	128.7	98.2
Subtotal	\$179.0	\$170.4	\$196.8	\$173.5	\$307.6	\$275.1	\$351.9	\$294.9	\$338.5	\$325.2
Maintenance	59.7	68.6	82.7	82.5	95.5	98.8	104.5	109.6	112.4	114.6
Operations	6.7	6.9	6.8	6.9	4.4	4.8	4.7	5.3	5.4	5.5
Administration	5.9	6.2	7.0	7.4	7.9	8.3	9.7	10.6	11.8	11.2
Subtotal	\$72.3	\$81.6	\$96.5	\$96.7	\$107.8	\$111.9	\$118.9	\$125.5	\$129.6	\$131.3
TOTAL	\$251.3	\$252.0	\$293.3	\$270.2	\$415.4	\$387.0	\$470.7	\$420.4	\$468.1	\$456.5

Table IV

**Sources of State Highway Fund
Construction and Maintenance Revenues
(in millions)**

	<u>FY</u> <u>1978-79</u>	<u>FY</u> <u>1979-80</u>	<u>FY</u> <u>1980-81</u>	<u>FY</u> <u>1981-82</u>	<u>FY</u> <u>1982-83</u>	<u>FY</u> <u>1983-84</u>	<u>FY</u> <u>1984-85</u>	<u>FY</u> <u>1985-86</u>	<u>FY</u> <u>1986-87</u>	<u>FY</u> <u>1987-88</u>
Construction										
Federal	\$147.9	\$133.3	\$134.9	\$131.7	\$265.6	\$210.2	\$268.8	\$229.3	\$226.1	\$220.7
State	21.5	28.5	56.8	26.1	31.7	46.5	58.6	47.7	97.4	92.7
Local *	9.6	8.6	5.1	5.7	6.2	5.1	8.0	3.5	7.4	9.5
Reimburse	0	0	0	10.0	4.1	13.4	16.4	14.4	7.7	2.4
Subtotal	\$179.0	\$170.4	\$196.8	\$173.5	\$307.6	\$275.1	\$351.9	\$294.9	\$338.5	\$325.2
Maintenance	72.3	81.6	96.5	96.7	107.8	111.9	118.9	125.5	129.6	131.3
TOTAL	<u>\$251.3</u>	<u>\$252.0</u>	<u>\$293.3</u>	<u>\$270.2</u>	<u>\$415.4</u>	<u>\$387.0</u>	<u>\$470.7</u>	<u>\$420.4</u>	<u>\$468.1</u>	<u>\$456.5</u>

* These are costs reimbursed by private enterprise, public utilities, and local and state government agencies.

Table V summarizes the amount each level of government has contributed to the total state highway construction and maintenance budget (totals may not add due to rounding). 1/

Table V

**Total Sources of State Highway Fund Revenue
(in millions)**

	<u>FY</u> <u>1978-79</u>	<u>FY</u> <u>1979-80</u>	<u>FY</u> <u>1980-81</u>	<u>FY</u> <u>1981-82</u>	<u>FY</u> <u>1982-83</u>
Federal	\$147.9	\$133.3	\$134.9	\$131.7	\$265.6
State	93.8	110.2	153.3	122.8	139.5
Local	9.6	8.6	5.1	5.7	6.2
Reimburse	--	--	--	10.1	4.1
TOTAL	\$251.3	\$252.0	\$293.3	\$270.2	\$415.4

	<u>FY</u> <u>1983-84</u>	<u>FY</u> <u>1984-85</u>	<u>FY</u> <u>1985-86</u>	<u>FY</u> <u>1986-87</u>	<u>FY</u> <u>1987-88</u>
Federal	\$210.2	\$268.8	\$229.3	\$226.1	\$220.7
State	158.4	177.5	173.2	227.0	224.0
Local	5.1	8.0	3.5	7.4	9.4
Reimburse	13.4	16.4	14.4	7.7	2.4
TOTAL	\$387.1	\$470.7	\$420.4	\$468.1	\$456.5

County HUTF Allocation

After initial HUTF deductions, counties are allotted 26 percent of the first 7 cents of motor fuel taxes and 22 percent of additional fuel taxes (section 43-4-207, C.R.S.). The moneys may be used for construction and maintenance on each county's highway system, including purchase of rights-of-way. However, administrative costs are limited to 5 percent of the funds that each county receives. (The City and County of Denver is considered a city when receiving HUTF funds.) Counties also receive special ownership taxes from class A vehicles (based on road-miles) and revenues generated by vehicle classes B, C, D, and F.

(Note: Whereas Colorado statutes provide for distribution of both the 9 and 18 percent formulas for cities (below), no mention is made of criteria to be used to distribute the 22-percent share of additional motor fuel taxes mentioned above.)

Allocation among the counties. Eighty percent of the funds are allocated in proportion to the mileage of public highways in each county (exclusive of the state system). These miles are adjusted by applying terrain and construction difficulty factors determined by the state highway department.

<u>Class</u>	<u>Factor</u>
- Plain	1.00
- Plains and rolling irrigated	1.75
- Mountainous	3.00

The remaining 20 percent is allocated in proportion to the rural motor vehicle registrations in each county.

Municipal HUTF Allocation

After initial HUTF deductions, cities receive 9 percent of the revenues from the first 7 cents of motor fuel taxes and 18 percent of additional motor fuel taxes (section 43-4-208, C.R.S.). The moneys may be used for construction and maintenance on the city highway system, including purchase of rights-of-way. However, administrative costs are limited to 5 percent of the funds that each city receives. Cities also receive special ownership taxes from class A vehicles (based on road mileage) and revenues generated by class B, C, D, and F vehicles.

Allocation among cities. Colorado statute provides two different allocation formulas for motor fuel taxes designated for cities:

Nine percent formula. Eighty percent of revenues received from the first 7 cents of motor fuel taxes is distributed based on adjusted urban motor vehicle registrations. Adjusted registrations are calculated by multiplying the actual registrations by a factor that reflects the costs of construction resulting from high concentrations of vehicles in urban areas.

The remaining 20 percent is allocated in proportion to the city's centerline-miles (section 43-4-208 (2), C.R.S.).

Eighteen percent formula. Eighty percent of the additional revenues from motor fuel taxes imposed since 1979 are distributed based on adjusted urban motor vehicle registrations. The calculation is the same as that mentioned in the nine percent formula but uses different adjusting factors (section 43-4-208 (6), C.R.S.). The remaining 20 percent is allocated in proportion to the city's centerline-miles (section 43-4-205 (6)(b)(III), C.R.S.).

Local Government Transportation Finance

In addition to state HUTF receipts, local governments in Colorado may employ debt financing and various types of benefit assessment districts to fund transportation improvements. The state has also created independent authorities to build and operate highways and mass transit projects on a regional basis.

Local government debt financing. Procedures for the issuance of local government general obligation (GO) debt are specified in Section 6 of Article XI of the state constitution. Except for provisions in the charters of home rule cities and counties, GO debt must be adopted by "legislative measure" and approved by voters. In general, these restrictions do not apply to revenue bonds and similar debt redeemed from dedicated revenue sources (see "special fund" doctrine, p. 25).

Municipalities may incur debt to buy, build, or improve public streets. Total debt is limited to no more than three percent of the actual value of taxable property within the city. The length of debt is limited to 30 years (section 31-15-301, et seq., C.R.S.).

Home rule cities may issue all forms of municipal debt (Art. XX, Sect. 6, Colo. Const.). If there are no restrictions on debt in their adopted charters, the limitations in either Article XI or XX of the state constitution do not apply (Davis v. City of Pueblo, 158 Colo. 319, 406 P.2d 671, 1965).

Counties. Upon voter approval, *counties* may issue debt to build or repair public roads and mass transit systems (section 30-26-301, et seq., C.R.S.). The length of debt is limited to 20 years. Each county is also authorized to issue debt for their capital improvement trust fund projects (section 30-26-501, et seq., C.R.S.). Some local governments have issued bonds based on their HUTF allocations.

Local government leasing options. Municipalities are authorized to enter into long-term rental and leasing arrangements for land, buildings (except residential), equipment, and other property. Such agreements are not considered indebtedness as that term is used in the state constitution (section 31-15-801 to 31-15-803, C.R.S.). Counties have similar powers (section 30-11-104.1 and 30-11-104.2, C.R.S.).

Benefit assessment districts. Local benefit assessment districts are found in Colorado statute in Article 25 of Title 31 (cities) and Article 20 of Title 30 (counties). Municipal forms are known as *general* and *special improvement districts*; county forms are known as *public* and *local improvement districts*. Within a broad range of public improvements, these districts may improve and extend, in whole or in part, any street within their area. The districts differ in terms of their revenue source (taxes or assessments), the limits placed on the level of debt, and their degree of independence from the government jurisdictions in which they operate.

Independent Authorities

Colorado has created several quasi-governmental authorities to plan, construct, operate, and maintain regional road and mass transit systems.

Public highway authorities. Combinations of cities, counties, and the state may form public highway authorities to plan, build, operate, and maintain highways (section 43-4-501, et seq., C.R.S.). This is the statute under which W-470 and E-470 are organized. Boards of directors of such authorities are composed of elected officials from the member governments. Financing may be achieved through:

- highway expansion fees on building permits;
- annual motor vehicle registration fees up to \$10;
- sales tax levies up to four-tenths of one percent;
- employment privilege ("head") taxes up to \$2;
- business privilege taxes up to \$2 per employee;
- federal funds under certain conditions;
- the pledging of local governments' share of HUTF moneys;
- establishing local improvement districts, subject to petitions signed by the majority of land owners and electors within the district; and
- value capture areas for property and sales taxes within the authority's boundaries.

Public highway authorities also have broad powers to enter agreements with other public agencies and private interests for joint financing and operation, donations, and other contributions. Any new tax or tax increase is subject to voter approval. Authority bonds may be issued based on any of the above revenue sources.

Mass transit -- RTD, TCA. The Regional Transportation District (RTD) was created in 1969 to develop and operate a mass transportation system within the Denver metropolitan area (section 32-9-101, et seq., C.R.S.). It is governed by an elected board. RTD is authorized to:

- establish fares;
- issue various short- and long-term debt instruments;
- levy property taxes, subject to limitations;
- levy a sales tax of 0.6 percent, subject to voter approval; and
- accept federal, state, and local grants and loans.

The district also has broad powers to contract with various agencies and persons for services and private financing, and to receive gifts, donations, and other contributions.

RTD was recently mandated to construct seven mass transit corridors in the Denver metropolitan area. Revenue sources for these projects include:

- an additional sales tax of up to one percent in the metro area, subject to voter approval;
- an employment privilege tax of up to \$2;
- a business privilege tax of up to \$2;
- a "mass transit fee" on commercial property; and
- tax increment financing, subject to the approval of affected local governments.

Senate Bill 164 (1988) directed RTD to contract out at least twenty percent of its bus service to private contractors. Provisions in the law also direct the district to study the feasibility of private contracts for its management services.

The Transit Construction Authority (TCA) was created in 1987 to build a light rail transit system from northern Douglas County to Denver's central business district (section 32-9.5-101, *et seq.*, C.R.S.). TCA is governed by a seven-member board appointed by the Governor and confirmed by the Senate. Within a corridor one-half mile on either side of the transit line, TCA is authorized to:

- collect employment privilege taxes (up to \$2);
- levy commercial property taxes;
- issue equipment trust certificates and revenue bonds;
- upon agreement, share up to fifty percent of increases in sales or property taxes collected over the prior year by other taxing jurisdictions within the corridor;
- receive gifts, donations, and other contributions; and
- lease authority properties and development rights.

Section 2: Transportation Finance in Other States

This section discusses various transportation financing mechanisms used in other states. Emphasis has been placed on techniques not normally found in Colorado.

User fees. The economics of *toll roads* has limited their use in recent years. However, they may provide a measure of support for operation and maintenance expenses and may be self-sustaining under certain conditions.

- Pennsylvania is continuing with a statewide plan for \$3.7 billion in subsidized toll roads. The plan includes the sale of revenue bonds and the conversion of two segments of the interstate system to toll roads. The extent of subsidies will depend on toll rates, changes in policies regarding federal support for toll road construction, and federal repayment requirements for tolled sections of the interstate. Based on the deterioration of those sections, full payment may not be required. The program is overseen by a five-member Pennsylvania Turnpike Commission appointed by the Governor and confirmed by the Senate. The Secretary of Transportation serves *ex officio*.
- A 13-mile toll road was recently completed connecting Dulles Airport with the Washington, D.C., beltway. Even though the road was constructed parallel to an existing free access road to the airport, the road has been self-sustaining with revenues 20 percent above projections. Several factors made the Dulles Toll Road feasible:
 - * it is in a high volume traffic corridor;
 - * its tolls are relatively high (six cents per mile);
 - * it was constructed on previously acquired land; and
 - * the road is maintained by the Virginia Department of Transportation out of annual appropriations. 6/

Though many states have increased *motor fuel taxes* in recent years, in many instances the revenues have not kept pace with the cost of highway construction and have been undermined by lower fuel consumption. Between 1973 and 1983, the Federal Highway Administration's (FHWA) Highway Maintenance and Operation Cost Trend Index increased 119 percent while the purchasing power of motor fuel collections decreased 42 percent. 7/

6/ Greenbaum, Daniel W., "Use of Tolls in Highway Financing," Innovative Financing for Transportation: Practical Solutions and Experiences, United States Department of Transportation, Conference Proceedings, DOT-I-86-20, April 1986, pp. 135-146.

7/ Schrantz, Roger, "Policies and Politics of Indexed Motor Fuel Taxes," Innovative Financing, p. 75.

To address this situation, Ohio created a *variable rate motor fuel tax* formula incorporating the FHWA index (1981). Michigan (1982) and Wisconsin (1985) have enacted similar systems. Under Ohio's variable rate system, fuel taxes are annually adjusted in proportion to changes in the index and inversely to changes in fuel consumption. A tax rate ceiling was included in Ohio's statute and has since been reached; Michigan's system provided for adjustments in 1983 and 1984 only; and Wisconsin's formula does not contain a ceiling. The presence of rate ceilings is noted as one of the flaws in current variable rate formulas.

Assessing benefited property. Benefit assessment practices recognize that specific advantages are often realized because of transportation improvements, e.g., increased customer traffic, land values and development potential, and decreased travel costs. Benefit assessment attempts to identify these advantages as well as their beneficiaries, capture all or a portion of the value of those benefits, and direct the resulting revenues into project support.

The benefit assessment techniques discussed below are similar in many ways to aspects of public-private joint ventures discussed in the next section. Appendix D offers examples of how these techniques have been used in combination to assign costs among beneficiaries in order to support various projects. Though the examples provided are for mass transit, the techniques have also been used to finance highway projects.

Tax increment financing (TIF) is a technique used to capture increases in value that are a consequence of new development. For example, the construction of a new highway interchange would be expected to stimulate development in the surrounding area and increase the value of existing property or the level of economic activity. When a TIF district is established, the level of property or sales taxes paid to existing jurisdictions is capped at pre-construction levels. Future tax revenues above this cap -- the "increment" -- are used to finance the project directly, or indirectly through the issuance of debt securities.

In general, TIF has not been used extensively for transportation projects. The technique has partially financed construction of the Embarcadero Station of the Bay Area Rapid Transit (BART) system in San Francisco and bus stations and pedestrian concourses for a downtown bus loop in Toledo (Ohio). The technique has also been proposed for highway improvements in Prince Georges County (Maryland) near a terminal of the Washington, D.C. rapid transit system.

Benefit assessment districts are created to spread the cost of improvements over the benefited properties within a specific area. Assessment formulas generally attempt to calculate charges based on the amount of benefits received and apportion them based on linear or square footage or the distance from the improvement.

For example, Virginia has created multi-county transportation improvement districts (section 15.1-1372.1, et seq., C.V.A.). The governing board of the district is composed of members from each participating county's board of supervisors. In addition to local government contributions, districts may levy "special improvements

taxes" of not more than twenty cents per \$100 of assessed fair market value of commercial and industrial property in the district. Revenues may be used to fund highway project bonds issued by the state's highway commission (Commonwealth Transportation Board).

Connector fees are charged to owners or developers of facilities that are or wish to be directly connected to transportation facilities, e.g., a mass transit station. They may be in the form of:

- * lump sum payments for special access or the construction of special access to the system;
- * annual contributions toward construction, operation, and maintenance of the system; and
- * 'in lieu' dedication of property for station areas or easements.

Connector fees have been used extensively in the Miami (Florida) Metromover, Los Angeles' Metro Rail, and the Washington, D.C. regional transit system. 8/

Development impact fees may be levied in order to mitigate the effects of increased development on new or expanded transportation systems, such as additional capital and operating expenses. These fees may be a levy on square footage, sponsorship of ridesharing programs, or specific project conditions such as design elements and density limitations imposed through local planning agencies. Systems development charges are a variation of impact fees which allow new development to contribute to existing facilities in anticipation of the impact such development will have on the need for future expansion. They are normally collected at the time a building permit is granted and may be a flat or percentage fee and may range from several hundred to several thousand dollars.

Public-private joint ventures. Public-private joint ventures are defined as "any mutually beneficial activity undertaken by government and business to solve community problems that yields benefits to both the private interest and the community at large." 9/

8/ Krause, Patel, and Gathy, Financing for the Future Changing Roles in Mass Transit, The Council of State Governments, Final Report prepared for the Urban Mass Transportation Administration, December 1987, pp. 159-172.

9/ Building Prosperity: Financing Public Infrastructure for Economic Development, Government Finance Research Center of the Municipal Finance Officers Association, October 1983, pp. 46-47.

Public contributions to such relationships include: grants, road or water system improvements, financial arrangements such as tax increment financing or tax abatements, the use of eminent domain condemnation, expediting permitting processes, and approving zoning changes for higher density developments.

Private contributions to such relationships include: formation of special business partnerships and advisory committees, expertise to perform detailed analyses and feasibility studies, executive loan programs, assembling private finance packages, and consenting to special assessment arrangements. Private business interests may also bring longer-term perspectives to projects.

Leasing may be useful in situations where an asset will become obsolete before the end of its useful life (e.g., computer equipment) or where the cost of the asset or how long it will be used does not justify the expense of issuing bonds. Leasing agreements can also be very flexible. The concept has been expanded to include its use in large capital projects. Different forms of leasing are discussed below.

Under *lease-purchase* agreements, governments contract with private investors or other public agencies to build or purchase an asset such as a building. The contract specifies the number and amount of payments to be made to the owner of the building. These payments include construction costs plus debt interest being carried by a third party. *Sale-leaseback* is a variation of lease-purchase in which a public agency builds or acquires an asset with its own funds and then sells that asset to private investors. The investors then lease the asset back to the state while retaining its income tax benefits (e.g., depreciation, tax-exempt interest).

Sale-leaseback is often used in renovation projects. The Oakland (California) city auditorium was constructed using sale-leaseback. The Suffolk County (New York) sewer system was refinanced using similar techniques. 10/ In most circumstances, ownership of the asset reverts to the government at the end of the leasing period. This technique has also been used for the purchase of subway cars and buses.

Leasing public land adjacent to or air rights above transportation systems, especially mass transit stations, has provided additional revenues for operating or construction expenses for several transit projects around the country. A 1985 internal audit of RTD's air rights lease above the Civic Center Station terminal on the 16th Street Mall estimates average annual income between \$300,000 and \$700,000 from 1985 to 1990. An additional \$350,000 is gained annually from underground parking at the site. Any improvements in the downtown real estate market are expected to increase income from the lease.

10/ Kuhns, J.D., "Innovations in Infrastructure Financing," Stretching Dollars to Strengthen Infrastructure, The Council of State Governments, Eastern Regional Conference, 1983, pp. 23-24.

Donations, especially of land or money, may be accepted, normally in exchange for tax benefits or increased access to a project. The Texas Transportation Corporation has received over \$600 million in private donations in 18 months. 11/ Private contributions helped finance the renovation of San Francisco's cable car system.

Cost or benefit sharing allows developers to contribute to transportation projects that will be integrated with their own developments. For example, several public agencies in New York City developed a series of mandatory requirements in terms of design, density, and use. Based on these conditions, developers contributed \$39 million for renovation of subway connections in exchange for an additional 2 million square feet of density. With such techniques, it is important that private cost sharers be included in the early design stages of the actual facilities. Benefit sharing may also take the form of *developer financing* for all or a portion of a project. *Private pension funds* also represent large pools of investment capital.

Cost sharing may also take the form of *negotiated investments*. These are similar to impact fees but differ in that the "fees" are negotiated between developers and the public agency involved. They may be in the form of capital improvements such as expanding a highway interchange, in-kind contributions, or lump sum payments. They are usually negotiated in exchange for other development concessions such as zoning changes or expedited permitting procedures. Local planning agencies are often involved.

In addition to private toll roads, *transportation corporations* are authorized in some states as an adjunct to public financing of roads. In Texas, such non-profit corporations apply to the state's highway commission for certification (section 1528l, T.C.S.). The commission also assigns the corporation's board of directors and its area of operation. They are granted all powers necessary to work directly with landowners and government agencies and may borrow funds and receive donations and contributions. They contract with the commission and public agencies to construct roads on the state and interstate system only.

Because of the large number of people served by buses and transit stations, mass transit systems offer opportunities to raise additional revenues through *advertising, marketing, and merchandising*. Space in high traffic areas may be leased or rented for displays or kiosks and retail concessions constructed (whether manned or for vending machines). Payments may be based on revenue percentages or annual fees. Though concessions may increase security and maintenance expenses, such increases may be included in the payments.

11/ Brosch, Gary L., "Innovative Solutions to Transportation Problems," Understanding the Highway Finance Evolution/Revolution, American Association of State Highway and Transportation Officials (AASHTO), January 1987, p. 225.

Contracted services have also been used in several areas (e.g., subscription commuter services and weekend taxi service to areas served by buses during the week). *Privatization* -- the operation or sale of a portion or all of, for example, a public bus system -- has also increased in popularity. These efforts are often intended to increase competition in local transit markets in order to better control or reduce prices and increase service. They can also relieve governments of heavy capital (equipment) burdens.

Land banking is the process whereby land is purchased in anticipation of future needs. If land can be purchased before major development occurs, large cost savings may be realized or revenues increased through leasing for development purposes. It may be useful in transit corridors or for future mass transit stations. Though not strictly land banking, the Massachusetts Bay Transportation Authority has pursued an aggressive program to lease and develop its land holdings.

Additional taxes. *Real estate transfer taxes* are levied when property is sold. They are normally based on a percentage of sales price. *Construction taxes* are based on property improvements and calculated as a percentage of the value of the improvements. Both taxes are often used in areas experiencing rapid growth. Other transportation revenue sources include *severance taxes* in Wyoming and New Mexico and so-called *gross receipts taxes* in New Mexico and Arizona (transaction privilege tax).

Several states also have *local option taxes* dedicated for local transportation projects -- Arizona (sales tax), Florida (motor fuels tax), and Iowa (property tax).

State assistance for local governments. Local projects may not be large enough to make issuing debt feasible because of the fees and interest rates involved with small debt issues (under \$25 million). Similarly, local governments may not have the bond ratings necessary to secure private financing. Several state programs to address these local needs are discussed below. Though some of the examples are for water and sewer projects, the principles involved can be applied to transportation finance.

According to the National Conference of State Legislatures (NCSL), nine states and Puerto Rico have established *bond banks* that pool several small local debt issues into a single large offering. 12/ In that way economies of scale in administering, underwriting, and marketing the bonds may be achieved (e.g., Vermont's Municipal Bond Bank; section 24-451, V.S.A.) States may also back such issues with their own credit, allowing additional interest rate savings. Assessing local governments for the cost of such programs creates debt financing savings at no cost to the state.

12/ Capital Budgeting and Finance -- The Legislative Role, National Conference of State Legislatures, November 1987, pp. 101-102.

State *debt advisory commissions* assist local governments with structuring, packaging, and marketing bond issues. Rhode Island's Public Financial Management Board was created to advise and assist state and local government agencies with planning and issuing activities related to revenue and GO bonds. It is also charged with studying methods to reduce the costs and improve the ratings of such bonds and to conduct a comprehensive review of capital financing practices of state and local agencies. It reports to the legislature annually (section 42-10.1-1, et seq., G.L.R.I.). Most debt financing issued by state and local governments in North Carolina, including lease financing, must have the approval of that state's Local Government Commission. Both Rhode Island and North Carolina charge the state and local agencies for these services.

Revolving loan funds represent a set amount of money that is loaned out and continually recycled by principal and interest payments made by local governments. Such funds may be capitalized by bonds, dedicated revenues, or direct appropriations. Local matching funds, whether public or private, may be required. This increases the leverage of state funds and provides a measure of local responsibility. Program examples can be found in Indiana and Pennsylvania. Georgia has recently created a development bank to assist unrated or non-ratable communities with water and sewer bond issues.

Other forms of state assistance include interest buydowns, loan guarantees, and bond insurance. With *interest buydowns*, the state funds the difference between existing market rates for local government borrowing and what each of those governments can afford (e.g., Utah). Low- or no-interest loans can also be provided to fund the difference. Again, state funds are leveraged while supporting projects that may not otherwise be financially feasible.

Loan guarantees are state assurances that bond payments will be made should the issuer default. This is done by the state pledging its credit or establishing a reserve or revolving fund from direct appropriations or proceeds from state bond sales (e.g., Oklahoma and New Hampshire). This is a way to leverage state funds, though there is some risk involved. New Jersey's Wastewater Treatment Trust provides low interest loans and loan guarantees to local governments for wastewater treatment facilities. The \$1.7 billion trust is capitalized by GO bonds, state appropriations, and other revenues. In case of default, state aid may be sequestered to make payments (section 58:11B-1, et seq., N.J.S.A.). Other states allow local governments to earmark state aid if payments cannot be made. State *bond insurance* is similar to loan guarantees.

Arizona deposits a portion of the state's *lottery* revenues in the local transportation assistance fund (up to \$23 million per year). Cities apply to the director of the state department of transportation and moneys are distributed based on population (section 28-2601 to 28-2603, A.R.S.).

Independent authorities. Many states have created single-purpose agencies to analyze and finance state capital construction projects. These independent authorities are often structured so that their activities are legally distant from and therefore not

considered a part of state or local government. This is especially true where there are prohibitions or limitations on the state's ability to issue debt or to enter into joint ventures with the private sector. Such authorities can be structured to have any of a number of roles -- from pass-through project and funding approval to statewide planning, financing, and construction -- and may use any or all of the techniques described in the preceding pages. In this way they increase the options available to the public sector.

Sources of revenue for independent authorities may include:

- yearly legislative appropriations;
- access to a revenue stream, such as a portion of the sales tax, that is dedicated exclusively to the authority; and
- in many cases, the issuance of taxable or tax-exempt securities. Such securities are often backed by revenues, such as tolls, from the project being developed.

Section 3: Public Policy Issues in Transportation Finance

This section provides added background information and explores some of the issues and public policy concerns associated with the various transportation financing methods discussed above.

Introduction. In recent years, many states have begun to examine how they finance their surface transportation systems. Much of the impetus behind these efforts is from:

- the inability of existing revenue sources -- notably motor fuel and other vehicle-related fees -- to keep pace with inflation and the cost of construction, repair, and maintenance of neglected transportation systems;
- declining federal aid or funding that does not meet local needs due to use restrictions; and
- existing local funding restrictions and the passage of several state and local tax and expenditure limitation initiatives, especially those related to debt financing.

User fees. As available public funds for transportation diminish, user fees are becoming an increasingly common method to finance and maintain public facilities and services. User fees are gaining popularity for several reasons.

User fees are thought to impose a greater degree of fiscal discipline on governments and consumers by providing direct links between the cost of various facilities and services and what the users are willing to pay. Such price signals promote more efficient use of existing resources by indicating the types of services and facilities desired and such characteristics as the hours of operation, and the level of maintenance. For example, poorly maintained facilities may not attract the number of users or level of fees necessary to sustain them. Conversely, high demand for a facility may warrant expanded hours of operation. Different forms of users fees are discussed below.

In general, *tolls* are charged for access to highways, bridges, and tunnels, providing a price mechanism to allocate road costs among road users or to relieve traffic congestion through peak load pricing. Tolls are also a source of continuing revenues for operation and maintenance and to retire construction debt.

Though once a common financing mechanism, several factors account for the fall in popularity of toll roads after the 1950s. Since its completion, federal government approval has been required for tolling most segments of the interstate highway system. There are also stipulations in federal law that require states to reimburse the federal government for funds used to construct an existing segment proposed for tolls. However, the changing economics of toll roads in the intervening years may have had a larger role in their declining use.

The cost of building, financing, and maintaining roads has increased dramatically since the 1950s. This requires tolls considerably higher than in the past in order to keep pace with inflation. Also, a public accustomed to "free" travel may not readily accept the toll road concept nor the fees required to maintain the roads. Combining these factors, it is estimated that traffic levels six to eight times those needed in 1950 would be required to sustain present day toll roads.

Nonetheless, toll roads may prove self-sustaining under certain conditions and in many instances can at least provide a measure of financial support when coupled with other revenues such as fuel taxes. A survey of users of a toll road recently constructed to the Dulles International Airport revealed that over seventy-five percent use it because it saves them time. Contrary to the perceived negative public view of toll roads -- a perception currently shared by the federal government, according to one author -- "people are willing to pay when the benefits are obvious to them." 13/

Besides providing a consistent source of revenue, increased *parking fees* may alter travel habits and increase the use of mass transit. However, because downtown areas face competition from suburban shopping malls and office parks that normally have free parking, increased parking charges may be counterproductive and discourage downtown travel.

Increases in *vehicle registration fees* have also not kept pace with construction costs or increasing demands placed on transportation systems. However, raising such fees may be difficult because they are highly visible and paid as a lump sum. An alternate system of fees based on vehicle weight offers connections between weight and road damage, but such fees are not related to the extent to which the vehicle is using the roads, as are fuel taxes. *Weight-distance taxes*, such as Colorado's gross ton-mile tax, attempt to combine and relate both elements to highway deterioration. However, from a practical standpoint, it is difficult to monitor vehicle weight along different roads as cargoes are loaded and unloaded. Differences in weight-distance formulas between neighboring states may lead to tax competition, though conflicts may be minimized by regional or interstate agreements.

Summary. Central to the success of user fees are:

- the ease of identifying the users of a given facility or service;
- the ease of calculating the cost of that usage;
- the ease of administering and collecting user fee revenues; and
- whether user fees can provide up-front revenues or support debt service in addition to operation and maintenance costs.

13/ Greenbaum, *Innovative Financing*, p. 145.

An additional concern involves equity issues -- the ability of various income groups to afford the user fees necessary to finance and maintain a public facility or service. The use of criteria to determine a user's ability to pay ("means testing") and adjusting fees accordingly is an alternative.

Lease-purchase and sale-leaseback arrangements are attractive to investors because interest payments are tax-exempt under current federal income tax rules. Other features that governments are not able to take advantage of, such as depreciation, may also be retained prior to turning the asset over to the government. For governments, such agreements do not normally count toward debt limits and they spread the cost of the asset over its useful life. Governments may also rely on the private sector for quick construction and cost controls.

Yet, depending on market conditions and the bond rating of the agency involved, leasing can be less expensive than revenue bonds and less onerous than pay-as-you-go techniques. Certain costs associated with bonds -- underwriting, elections, and legal fees -- can be avoided with leasing, although it is generally considered the most expensive way to finance capital needs. It may also be viewed as a way to circumvent debt prohibitions.

When *leasing public land* adjacent to or *air rights* above transportation systems, community groups have challenged the equity of the terms of such agreements, an issue that applies as well to negotiated investments and cost sharing agreements. *Donations* may be difficult to integrate into existing agency procedures or comprehensive planning efforts. They may also be dependent on local economic and real estate market conditions.

All parties to *cost sharing* should be included in the earliest design stages of the actual facilities. *Private developer financing* can bring considerable professional expertise to public projects, possibly reducing public expenditures. However, the availability of private financing may skew policy decisions toward such financing and away from more needs-based project priorities. It may also entail the loss of control over certain aspects of the project.

Land banking may require technical skills not currently found in government in the areas of selling, leasing, and marketing real estate. It may also place government in competition with private sector interests and activities, although private parties could secure the land and make donations of rights-of-way or other development tracts. Legal issues may also arise with the use of eminent domain proceedings to assemble property rights in excess of those immediately needed for the project.

Assessing benefited property. As stated previously, benefit assessment practices recognize that certain advantages may result from transportation improvements. A variety of techniques and related issues are discussed below.

Development impact fees may be seen as unnecessary impediments to growth or overly intrusive. *Negotiated investments* may involve many agencies at different levels of government, particularly local planning agencies, and take several years to

finalize. Such delays may be unacceptable to developers or conflict with the urgency of the project. A level of communication and coordination that does not currently exist may be necessary. The necessary skills for achieving equitable agreements may also be lacking, such as: negotiating with large, experienced developers; creating formulas for the equitable allocation of the costs of transportation improvements; and experience in cost-based fee setting and cost accounting techniques.

One consequence of tax increment financing is that it limits the amount of taxes available to existing governments within the district at a time when the development may be increasing the demand for services from those jurisdictions. Such a situation may require increased levels of cooperation between various local agencies.

Issues that arise with assessing benefited property include:

- whether consideration should also be given to the potential use of the property rather than its current use;
- whether actual benefits should be monitored periodically and assessments recalculated to accommodate increased development;
- striking a balance between equity among different land uses and assessment formulas that are understandable and easy to administer; and
- striking a balance between review and protest procedures and the degree to which such procedures may delay projects.

According to materials presented at a recent U.S. Department of Transportation conference, the most important factors in bringing about satisfactory benefit-sharing arrangements are:

- the inclusion of a benefit-sharing philosophy into ongoing planning and implementation process; and
- the willingness to cooperate among local planning and development agencies, elected officials, and private interests.

Public agencies should also realize that:

- cost-sharing cannot replace traditional funding sources or declining federal funds;
- contributions are less likely at the initial stages of a project (before indications of its possible value); and
- developers are generally more motivated by direct benefits that contribute to their projects rather than to completion of the project and its public benefits.

Other important elements in establishing successful joint ventures include:

- systematic review within transportation agencies of possible cost-sharing opportunities;
- approaching the private sector in a business-like manner;
- careful attention to market analysis, design details, project phasing, and coordination during construction; 14/
- recognition of mutual interests;
- clear definition of the roles and responsibilities of each party;
- development of feasible objectives; and
- strong local leadership from the public or private sector. 15/

Other issues include the extent to which the state should aid private developers and the federal government's view of such contributions and how they will affect the availability of federal funds. According to the Rice Center, benefit assessment fees can provide no more than ten percent of highway improvements in a given locality and, overall, no more than four to five percent of total national highway program needs. 16/

Regarding *state assistance to local governments* for project finance, NCSL notes that "states are not necessarily in any better position to help finance capital projects than are local governments, and that in no case should local projects be supported by the state unless there is a clear state interest.... States that want to and have the capacity to provide localities with increased assistance in meeting local capital needs also may want to consider increasing state aid, loosening state restrictions on local expenditures and indebtedness, and providing supervision and technical assistance." 17/

14/ Howard, Jane, "Strategies to Implement Benefit-Sharing for Transit Facilities," Innovative Financing, pp. 218-219.

15/ Building Prosperity, pp. 48-49.

16/ Highway Finance Evolution/Revolution, p. 14.

17/ NCSL, Capital Budgeting and Finance, p. xiv.

Depending on a number of factors, the cost savings achieved by state *bond banks* may be only marginally better than that possible through a *debt advisory commission*. Bond bank activities may also place the state's bond rating at risk because assistance is often to those areas most likely to default. The withdrawal of state aid may also cause financial problems for local governments dependent on such aid. However, local government assistance can provide a means to encourage greater local responsibility in the area of maintenance and capital asset planning and can target assistance to specific areas or for particular projects. State *loan guarantees* and insurance may create savings by decreasing bond interest rates, though comparisons are needed between the cost of such programs and resulting interest rate savings. For poorly rated or unrated communities, insurance may cost more than the cumulative value of the interest reduction. Also, bonds that are not marketable without insurance will generally not qualify for insurance.

Independent authorities. Independent authorities may be more efficient in developing and completing projects because they are:

- able to develop the financial and technical expertise needed in an area like capital construction;
- able to apply more private sector business and management practices in their operations;
- often exempt from prevailing wage, procurement, competitive bidding, and affirmative action requirements;
- able to avoid the uncertainties of year-to-year legislative appropriations, often due to exclusive access to a dedicated revenue stream; and
- insulated from political pressure on capital budgets, whether to build questionable projects or to defer maintenance budgets in favor of operating budgets or unrelated programs.

Contrary arguments include:

- single purpose agencies may be less accountable to the public. To a degree this may surrender certain public policy decisions to non-elected officials, whether within the authority itself or in the financial markets. This may be particularly important for large, controversial projects or in instances where public priorities may change;
- a mixed record among the states concerning the ability of independent authorities to remain self-supporting from their own activities;
- state and local governments -- not the authority -- will feel the effects of default or other financial problems;

- the need for continued public oversight. Because of their ongoing access to dedicated revenue streams, they may have reduced incentives for efficiency; and
- competition with private sector construction activities, depending on an authority's ability to enter into joint ventures with private parties.

Some of these concerns can be handled by:

- including authority activities in state capital development planning and budgeting processes;
- designing links between the authority and various state agencies with similar duties such as through appointments to the authority's governing board;
- establishing various controls over those portions of the authority's budget that exceed operating and debt reserve requirements;
- requiring legislative approval of various financing methods; and
- mandating independent audits. 18/

Summary of Public Policy Issues

Several factors should be taken into account when considering various financing methods:

- size of the project;
- identifiable beneficiaries, if possible;
- total costs associated with each method;
- current fiscal condition and future obligations of the state -- projects should not be looked at in isolation from other obligations and controls should be in place to guard against overextending credit;
- revenue and demographic trends;
- current and future market conditions; and
- legal and political constraints. 19/

18/ Walsh A., "Public Authorities and State Decision-Making," Stretching Dollars, pp. 43-44.

19/ NCSL, Capital Budgeting and Finance, p. 73.

In terms of the type of financing chosen, considerations include whether the project can or will be self-supporting, the extent of existing cash reserves to fund initial phase(s) of or the entire project, the extent of existing debt load and the current costs of borrowing, whether an election would be necessary, and the expected life of the investment. 20/

As noted earlier, some of the innovative techniques discussed above may put private sector interests in de facto control of various aspects of public projects. There may be expenses involved with monitoring those interests, including the need for greater expertise in project finance and real estate. Some of the methods may also skew project selection away from analyses based on needs toward projects for which financing is available, especially with intergovernmental grants.

Intergovernmental relations. As discussed above, many innovative financing techniques require more complex relationships between different levels of government and between the public and private sectors. Any changes in the roles or the current structure of responsibilities for transportation finance and project construction may have larger, more varied, and longer-lasting impacts than the techniques themselves. Reallocating available funds or responsibilities or creating new levels of oversight or control may prove more difficult to implement than finding new sources of revenue.

At present, Colorado has several statutory provisions that allow local jurisdictions to issue debt or to establish benefit assessment and tax increment districts for transportation. Additionally, several regional authorities have been created in the Denver area to complete highway projects and various mass transit corridors. Public policy issues may involve: coordinating the activities of these agencies; the capacity of the area economy to support several large projects at one time; competition between projects to establish funding from limited sources; and determining whether the projects that receive funding are those most important to the state's long-term growth.

20/ . NCSL, Capital Budgeting and Finance, p. 74.

PART II

State and Local Transportation Needs

Introduction. Perhaps the most dramatic aspect of the Highway Legislation Review Committee's deliberations was the magnitude of the state's needs in the area of transportation. The expense of preventing the further deterioration of state and local road systems to the year 2001 and beyond is expected to far outstrip revenues generated by current legislation. Further, such maintenance would not begin to address the need for added lanes, safety improvements, and surface upgrades that will be demanded by increasing vehicle-miles traveled over the same period.

Failure to address these maintenance and capacity needs is expected to severely impact rush hour traffic along the Front Range, access to recreational areas in the mountains, and worsen air pollution in several areas. Such developments may adversely effect the state's economic climate. Finally, it should also be noted that the cost estimates associated with highway construction do not include the multi-billion dollar costs of mass transit in the metro area. All of these programs will be competing with other needs such as primary and secondary education and social services during a time when Colorado's economy may not be able to support the added tax burdens.

Various scenarios presented below are based on high, medium, and low levels of service. The following tables detail:

- * the cost of state and local highway construction and maintenance needs to the year 2001;
- * the cost of metropolitan Denver mass transit needs; and
- * revenue shortfalls from current sources in meeting those service levels (figures may not add due to rounding).

Criteria used to establish the high, medium, and low needs scenarios are presented first. 21/

21/ Presentation to HLRC, Colorado's Surface Transportation Needs to 2001/2010, Colorado Department of Highways, June 30, 1988 (Revised October 20, 1988) .

Criteria for Alternative Levels of Needs

Category	High	Medium	Low
Surface Condition			
Good	60%	35%	25%
Fair	35%	45%	50%
Poor	5%	20%	25%
Maintenance & Operations	inflation and VMT	inflation only	current levels only
Capacity	80%	60%	40%
Geometrics	80%	60%	40%
Bridges	100%	90%	75%
Noise Walls	2/yr.	1/yr.	1/yr.
Interchanges	100%	50%	25%
Railroad Separations	100%	50%	25%
Reststops	18	1/yr.	1/2 yrs.

Table VI

State and Local Transportation Cost Estimates
(in billions)

Category	High	Medium	Low
State system			
Surface Condition	\$2.30	\$1.20	\$1.00
Capacity	2.00	1.50	1.00
Geo./Safety	0.90	0.70	0.40
M & O	1.34	1.27	0.91
Bridges	0.25	0.22	0.18
Interstate	0.40	0.40	0.40
Other	<u>0.57</u>	<u>0.36</u>	<u>0.26</u>
Subtotal	\$7.86	\$5.69	\$4.24
Local roads			
Surface Condition	\$6.50	\$5.50	\$2.93
M & O	4.72	3.66	2.49
Bridge	<u>1.22</u>	<u>1.19</u>	<u>0.97</u>
Subtotal	\$12.44	\$10.35	\$6.39
Mass transit			
RTD	\$3.62	\$2.84	\$2.31
TCA	0.35	0.35	0.35
Other urban	0.14	0.14	0.14
Rural	0.21	0.21	0.21
Elderly	<u>0.13</u>	<u>0.13</u>	<u>0.13</u>
Subtotal	\$4.45	\$3.67	\$3.14
Special District/ Authority *			
E-470	\$0.95	\$0.95	\$0.95
W-470	0.47	0.47	0.47
Berthoud Tunnel	0.18	0.18	0.18
Interchanges	<u>0.18</u>	<u>0.18</u>	<u>0.18</u>
Subtotal	<u>1.78</u>	<u>1.78</u>	<u>1.78</u>
TOTAL	<u>\$26.53</u>	<u>\$21.49</u>	<u>\$15.55</u>

* Special districts and highway authorities are assumed to be self-supporting. Interchanges are privately funded.

The table below compares estimated revenues from existing legislation with the needs scenarios presented above.

Total Transportation Revenue Shortfall Through 2001
(in billions)

<u>Category</u>	<i>High</i>		<i>Medium</i>		<i>Low</i>	
	<u>Total</u>	<u>Annual</u>	<u>Total</u>	<u>Annual</u>	<u>Total</u>	<u>Annual</u>
State	\$4.59	\$0.35	\$2.42	\$0.19	\$0.97	\$0.07
Local	7.26	0.56	5.17	0.40	1.21	0.09
Special District/ Authority *	--	--	--	--	--	--
Transit	1.55	0.12	0.77	0.06	0.24	0.02
TOTAL	\$13.40	\$1.03	\$8.36	\$0.65	\$2.42	\$0.18

* Special districts and highway authorities are assumed to be self-supporting. Revenue estimates are from existing legislation and are expressed in 1987 dollars discounted at 3 percent. Annualized numbers are for 13 years.

The table below details the needs estimates for the Denver metro area under the *medium* scenario and the projected revenue shortfalls. The figures do not include mass transit needs.

Metro Denver State and Local Road Needs
(in billions)

<u>Needs</u>	<u>Revenues</u>	<u>Total Difference</u>	<u>Annual Difference</u>
\$4.97	\$2.45	\$2.52	\$0.19

PART III

History of Mass Transportation in Denver

Though mass transit in Colorado dates back to the Civil War, the roots of the current metro area mass transit system lie in the Denver Tramway Company. Formed in 1914 with the merger of the Denver City Tramway Company, the Denver and Northwestern Railway, and the Denver and Intermountain Railway, ridership peaked for the Tramway Company during World War II. The metro area had a wartime population of less than 450,000 but the tramway served 225,000 daily riders with trolleys and gas powered buses.

After the World War II, the Tramway Company, like many other mass transit systems around the country, faced the problems of declining ridership, increasing costs, and increasing competition from cars and the expanding interstate system. A study published in October 1979 by transportation consultants W.C. Gilman and Co., Inc., revealed that ridership decreased by 53.5 percent from 1960 to 1969 while per mile operating costs rose 37 percent mostly due to rising payroll costs (53.7 percent increase).

The Gilman study offered various strategies to assist the ailing tramway company -- tax exemptions, federal government capital assistance, operating subsidies, and public ownership with private or public operation. Public ownership was an option that had been undertaken in many cities around the country. Gilman noted that Philadelphia, Pittsburgh, Kansas City, and Rochester all turned to publicly owned transit systems in the 1960s.

Growing concern by Denver citizens and business groups led to a reassessment of the region's transportation system in the late 1960s. The Denver Chamber of Commerce led the effort to create a regional approach to public transportation by offering two separate proposals to voters in September and December 1970. Voters approved the city's takeover with a \$4 million bond issue in December. Even with these efforts the system continued to lose money.

Regional Transportation District

In 1969, the General Assembly responded to the metro area's problems by authorizing the creation of the Regional Transportation District to "develop, maintain, and operate a mass transportation system for the benefit of the inhabitants of the district" (Senate Bill 309). RTD's 21 member governing board was appointed by county commissioners and the Mayor of Denver (later changed to an elected body in 1983.) RTD joined with the Colorado Department of Highways and the Denver Regional Council of Governments (DRCOG) in 1971 to form a Joint Regional Planning Program to improve area-wide planning.

RTD was required to seek voter approval of the source of district funds for construction, equipment, debt financing, and operating expenses. This source was originally a two-mill property tax but was changed to a district-wide sales tax (House Bill 1300, 1973). The one-half percent sales tax was approved by 57.2 percent of the vote and authorized RTD to issue up to \$425 million in revenue bonds.

Planning studies conducted by RTD estimated a 165 percent increase in daily automobile trips between 1971 and 2000 in the Denver metro area. To meet this expected increase in demand, the district selected a 100-mile, fixed guideway personal rapid transit (PRT) system integrated with increased bus service. The system would have six major routes, with a central circulator.

The consultants recommended PRT over conventional technology because of its higher level of service, lower overall costs (because it is driverless), and greater flexibility. The cost of the PRT system was \$1.059 billion, with an estimated completion date of 1983. Although PRT had never been implemented anywhere as a transportation system, the report was optimistic that it could work in Denver. Federal funding for PRT was rejected by the Urban Mass Transportation Administration (UMTA) because: 1) an improved bus system would serve the same number of riders as a PRT/bus system and cost substantially less; and 2) the proposal did not compare favorably with proposals from other cities. Thereafter, RTD concentrated on improving and expanding its bus system. (UMTA has granted over \$330 million dollars to the Denver metro area for various transportation projects since 1974.)

Worsening air quality in the metro area and the gasoline shortages of the 1970s prompted renewed interest in mass transit. A new transportation proposal was defeated by the voters 54 to 46 percent in November 1980. The plan proposed 0.75 percent increase in the sales tax to finance the construction of a 73-mile, at-grade light rail system (Senate Bill 75). A fifteen-mile segment was to be completed during the first two years and the program examined by the General Assembly to approve further expansion. (Light rail continued to be offered by RTD because, though it was more expensive initially, it was considered the most effective long-term solution for Denver's transportation problems.) RTD estimated that light rail would save \$19 million in annual operating costs over a comparably sized bus system. 22/ Since the 1980 defeat, RTD has not sought voter approval for a mass transit system.

22/ Comparison of Light Rail and Bus Transit Systems for the Regional Transportation District, DeLeuw, Cather & Company, January 16, 1980.

Mass Transit in the 1980s

The General Assembly created the Transit Construction Authority (TCA) in 1987 to construct a rapid transit line from the Denver Tech Center to downtown Denver (House Bill 1249). TCA was essentially a proposal by private business leaders with the majority of funding from private and federal funds. The legislation, however, granted TCA the power to levy a business assessment tax (per square foot) on each business in the corridor and a "head tax" on each employee.

Taxes were imposed beginning in April 1988. In response to business opposition within the corridor, the General Assembly rescinded TCA's authority to levy a business assessment tax and also set a one year time limit on the imposition of the head tax (Senate Bill 197, 1988). The corridor's transportation plan has been completed. 23/

House Bill 1249 also designated seven metro area mass transit corridors (including completion deadlines) to be developed by RTD by January 1988. The district was granted the power to levy various taxes on businesses and employees within each corridor, in addition to tax increment financing. RTD's recommendations were presented in December 1987. 24/ Findings in the report included: the mass transit system should be built with a construction sequencing plan based on RTD's ability to pay; an additional sales tax of up to \$.004 would be necessary to build, operate, and maintain a fixed guideway rapid transit system; private sector participation should account for 15 percent of the financing; and there is significant resistance to the use of tax increment financing. RTD also anticipated that \$400 million may be available from UMTA for various parts of the system.

Privatization and RTD. In 1988, the General Assembly required that RTD privatize at least twenty percent of its bus service (Senate Bill 164). RTD was to retain its oversight of the system and decide which routes to contract out. Proponents argued that private companies could operate the district's bus service cheaper, saving perhaps as much as \$40 million per year.

23/ Proposed Southeast Corridor Rapid Transit, Transit Construction Authority, prepared by DeLeuw, Cather and Company, November 1988.

24/ Fastrack: House Bill 1249 Implementation Program Summary Report, Regional Transportation District, December 1987.

PART IV

Highway Department Efficiency Measures

Senate Bill 36 (1986) directed the Colorado Legislative Council staff to contract for a management and efficiency study of the Colorado Department of Highways (section 43-1-112, C.R.S.). The study was conducted between December 1986 and June 1987. 25/

The report noted the variety of CDOH responsibilities, including administrative duties (e.g., planning, engineering, construction management, and monitoring local road systems) and production activities (e.g., road construction and maintenance). Also cited were a variety of department activities beyond the department's control, such as Federal Highway Administration design and construction requirements, personnel department regulations that limit management options, Department of Administration procurement restrictions, and funding uncertainties, especially at the federal level. The report also noted a series of prior internal and external audits that had improved department efficiencies.

Nevertheless, the report produced 80 recommendations in the following areas:

- planning and budgeting (6);
- preconstruction engineering (10);
- construction (9);
- roadway maintenance (6); and
- support services:
 - administration and accounting (12),
 - procurement and inventory management (10),
 - human resource management (15),
 - information services (5), and
 - facilities and equipment management (7).

Recurring savings from the implementation of these recommendations were estimated at \$5.5 million by CDOH and \$9.3 million by Arthur Andersen & Co. Costs related to implementing the recommendations were estimated to be \$7.0 million. Netting out one-time savings of \$445,000 (CDOH) produces an implementation cost of \$6.5 million.

Committee testimony found the department in agreement with the majority of the recommendations, though conflicts were cited concerning the statutory authority of the department (e.g., developing a statewide transportation plan), the cost of some

25/ Colorado Department of Highways Management and Efficiency Study, Arthur Andersen & Company, July 1987.

of the recommendations, the uncertainty of department funding. 26/ The committee continued to receive department updates concerning the implementation of the recommendations, the latest noting that 33 of the 80 recommendations had been implemented.

Subsequent cost savings estimates. Further study of department operations produced cost estimates related to 13 of the study recommendations. 27/ The table below summarizes these estimates.

	<u>Current CDOH</u>	<u>Previous CDOH</u>	<u>Arthur Andersen</u>
One-Time Savings	\$385,000	\$244,800	No. est.
Annual Savings	5,051,000	2,060,000	\$3,323,000
Cost to Implement	No. est.	1,095,000	No. est.

The reliability of the implementation cost is unclear.

Previous HLRC testimony indicated CDOH efficiency savings of \$10 million. According to information provided by CDOH, the origin of the \$10 million figure and its relationships to the above estimate is as follows (\$ millions):

	<u>Old Estimate (4/88)</u>	<u>New Estimate (9/88)</u>
Salary Survey	\$4.0	\$4.0
Initial Efficiency Savings	3.5	3.5
Added Efficiency Savings	<u>2.5</u>	<u>5.0</u>
TOTAL	\$10.0	\$12.5

Salary survey. The \$4.0 million figure results from not implementing the salary survey changes for CDOH personnel in FY 88-89. The "savings" were transferred to the department's maintenance and operation activities. Because the moneys were transferred within the department's budget, the \$4.0 million does not represent a budget reduction. These moneys also represent a one-time event and probably should not be included in savings estimates beyond FY 88-89.

26/ Staff Summary of Meeting, Highway Legislation Review Committee, Colorado Legislative Council Staff, Colorado General Assembly, Denver, July 27, 1987.

27/ Staff Summary of Meeting, Highway Legislation Review Committee, Colorado Legislative Council Staff, Colorado General Assembly, September 13, 1988.

Initial efficiency savings. According to information supplied by Rollie Walker, CDOH, the \$3.5 million figure is composed of the following:

- \$1.9 million in personal services (mostly overtime) and \$0.6 million in operations among the department's nine maintenance sections. These amounts represent "permanent reductions from the [department's] FY 87-88 budget levels"; and
- \$1.0 million from "administrative support for operations", reducing the "preliminary '89 budget to the '88 base".

These savings are not related to recommendations contained in the Andersen study and, therefore, represent savings in addition to those represented by the \$5.0 million figure in the second column above.

Added efficiency savings. The \$2.5 million figure for "Added Efficiency Savings" are estimates for which no detailed list or figures were prepared.

PART V

Trucking and Truck-Related Industries

Section 1: Diesel Tax and Consumption Patterns

The Highway Legislation Review Committee received testimony from several individuals involved with or representing the state's trucking industry. Concern was expressed about the disparity between Colorado's tax on diesel fuel and the level of taxation in neighboring states (see below).

<u>State</u>	<u>Tax Rate (per gallon)</u>
COLORADO	20.5 cents
Utah	19.0 cents
Nebraska	18.7 cents
Arizona	17.0 cents
New Mexico	16.0 cents
Kansas	13.0 cents
Oklahoma	13.0 cents
Wyoming	8.0 cents

Source: Highway Users Federation. Please note that some of these states are considering adjustments in their motor fuels tax rates.

Testimony claimed that this large differential is impacting Colorado by: 1) compelling trucks to bypass the state all together; 2) compelling them to purchase their fuel prior to entering the state; 3) sending a negative signal to the trucking industry about the state's business climate; and 4) compelling trucking firms to leave the state.

The consumption of special fuels in Colorado over the last 14 years is detailed on the next page.

Gross Special Fuel Gallonage

<u>Fiscal Year</u>	<u>Rate</u> (cents)	<u>Gross Gallonage</u> (millions)	<u>% Change From Previous Year</u> (percent)	<u>Gross Collections</u> (millions)
1974-75	7	102.9	--	\$7.2
1975-76	7	106.6	3.56%	7.5
1976-77	7	117.8	10.56	8.4
1977-78	7	128.5	9.07	9.1
1978-79	7	138.3	7.56	9.8
1979-80	7	171.9	24.34	12.0
1980-81	7	190.3	10.70	13.2
1981-82	9	193.8	1.84	16.9
1982-83	9	188.4	-2.79	16.7
1983-84	13	207.5	10.17	25.3
1984-85	13	205.9	-0.78	26.4
1985-86	13	203.5	-1.15	26.2
1986-87	20.5	186.2	-8.50	36.5
1987-88	20.5	189.7	1.85	38.4

Since enactment of Senate Bill 36, gross tax collections from special fuels sales have increased \$10.3 million (FY 1986) and \$12.2 million (FY 1987). However, total consumption of special fuels has declined by 17.3 million gallons and 13.8 million gallons, respectively (Source: Department of Revenue Annual Reports). While a correlation between tax increases and consumption trends is difficult to document, evidence indicates that Colorado's high diesel tax rate may be causing some truckers to fill their tanks outside the state while others may be avoiding travel through the state altogether.

The table on the following page details special fuel consumption in Colorado and in neighboring states over the past three years. Please note that these figures are reported on a calendar year basis and as such are not directly comparable to the total listed in the previous table.

**Special Fuels -- Gallonage Taxes
Calendar Years 1985, 1986, 1987**

State	Rate	1985 Gallons Taxed	Percent Change Prior Year	Rate	1986 Gallons Taxed	Percent Change Prior Year	Rate	1987 Gallons Taxed	Percent Change Prior Year
	(cents)	(thousands)		(cents)	(thousands)		(cents)	(thousands)	
Arizona	13	273,013	16.0%	16	285,884	4.7%	16	272,404	-4.7%
COLORADO	13	203,234	-2.2	20.5	190,732	6.2	20.5	186,538	-2.2
Kansas	13	267,807	-3.6	13	279,749	4.5	13	396,488 a/	41.7 a/
Nebraska	17.4	206,645	1.9	17.1	207,842	0.6	17.9	205,236	-1.2
New Mexico	11	181,356	5.0	11	187,719	3.5	16	189,734	1.1
Oklahoma	10	380,199	-3.0	10	346,681	-8.8	13	372,361	7.4
Utah	14	135,095	0.6	14	142,313	5.3	19	142,664	0.2
Wyoming	0 b/	117,932	2.2	8	133,943	13.6	8	184,259	37.6

a/ FHWA officials indicate that a reporting error may have caused the 1987 Kansas totals to be significantly overstated. Revisions of these figures are currently underway.

b/ Prior to 1986, Wyoming levied a ton-mile tax in lieu of a gallonage tax on diesel fuel.

SOURCE: Federal Highway Administration (FHWA)

Information gathered from the Federal Highway Administration concerning diesel fuel consumption patterns in Colorado and its neighboring states depicts an uneven pattern of consumption which may or may not be related to tax rates. Mitigating factors such as levels of business activity in a state, geographic proximity to major routes, and even highway surface conditions and weather may influence consumption trends within a state. However, it may be significant to observe the consumption rates in two "low tax" border states, Kansas and Wyoming, which demonstrate healthy growth in sharp contrast to Colorado's declining share of special fuel sales in the region.

A second indicator pointing toward a decline in trucking activity in Colorado relates to truckstop sales tax receipts. The table below represents a sample of sales receipts from 15 Colorado truck stops geographically dispersed across the state. "Gross sales" represents all truck stop sales while "total deductions" represents the sale of items such as diesel fuel which are not subject to sales tax.

**Truck Stop Sales
FY 1985 to FY 1987**

<u>Fiscal Year</u>	<u>Gross Sales</u>	<u>Percent Change Over Base</u>	<u>Total Deductions</u>	<u>Percent Change Over Base</u>	<u>Taxable Sales</u>	<u>Percent Change Over Base</u>
1985-86 (base yr.)	\$65,159,448	--	\$50,740,459	--	\$14,418,989	--
1986-87	57,181,721	-12.2%	43,538,470	-14.2%	13,643,251	-5.4%
1987-88	60,747,371	-6.8%	47,429,856	-6.5%	13,175,515	-8.6%

Source: Colorado Department of Revenue

The table demonstrates that since the increase in the special fuels tax, truck stop sales have declined both in terms of taxable sales and non-taxable sales such as motor fuels. This would seem to parallel to some extent the decline in gross gallonage exhibited in the previous table.

Members of the Truck Stop Operators Association provided figures that showed that, though overall diesel fuel tax collections had increased since the most recent tax increase, consumption had decreased substantially. Representatives also noted that such figures do not account for lost revenues related to: 1) decreased sales taxes such as overnight accommodations; and 2) decreased income tax revenues and increased costs due to declining employment in trucking and related industries.

Two related topics are important to a discussion of diesel taxes in Colorado: 1) how states that border Colorado finance their road systems; and 2) the relationship between the amount of damage heavy vehicles cause to Colorado's roads and the amount of money those vehicles contribute from fuel taxes, registration fees, and other charges. The former is presented first and the results of a cost allocation study commissioned by the HLRC are discussed thereafter.

Section 2: Highway Finance in Neighboring States

According to materials prepared by the Colorado Public Expenditure Council (CPEC), Colorado ranks 18th -- at \$246.06 per person -- among the fifty states in terms of per capita state and local government general highway expenditures for fiscal year 1985-86. Complete information is provided below. The number in parentheses represents the 50-state ranking.

State and Local Per Capita Highway Expenditures Colorado and Neighboring States

<u>State</u>	<i>Total</i> <u>State and Local</u>	<u>State</u>	<u>Local</u>
COLORADO	\$246.06 (18)	\$129.17 (34)	\$116.89 (11)
Wyoming	701.67 (2)	544.79 (2)	156.88 (3)
Utah	248.66 (17)	175.91 (14)	72.75 (30)
Arizona	275.07 (13)	141.12 (29)	133.95 (9)
New Mexico	289.73 (11)	213.75 (6)	75.98 (27)
Kansas	314.72 (7)	177.34 (13)	137.38 (7)
Nebraska	304.01 (9)	167.79 (18)	136.22 (8)

When highway expenditures are compared per \$1,000 of personal income, similar results occur. The relative contributions by state and local governments in FY 1985-86 -- percent of total expenditures, 50-state ranking, and the dollar amount (in millions) -- are provided below. 28/

28/ How Colorado Compares State and Local Highway Finance, Colorado Public Expenditure Council, 1988, pp. 3-5 and 9-11.

**State and Local Government Contributions
to Highway Finance -- Colorado and Neighboring States**

<u>State</u>	<u>State</u>			<u>Local</u>			<u>Total</u>
	<u>Percent</u>	<u>Rank</u>	<u>Amount</u>	<u>Percent</u>	<u>Rank</u>	<u>Amount</u>	
COLORADO	52.5%	44	\$422.0	47.5%	7	\$381.9	\$803.9
Wyoming	77.6	7	276.2	22.4	44	79.5	355.7
Utah	70.7	18	292.9	29.3	33	121.1	414.0
Arizona	51.3	45	468.1	48.7	6	444.3	912.4
New Mexico	73.8	13	316.1	26.2	38	112.4	428.5
Kansas	56.4	40	436.4	43.7	11	338.1	774.5
Nebraska	55.2	41	268.1	44.8	10	217.7	485.8

Sources of Revenues

The table below details the relative contributions of various revenue sources for Colorado and its neighboring states (percentages). 29/

**Percent of State Highway Revenues
from Various Sources -- Colorado and Neighboring States**

<u>State</u>	<u>Federal Aid</u>	<u>Gas Tax</u>	<u>Vehicle Regist.</u>	<u>License Fees</u>	<u>General Funds</u>	<u>Other</u>
COLORADO	47.9%	35.0%	3.1%	0.6%	--	13.4%
Wyoming	37.4	10.9	4.1	--	0.5%	47.1
Utah	50.0	38.0	7.0	2.0	--	3.0
Arizona	42.8	26.0	4.0	0.6	0.6	26.0
New Mexico	40.6	32.6	3.4	0.9	--	22.5
Kansas	32.0	29.0	21.0	--	--	18.0
Nebraska	49.5	32.7	7.0	--	--	10.8

29/ 1987 State Highway Funding Methods: An Analysis and Update, The Road Information Program (TRIP), Washington, D.C., 1987, p. 16. Information is for 1986.

An examination of the composition of the "Other" category helps clarify some of the factors that influence what Colorado can do in terms of financing its transportation systems and, especially, how much the state can rely on truck taxes.

Wyoming receives almost half (\$130 million in FY 85-86) of its highway revenues from the "Other" category, with almost 85 percent from federal mineral royalties (20 percent of total state highway funds) and state severance taxes (19.9 percent). This reliance on mineral royalties and severance taxes allows the state to "export" almost half the cost of its highway program. This is at least a contributing factor to the state's 8 cent diesel gas tax.

Arizona's "Other" category comprises 26 percent of total state highway revenues. The majority of funds in that category are from the local option one-half cent "transportation excise" (sales) tax which has at present been adopted by two counties. These funds, as well as other revenues from user fees, are used to retire bonds issued to finance transportation projects.

Kansas's "Other" category comprises 18 percent of that state's total highway funds. The majority of revenues in that category represent sales tax transfers from the state's General Fund.

Comparison of state highway systems. A comparison of state highway systems is also instructive. 30/

<u>State</u>	<u>Total Lane-Mile</u>	<u>Centerline Miles</u>	<u>No. of Bridges</u>	<u>Amt. Spent Per Lane-Mile</u>
COLORADO	129,400	86,400	7,300	\$3,262
Wyoming	68,600	38,900	2,800	4,026
Utah	59,300	49,900	2,500	4,936
Arizona	76,600	77,300	5,200	6,109
New Mexico	62,800	53,600	3,400	5,034
Kansas	198,000	132,600	25,700	2,200
Nebraska	136,300	92,200	16,000	1,967

30/ Source of information for the following two tables is as follows: lane-miles centerline-miles, number of bridges, vehicle-miles, interstate as a percentage of total lane-miles, and bridge construction costs per square foot -- FHWA; snow removal figures were gathered from each state's highway department (FY 1987-88; Wyoming figures are budgeted); and dollars per lane-mile in each state's system are a combination of CPEC and FHWA figures.

The figures used above give an indication of the differences between state road systems. Such figures may not, however, accurately convey features that make each state's system unique and which may also increase or decrease the amount of money needed to build and maintain them. Examples are provided below.

<u>State</u>	<u>Vehicle-Miles (in billions)</u>	<u>Snow Removal (in millions)</u>		<u>Interstate as Pct. of Total Lane-Miles</u>	<u>Bridge Construction Cost Per Sq. Ft.</u>
COLORADO	26.4	\$22.1	31/	3.4%	\$47
Wyoming	5.4	9.5		5.3	36
Utah	12.1	8.0		6.3	49
Arizona	22.7	3.6		6.2	43
New Mexico	13.2	5.1		6.4	57
Kansas	19.8	3.6		1.9	40
Nebraska	12.6	5.8		1.4	38

31/ Colorado Department of Highways, Overview of the Colorado Department of Highways -- Fiscal Year 1987-88, January 1988, p. 49.

Section 3: Highway Cost Allocation Study

One provision of Senate Bill 36 (1986) was a directive to conduct a highway cost allocation study. The study was intended to show what various types of vehicles pay in terms of fuel taxes, vehicle registration fees, and related expenses and how much damage those vehicles do to state and local roads. 32/

Results of the study show that basic vehicles -- cars, motorcycles, and lightweight pick-up trucks and vans -- comprise 84.5 percent of total miles traveled on the state's roads, account for 65 percent of the overall wear and tear of those roads, but contribute 79 percent of total funds. On the other hand, heavy vehicles comprise 15.5 percent of total miles traveled on the state system, account for 35 percent of the overall wear and tear, but contribute 21 percent of total funds. As stated in the report, "tax payments (by heavy vehicles) fail to meet cost responsibilities by 40 percent." 33/

Summary

The Wilbur Smith study provided evidence that, even with increased diesel taxes in 1986, heavy vehicles are responsible for more damage to the state's road system than they pay in fuel taxes, registration fees and the like. However, by examining how other states fund their road systems, particularly Wyoming and Kansas, Colorado is limited in the degree to which it can apportion costs to the trucking industry before such firms will find it more economical to bypass the state altogether or to move their operations out of Colorado. These factors may compel Colorado to lower its fuel taxes and alter the types of fees it levies on truck traffic in the state. (Note: Legislative research staff in Wyoming and Kansas noted that future consideration of additional fuel taxes is expected.)

32/ Colorado Highway Cost Allocation and Tax Alternative Study, Wilbur Smith Associates, February 1988.

33/ Ibid, Executive Summary, p. ii. Please see Appendix E.

PART VI

Debt Financing for Transportation

The committee received background information from Hanifen Imhoff, Smith Barney, George K. Baum, and Boettcher and Company concerning the use of debt financing for transportation projects. 34/ The speakers discussed the use of general obligation and revenue bonds by other states, revenue sources, how debt issues are structured, rated, and marketed, and debt financing cost estimates.

Background. Government debt comes in two general forms -- general obligation (GO) bonds and revenue bonds. GO bonds are also known as "full faith and credit" bonds. They represent the issuer's unconditional promise to repay and are based on the general ability to raise revenue through taxation. They are considered one of the safest forms of securities. Utah and Massachusetts are examples of states that use GO bonds to finance highway construction.

Revenue bonds differ from GO bonds in that a specific revenue source, such as sales taxes or user fees, is dedicated to retire the bonds. Because the source of revenue is narrower, revenue bonds are not considered as safe an investment as GO bonds. Consequently they usually offer higher interest rates to investors. Examples of sources used to finance transportation revenue bonds include motor fuel taxes (e.g., Oregon, Maryland, and Florida), sales taxes (e.g., Arizona), severance taxes (e.g., New Mexico), registration fees (e.g., Wisconsin), tolls (e.g., New Jersey), and benefit assessments (e.g., Virginia).

Public policy issues. In some instances, the cost of capital projects is high enough that pay-as-you-go financing can overburden local revenue resources. Debt financing will usually decrease yearly payments by spreading the costs of a project over a longer period, normally the project's "useful life." This also allows many years of project users to fund the project. On the other hand, though the use of debt may make payments more manageable, the additional expense of interest payments on the debt can substantially increase the cost of the project.

Two developments mark a change in government debt financing practices -- the increasing use of revenue bonds in place of general obligation (GO) bonds and the inclusion of various features designed to improve the market acceptance of non-GO securities.

34/ Staff Summary of Meeting, Highway Legislation Review Committee, Colorado Legislative Council staff, Colorado General Assembly, Denver, August 16, 1988.

- Revenue bonds have two advantages over GO bonds: they normally do not need voter approval and are usually exempt from restrictions on the amount of allowable debt and tax limitation initiatives.
- Features used to improve market acceptance are generally intended to: shift more of the investment risk from lenders (investors) to borrowers (governments); diversify the kinds of returns available beyond semi-annual tax-exempt interest payments; and increase the flexibility of government financing options. Examples include: variable interest rates, early redemption options, various short-term securities, and credit enhancements like bond insurance, and letters and lines of credit.

While enhancing an issue's acceptance and possibly making debt financing feasible, in most instances these recent developments will still cost more to use than GO debt and increase the risks and costs to government in the areas of administration and refinancing. Additional issues involved with innovative financing methods include:

- their political acceptability;
- the ease with which they can be explained to voters;
- the extent of expertise available in government to make effective use of various methods (increased overhead);
- overreliance on short-term debt, increasing the need and expense of refinancing;
- impairing fiscal flexibility via short-term debt or dedicated revenues -- when such flexibility may have been one of the original goals;
- involving governments in complex (and possibly competing) relationships with many outside parties for long periods; and
- complicating the understanding of government activities and functions, for the public as well as elected officials.

The Government Finance Officers Association notes important gaps between what is known about various forms of debt financing and the lack of actual analysis of alternatives by governments. It adds that "the longevity of most capital projects has forced a strong bias toward debt financing as the 'only' equitable alternative." This has led to a situation in which "few state and local governments undertake a sound analysis of different financing techniques." By necessity, this type of analysis will become increasingly more sophisticated as the fiscal and financial environments of state and local governments react to continuing changes in bond markets, the federal

tax code, decreases in federal grant and revenue sharing programs, and various tax and spending limitation initiatives. 35/

The use of debt financing includes the risk of restricting the fiscal affairs of succeeding governing bodies and overborrowing relative to the resources available for repayment. Such risks can be minimized by placing debt restrictions or ceilings on some portion of available revenues. For example, debt can be limited to the amount of revenue raised by one cent of motor fuel tax or ten percent of an agency's total capital construction budget.

Arizona -- Local Option Transportation Financing

In 1985, the Arizona legislature enacted various programs designed to accelerate highway construction and alleviate transportation congestion (L. 85, Ch. 308; section 28-2021 to 28-2028 and section 42-1481 to 42-1485, A.R.S.). In addition to increasing statewide sources for transportation finance, the legislature authorized local referenda to approve sales tax increases in designated areas to finance highway and mass transit projects. Bond finance was part of these local elections.

Local option sales tax increases. House Bill 2306 (1985) required that Maricopa County (metropolitan Phoenix) hold a referendum on imposing a one-half percent "transportation excise (sales) tax" increase for transportation projects. Arizona's remaining 14 counties were given the option to hold referenda on sales tax increases.

If Maricopa or Pima County (metropolitan Tucson) approved such increases, the revenue would be collected by the state Department of Revenue and deposited in each county's Regional Area Road Fund. Approval would also create a Regional Public Transportation Authority (RPTA) in each county to serve as the county's mass transit planning agency. If sales tax increases were approved in the remaining counties, the money would be distributed directly to the participating cities and counties based on an allocation formula developed prior to the election by the county board of supervisors.

Maricopa County. Maricopa County approved a sales tax increase for transportation projects in October 1985. In FY 1986-87, the sales tax raised \$94.8 million and will raise an estimated \$5.4 billion over 20 years. Revenues have been designated for the following types of projects:

- construction of highway improvements;
- improvement of the regional bus system; and
- creation of a regional public transportation plan.

35/ Building Prosperity, p. 21.

Currently, many highway upgrade and improvement projects are under construction in Maricopa County. The county has a Regional Freeway and Expressway Plan consisting of 318 miles of new roadways. As of June 1987, 76 miles had been completed with the remainder under construction or in planning stages. Improvements to the bus system are also being made with the construction of High Occupancy Vehicle (HOV) lanes. The sales tax will provide an estimated \$167 million for the bus system over 20 years.

The Maricopa County RPTA Board of Directors is composed of one elected official from each participating municipality, as well as one at-large official from Maricopa County. Each city and the county within the Maricopa RPTA may voluntarily decide to join the RPTA. In order to participate, a municipality must earmark a portion of its Local Transportation Assistance Funds (LTAF) to a county-wide Public Transportation Fund. The LTAF consists of lottery revenues and is apportioned by the state. Currently, there are six members on the board.

The authority is currently planning a regional rapid transit system using about \$8 million provided by the 1985 sales tax. The plan and funding sources -- an additional one-half percent county-wide sales tax -- must be approved by the Maricopa County voters. The election is slated for early 1989.

RPTA can issue bonds to finance the mass transit project, but the legislation stipulates that: 1) annual payments may not exceed fifty percent of the previous year's public transportation fund revenues; and 2) total outstanding indebtedness for any current fiscal year may not exceed total revenues collected by the public transportation fund for the previous two fiscal years.

Bond finance provisions. House Bill 2306 also provided that, if the local sales tax increases were approved, the Arizona Department of Transportation (ADOT) could issue bonds based on the anticipated revenues from Maricopa or Pima counties. The bonds could be used for design, right-of-way purchase, and construction of controlled access highways.

The ADOT issued \$182 million in bonds for Maricopa County in 1986 and \$170 million in 1987. The bonds are a special obligation of ADOT, though payable from Maricopa county's Regional Area Road Fund. The Regional Area Road Fund is composed of the following sources: proceeds from the bonds; transportation excise taxes; investment securities; investment income; and other funds. The bill does not specify the amount of bonds that may be issued.

Audit features. Audits were also specified for Maricopa or Pima County in the fifth and fifteenth year of the tax to ensure that the highway construction is continuing to solve the transportation problems. In the tenth year, ADOT will review the projects completed to date, examine future projects, and make recommendations to the legislature.

Pinal County. In addition to Maricopa County, Pinal County approved a one-half percent sales tax increase in November 1986. Pinal County is located between Maricopa and Pima counties and had a 1988 population of 98,000. Voters in Pinal County had initially rejected the sales tax measure 52 percent to 48 percent in a special election held December 1985. However, the measure passed with 51 percent on the general election ballot eleven months later. The tax is estimated to raise \$168 million over 20 years.

Pima County. Pima County (Tucson) rejected a referendum to raise its sales tax in December 1986. The referendum received only 43 percent support, much lower than the Maricopa measure which passed with 57 percent. One possible reason cited by Arizona officials for the measure's approval in Maricopa County is that the Phoenix area had experienced much greater population growth than the Tucson area in recent years.

Statewide tax increases. In addition to the local county measures, the Arizona legislature also approved a gas tax increase from thirteen to sixteen cents to fund transportation projects. The tax is estimated to raise \$889 million over 20 years. Allocation of the new revenue is as follows:

- 64 percent to the State Highway Fund;
- 14.4 percent to Maricopa County (to be split among the county and cities);
- 8.5 percent to Pima County (to be split among the county and cities);
- 8 percent to the remaining counties based on unincorporated population;
and
- 5.5 percent to the remaining cities based on incorporated population.

Arizona will also raise its fuel tax by one more cent beginning in 1990. This measure will provide about \$223 million over a fifteen year period, all allocated to the State Highway Fund. In addition to the fuel tax increases, 10 percent of the vehicle license tax has been allocated to the State Highway Fund from January 1, 1986, through June 30, 1990 (contingent on the federal government continuing the eight cent cigarette tax). This measure will raise an estimated \$64.8 million over the five year period.

APPENDICES

Appendix A

Groups and Organizations Appearing Before the Highway Legislation Review Committee July 1987 - December 1988

Representatives from the following organizations presented testimony to the HLRC:

Governmental Organizations:

Aurora City Council
City of Littleton
Colorado Counties, Inc.
Colorado Department of Highways
Colorado Department of Local Affairs, Division of Local Government
Colorado Department of Revenue
Colorado Highway Commission
Colorado Municipal League
Colorado State Patrol
Colorado Transportation Roundtable
Denver City Council
Denver Department of Public Works
Denver Regional Council of Governments (DRCOG)
Douglas County
E-470
Federal Aviation Administration
New Denver Airport
Northwest Colorado Council of Governments
Office of the Governor
Regional Transportation District (RTD)
Transit Construction Authority (TCA)
San Diego Metropolitan Transportation Development Board
Urban Mass Transportation Administration (UMTA)
W-470

Other Groups

Arthur Andersen
Arthur Luken and Associates
Association for Constructive Taxation (ACT)
George K. Baum and Company
Boettcher and Company
Centennial Chamber of Commerce
Colorado Association of Commerce and Industry (CACI)
Colorado Association of Motor Carriers
Colorado Concern
Colorado Concrete Paving Association
Colorado Contractors Association
Colorado Truck Stop Operators Association
Committee For A Better Airport
Consulting Engineers Council
Defend Against Expansion of Freeway Exit in North Denver
Greater Denver Chamber of Commerce
Hanifen Imhoff
Highway 285 Task Force
KUSA Channel 9
Montrose Highway 50 Company
Ponderosa High School
Smith Barney, Harris Upham
Western Highway Institute
Wilbur Smith and Associates

Appendix B

**Colorado Transportation Roundtable
Statewide Members**

Representative Don Ament
Representative Charles Berry
Senator Tilman M. Bishop
Representative Richard R. Bond
Mr. Dean Davis

Mr. John (Joe) Donlan
Representative Elwood Gillis
Representative JoAnn Groff
Senator Regis F. Groff
Mr. Jerry Grosword

Mr. Martin Hart
Mr. Peter Kenney
Mr. Pete M. Mirelez
Mr. Trygve Myhren
Mr. Dan Noble

Senator Robert L. Pastore
Senator Ray Powers
Mr. Doug Quimby
Ms. Peggy Rector
Ms. Cathy Reynolds

Representative Paul D. Schauer
Mr. Terry Schooler
Mr. Bob Siegrist
Mr. Jim Smith
Mr. Tom Stone

Senator Larry Trujillo
Mr. Bill Ward
Senator Dave Wattenberg
Mr. Fred Weisbrod
Mr. Dave Werking

Mr. Loren Whittemore
Mr. Earl Wilkinson
Representative Samuel Williams
Mr. Russell Yates

**Colorado Transportation Roundtable
Metropolitan Members**

Ms. Linda G. Alvarado
Representative Norma V. Anderson
Mr. Richard L. Anderson
Mr. George B. Beardsley
Mr. Joseph B. Blake

Mr. Robert Brooks
Representative Bob Bowen
Mr. Don Butt
Mayor Margaret Carpenter
Mr. Eldon Cooper

Mr. Jeff Coors
Mr. Roger Cracraft
Mr. Steve Cramer
Mr. Jake Edson
Representative Jeanne Faatz

Mr. Rich Ferdinandsen
Mr. Howard Gelt
Representative Tony Grampsas
Mr. T.J. "Ted" Hackworth
Ms. Josie Heath

Representative Phil Hernandez
Mr. Greg Hobbs
Representative Bud Hover, Jr.
Representative Sandy Hume
Mr. Steve Johnson

Mr. Richard A. Kirk
Senator Brian McCauley
Senator Al Meiklejohn
Ms. Linda Morton
Mr. Roger L. Ogden

Mayor Federico Pena
Senator Jim Rizzuto
Mr. Thomas L. Strickland
Mr. Ed Sullivan
Mayor Paul Tauer

Mr. Robert L. Tonsing
Mr. Tom Yates

Report of the
Colorado
Transportation
Roundtable
to the HLRC

November 11, 1988

11/14/88

Report of the
Colorado Transportation Roundtable
to the HLRC

The Colorado Transportation Roundtable has, through a series of Statewide and Metro Roundtable discussions which began in July, 1988, examined transportation needs and proposed solutions for both the State of Colorado and the Denver metro area. The Roundtable is comprised of elected state and local officials, business leaders, transportation agency chairs, environmental advocates and other concerned citizens from all geographic areas of the state.

The Roundtable was created to be an action-oriented body that could help reach political consensus. A basic tenet of the Roundtable is that a wide-ranging group of interests must come together if we are to make significant improvements in the state's transportation system.

We have analyzed the technical and economic opportunities. We have initiated and will continue to initiate efforts around the state to exchange ideas and concerns and to develop answers.

Based on our work to date, we are convinced that the first steps taken should be those which ensure that existing transportation dollars are being used as efficiently as possible. We are also convinced that additional dollars invested carefully in Colorado transportation projects at this time can produce substantial dividends.

PRELIMINARY RECOMMENDATIONS

The Transportation Roundtable sets forth seven preliminary recommendations to the Highway Legislative Review Committee:

Recommendation #1 -- Demand Additional Efficiency and Cost Savings

Recommendations of the Roundtable regarding increased statewide highway and county and municipal road funding require a definitive efficiency and productivity plan from the Colorado Department of Highways (CDOH), Colorado Counties, Inc. (CCI), and the Colorado Municipal League (CML). CDI, and CML. The study shall include recommendations for state, county and municipal efficiency and accountability actions.

The Highway Commission has taken the following actions to cause greater CDOH efficiency during 1988: 1) transferred \$9 million from maintenance to construction, 2) reduced personal services budgets by \$4 million, 3) achieved \$3

Preliminary Recommendations

million in staff, vehicle and inventory reductions (under Highway Commission actions derived from Arthur Anderson recommendations), and 4) initiated further changes in staff, vehicles, inventories and engineering to save an additional \$5 million.

However, the Roundtable believes that even further efficiencies must be targeted, both in the State Highway Department and in local (county and municipal) road maintenance and construction, as a condition complementary to increased funds being dedicated to highway and local road projects in Colorado.

The Roundtable recommends that at least \$4M in additional costs savings be required from CDOH for FY89-90 and that savings be identified and quantified at the local level.

Recommendation #2 -- Extend the Current Program to Maintain and Improve the Surface Condition of Colorado's Highway System

The Roundtable recommends that Colorado maintain 80 percent or more of the state highway system in good or fair surface condition. This 80 percent surface condition goal cannot be met unless the 6-cent gasoline tax is continued.

It is further recommended that, as the gas tax is extended, the diesel tax be extended at a lower rate to promote greater competitiveness in the trucking industry. This decrease is expected to be offset by increased business activity related to the trucking industry.

Recommendation #3 -- Accelerate Highway Projects to Increase Safety and Capacity

The Roundtable recommends that Colorado raise and allocate additional funds to address the state's most pressing highway capacity and safety needs.

It is recommended that these statewide projects be funded as much as practical through increasing user-based revenue sources. These include the state gasoline tax and drivers' license fees.

It is further recommended that costs not directly related to highway construction and maintenance, known as "off-the-top" costs, no longer be funded by the Highway Users Tax Fund (HUTF). Instead, "off-the-top" needs, such as the State Patrol and the dozen other state agencies budgeted partly against the HUTF, should be a part of the General Fund and funded by another revenue source such as the income tax.

Recommendation #4 -- Eliminate the Statutory Prohibition of State-Local Partnership in Transportation Projects

The Roundtable finds that an opportunity exists for greater efficiencies and cooperation between the Colorado Department

of Highways and local transportation entities. In order to achieve this however, a change in Colorado law is necessitated.

Recommendation #5 -- Begin to Move the Allocation of State Highway Funds to a Position of Greater Equity

The Roundtable recommends that the distribution of state highway funds should begin to move toward a more equitable balance between rural and urban funding, explicitly considering capacity and safety needs as well as surface condition. At the same time, the Roundtable believes that formulas for increased funding must protect rural areas against reductions in current levels of funding.

The Roundtable is encouraged by a compromise formula being crafted by CCI. The CCI plan would generate additional revenue to urban areas while holding funding levels constant in parts of rural Colorado.

Recommendation #6 -- Consolidate Existing Metro Denver Transportation Agencies

The Roundtable recommends that several existing transportation agencies within the Denver metropolitan area be consolidated into a single transportation authority.

It is recommended that the Transportation Construction Authority (TCA), E-470 Authority and W-470 Authority be abolished and that the Regional Transportation District (RTD) abandon its role of planning and developing rapid transit projects.

A Metropolitan Transportation Commission (MTC) should be formed to assume and ultimately consolidate the transit funding, planning and development responsibilities now performed by RTD, as well as the functions of TCA, E-470 and W-470.

Within the MTC system, RTD would become a bus and transit operating company.

Recommendation #7 -- Finance Special Metropolitan Transportation Projects from a Metropolitan Denver Revenue Base

The MTC should be funded through revenue sources currently used or targeted by TCA, RTD, E-470 and W-470.

This base could include additional sales tax, vehicle registration fees, and/or sales taxes on gasoline (all requiring the approval of the voters), as well as toll and transit corridor revenues from within the Denver metropolitan area.

IMPLEMENTING ACTIONS

The actions required to implement each recommendation are discussed below.

Recommendation #1 -- Demand Additional Efficiency and Cost Savings

The economic condition of the state and the demonstrated need to invest now in Colorado's transportation network dictate that state and local government continue to seek operating efficiencies, such as increased use of engineering design and construction management consultants and other prioritization actions.

The 1988 CDOH actions represent a substantial move towards greater efficiency. It is also important that confidence in the spending of local governments' share of HUTF funds be increased. While the highway department does not supervise local governments' road construction and maintenance activity, they do have a responsibility to coordinate with local governments and their associations to provide a summary report to the Legislature and the Governor. It is believed that this cooperative effort would be in the best interest of all units of government and all Colorado taxpayers, who expect state tax revenues to be invested wisely, no matter who spends them.

Therefore, it is recommended that:

- 1.A. CDOH complete its further review of internal efficiency and productivity measures, particularly in purchasing and contracting.
- 1.B. CCI and CML develop a parallel plan of action for creating efficiency measures at the local level. These might include efficiency case studies of selected jurisdictions, development and promotion of "best demonstrated practices", and/or development of new forms of cooperation between local governments in maintaining roads.
- 1.C. CDOH, CCI and CML review and streamline local transportation expenditure reporting procedures. The reports should also produce more usable comparisons of needs, operating and construction costs and local financing efforts. Suggest how the reports might be simplified and how the results might provide a more usable and consistent picture of local transportation activities.
- 1.D. CDOH, CCI and CML report an action plan or plans for producing additional efficiencies at the state and local levels to the Governor and the Legislature.

Preliminary Recommendations

Recommendation #2 -- Maintain and Improve the Surface Conditions of Colorado's Highway System

Surface condition on state highways has improved significantly as a consequence of S.B. 36, passed in 1986 and scheduled to sunset in 1989. Approximately 40 percent of the 6-cent gas tax was directed to surface condition maintenance. (The remainder was used for bridges, county and municipal roads and offsets of revenues diverted by "off-the-top" appropriations.) As of early 1988, the state system was rated 42 percent good/40 percent fair/18 percent poor in surface condition. This compares favorably to the 28 percent good/47 percent fair/25 percent poor conditions which existed in 1985 prior to the passage of the bill.

Retaining the 6-cent gas tax would allow maintaining close to what has been achieved, despite the fact that gas tax revenues are not keeping up with inflation.

However, retaining the diesel tax levels set by S.B. 36 will be harmful to Colorado's trucking industry. Rates are substantially above those in surrounding states, resulting in loss of business to the State.

We recommend that:

- 2.A. The 6-cent gas tax be extended, with a continued emphasis on use of these funds for maintenance of and/or improvement in surface condition.
- 2.B. The diesel tax increase be extended at a rate of 3 cents rather than the rate of 7.5 cents provided for in S.B. 36.

(This would provide for a total diesel tax of 16 cents per gallon.)

Recommendation #3 -- Accelerate Highway Projects to Increase Safety and Capacity

Investments in our most urgently needed capacity and safety improvements are of strategic importance to the state. Investing now rather than later would help our economy. Also, investing now is a good deal. Construction costs are more than 20 percent below what they were three years ago.

Each year, the distance between what we need to invest and what we are investing is growing. Ideally, Roundtable members would like to recommend solving 80 percent of our capacity and safety problems by the year 2001. However, in addition to the 6-cent gas tax, this would require investing an additional \$227M per year just on state highways. Were new funds to be split 60 percent for state system/40 percent for local governments, a total of \$378M per year would be required.

Given (a) the current condition of Colorado's economy and (b) pressing needs in other areas such as education, this level of investment simply is not practical.

Preliminary Recommendations

We recommend that:

- 3.A. The State invest an additional \$167M annually in the HUTF and that CDOH apply its share of these funds to our most critical capacity and safety problems.

The following sources of funds are recommended. These are in addition to the efficiency measures discussed earlier:

- 3.B. Increase the gasoline tax by an additional 2 cents.

(This tax is attractive as a source of transportation funds because of its direct relationship to the investments being made. Other states are also increasing this tax; therefore a further increase is acceptable.)

- 3.C. Increase drivers' license fees to provide \$6M in HUTF revenues over the current level of revenues generated by this activity.

(Currently, the costs of administering the drivers' license program are substantially more than the fees collected.)

- 3.D. Eliminate "off-the-top" appropriations, funding current "off-the-top" recipients with general revenues.

(User fees have been diverted from the Highway Users Trust Fund over the years. They should be returned to the trust fund from the state's general fund. This would increase demands on the general fund by approximately \$67 million, which could be funded through a 1/4 percent increase in the income tax.)

- 3.E. Increase the state sales tax rate by an additional .25 cents.

(It will be necessary to increase the state's cap on the total sales tax from all jurisdictions at the same time in order to prevent unacceptable adverse impacts on local government.)

It is further recommended that the Legislature explore the development of a supplementary program for rapidly addressing critical highway capacity problems along Colorado's Front Range. These problems will not be fully addressed by the actions discussed above. The following additional actions should be considered:

- 3.F. Raise an additional \$30M per year from either 2 cents in additional gasoline taxes or an average of \$10 in additional vehicle registration fees. Use these funds to bond for a Front Range capacity improvements program.

Preliminary Recommendations

Recommendation #4 - Eliminate the Statutory Prohibition of State-Local Partnership in Transportation Projects

Public/private partnerships in transportation projects have proven successful at both the state and the local levels. Cooperation between CDOH and RTD on the I-25 North Busway is a further step in the right direction. Cooperative efforts and/or joint ventures between CDOH and local governments could also be beneficial on some projects.

It is recommended that:

HUTF legislation be modified to remove prohibitions against contributions by the highway department and local governments to one another's projects.

Recommendation #5 -- Begin to Move the Allocation of State Highway Funds to a Position of Greater Equity

There are imbalances in the current transportation funding system. For example, the Denver area generates over 50 percent of the state's HUTF funds; however, approximately 40 percent of the highway department budget is spent in the Denver area. Only 33 percent of the local (county and municipal) share of HUTF funds are returned to the Denver area by current allocation formulae.

New funds will be necessary if the share allocated to metro Denver counties and cities is to be increased without reducing rural funding.

It is recommended that:

- 5.A. The CCI compromise allocation formula, which shifts funds to urban counties, be enacted.
- 5.B. The local share of new HUTF funds be utilized to carry out the new allocation formula.
- 5.C. Surface conditions on the state highway system in Metro Denver be brought up to the statewide standard.

Recommendation #6 -- Consolidate Existing Metro Denver Transportation Agencies

The Denver metro area currently has two transit agencies (TCA and RTD), two tolled beltway authorities (E-470 and W-470), 41 local governments to develop local roads, and no agency with a clear mandate and budget for areawide traffic systems management. We need fewer responsible entities; closer coordination and integration of projects and priorities, and more assurance that the best projects will be done in the best order with the most efficient financing.

The approach which we have carefully negotiated and which we recommend is the establishment of a Metropolitan Transportation Commission (MTC) to integrate these functions and to facilitate efficiency and metropolitan cooperation.

We recommend that:

- 6.A. TCA be dissolved.
- 6.B. RTD become a bus and transit operating company.
- 6.C. E-470 and W-470 be dissolved as separate entities once the MTC is successful in raising new funds and able to assume responsibility for the beltways. (In the interim, the beltways should continue as separate entities to provide continuity and avoid delays in implementation.)
- 6.D. The MTC be formed to consolidate development of rapid transit, tolled beltways, metro area arterial and collector roadways and traffic systems management projects. The MTC would be empowered to manage funds, issue debt, allocate funds for specific projects, allocate funds to cover anticipated operating deficits and negotiate for contributions from transit and beltway corridors, the private sector, federal agencies, and other beneficiaries of specific projects.
- 6.E. The primary objectives of the MTC are to improve air quality, safety, and mobility. Priorities for funding and construction should be set by the MTC in accordance with the objectives cited above, with development of transit, regional and local roads and beltways proceeding in concert.

The general intent is that rapid transit be constructed in the Southeast, Southwest, Aurora-South corridors and the core Central Business District by 1997 so as to be operationally concurrent with the completion of the 470 Beltway Phase I (4 lanes). The East Corridor/Airport would be constructed by 2007 to coincide with upgrading the 470 Beltway to Phase II. The rest of the transit system would be completed to be operational when the 470 Beltway Phase III upgrading (8 lanes) is completed. This is projected to be around 2013.

TSM would have a high priority, and local roads would be constructed during this same time period. Regional arterials would be coordinated with the overall system. Funds could also be allocated to individual jurisdictions to carry out their own priorities for local roads below the major collector level.

The general intent discussed above would be reviewed by the MTC and adjusted based on changing circumstances regarding revenues availability, air quality, etc.

- 6.F. The MTC board consist of seven local elected officials and four at-large members, appointed by the Governor and confirmed by the Senate. The seven local officials should include one from each of the six counties and an official who is alternately from the cities of Denver and Aurora.

County and local officials from each area which are entitled to a representative should nominate and submit three names to the Governor for potential appointment to the MTC. During those periods where the seventh local official is not from Denver, at least one of the at-large members should be a Denver resident. During those periods where the seventh local official is not from Aurora, one of the three Arapahoe County nominees should come from Aurora.

Criteria for all appointments should include expertise in transportation, air quality, finance and/or management.

The MTC district boundaries should be approximately the same as the current RTD district.

The actions recommended above would substantially enhance our ability to coordinate projects. In addition, these actions would result in a net elimination of approximately 10 transportation board positions and several staff positions. It is further recommended that:

- 6.G. The MTC complete a review of corridor by corridor life cycle costs of alternative transit technologies before initiating any additional transit project beyond the I-25 North HOV/Busway.

(This is needed to increase confidence in the final technology decisions.)

- 6.H. The MTC adequately fund a coordinated air quality function, properly staffed, for the purpose of integrating air quality and transportation functions. This staff would coordinate with the Air Quality Division of the Colorado Department of Health, the Metropolitan Air Quality Council and the Environmental Protection Agency to ensure consistency regarding the maintenance of health standards and the reduction of the brown cloud.

- 6.I. The MTC explore, at the appropriate time, the feasibility of contracting with CDOH to supervise construction of and provide maintenance and tolls collection on the beltways.

(There is no reason, for example, why the beltways need separate maintenance or snow removal crews.)

Preliminary Recommendations

6.J. The MTC minimize its staff and operating budget.

(The consolidation which creates MTC should lead to a reduction in the total administrative overhead for transportation in metro Denver. The MTC should ensure that the savings are realized.)

Recommendation #7 -- Finance Special Metropolitan Transportation Projects from a Metropolitan Denver Revenue Base

The MTC should combine revenues from local governments, tolled beltways and future revenues obtained with voter approval and create the most efficient financing package or packages.

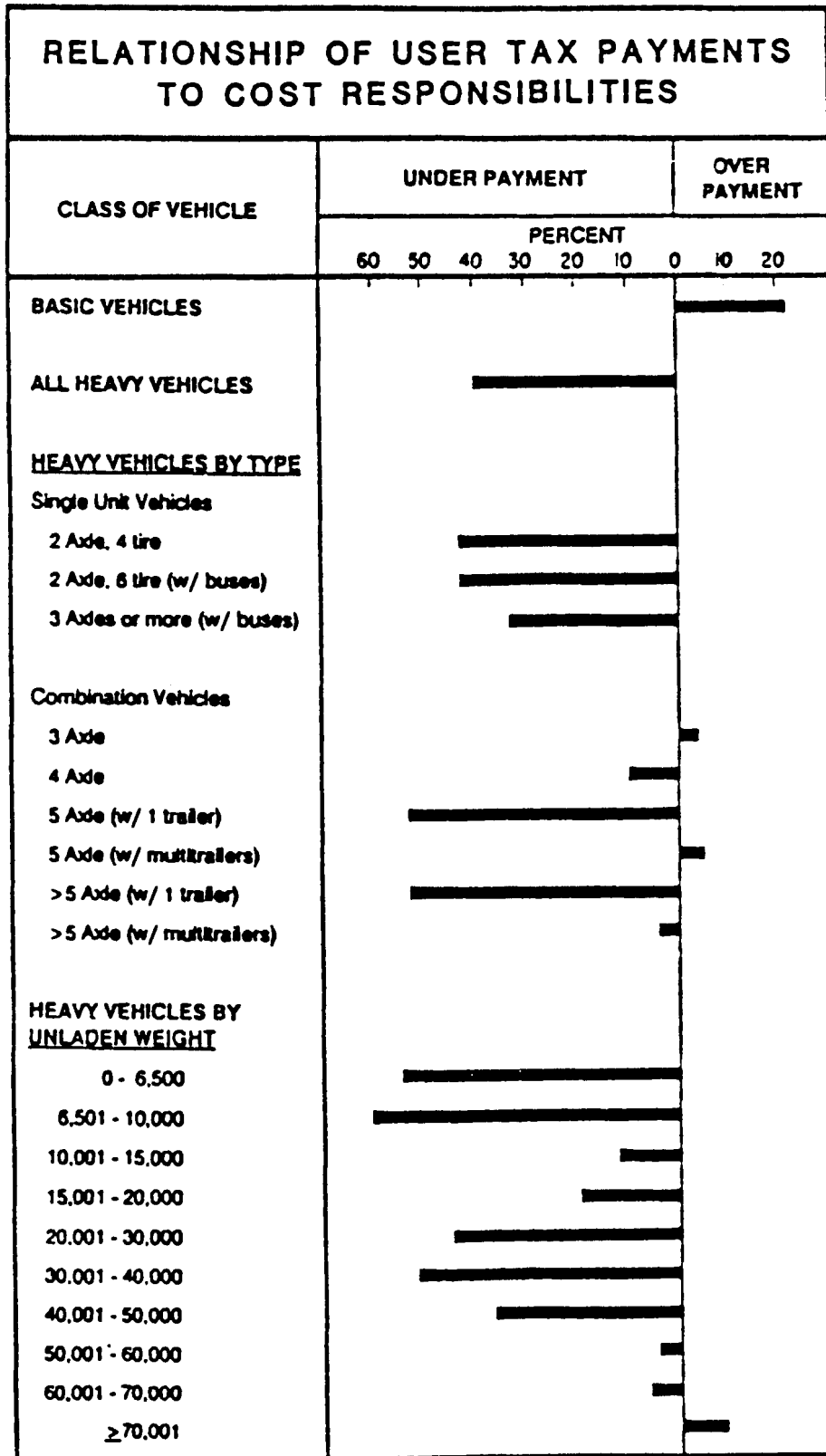
We recommend that:

- 7.A. New HUTF revenues resulting from these recommendations which would otherwise be available to metro area local governments be allocated to the MTC.
- 7.B. RTD's existing authority to raise sales taxes with voter approval be terminated; and 0.1 cent of RTD's current 0.6 cent sales tax be transferred to the MTC.
- 7.C. The E-470 and W-470 beltways' authorization to raise additional revenues separately be terminated; but that this termination be made effective the day after MTC is successful in obtaining voter approval for increased revenues.
- 7.D. The MTC be authorized to raise up to \$100M in new revenues from sales taxes (RTD's old allocation of additional authority), motor vehicle registration fees and/or sales taxes on gasoline.
- 7.E. The MTC be the recipient of net new toll revenues (after debt service and operating expenses) from E-470, W-470 and, if feasible, C-470. If C-470 is not tolled, other sources of equivalent revenue might be brought into the financial package.
- 7.F. The MTC be authorized to issue debt.

APPENDIX D

COMPARISON OF CASE STUDY TRANSIT AGENCIES

<u>Location/ Transit Agency</u>	<u>Regional Population</u>	<u>Modes</u>	<u>Primary Benefit- Sharing Techniques</u>
New York City: MTA - Times Square/42nd St. - East Midtown Develop- ments	16 million	Rapid Transit Commuter Rail Bus	Incentive Zoning Joint Development System Interface Negotiated Investments Voluntary Contributions
Los Angeles: SCRID - Proposed Metro Rail Stations	8 million	Commuter Rail Bus Rapid Transit (planned)	Station Area Masterplans Incentive Zoning Benefit Assessment Organizational Mechanisms
Boston: MBTA - Real Estate Manage- ment Program	2.6 million	Rapid Transit Commuter Rail Light Rail Bus	Real Estate Management Leases and Concessions Public Infrastructure Joint Development System Interface
Washington, D.C.: WMATA - New Carrollton Metro - Bethesda Metro Center	2.5 million	Rapid Transit Bus	System Interface Station Area Masterplans Joint Development Organizational Mechanisms
Portland, OR: Tri-Met - Banfield Transitway	825,000	Light Rail Bus	Construction Coordination Special Assessments Station Area Masterplans Organizational Mechanisms
Toledo, OH: TARTA - Downtown Transit Loop	490,000	Bus	Public Infrastructure Voluntary Private Contributions Cooperative Agreements Tax Increment Financing
Michigan Terminal Projects:			
Marquette: MTA	23,000	Local/Intercity Bus	
City of Cadillac	10,000	Intercity Bus Dial-a-Ride	
Bay City: Metro Transit	85,000	Local/Intercity Bus	Leases and Concessions
Flint: MTA	450,000	Local/Intercity Bus	Cooperative Agreements
City of Pontiac		Local/Intercity Bus	Cost Sharing with
Battle Creek Transit	114,000	Local/Intercity Bus Rail	Tenants, Intercity
City of Kalamazoo	80,000	Intercity Bus Rail	
City of Dowagiac	6,300	Rail Intercity Bus Dial-a-Ride	
Niles	21,000	Intercity Bus Dial-a-Ride	



Highway Legislation Review Committee

A BILL FOR AN ACT

1 CONCERNING SURFACE TRANSPORTATION IN COLORADO.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Continues the increase in the gasoline tax as enacted by Senate Bill No. 36 during the 1986 session of the general assembly and provides for an additional increase of a certain amount for improvements in the state's transportation system. Decreases the special fuel tax rate. Also increases fees for drivers' licenses, to provide additional revenues for state transportation system improvements. Requires the state department of highways, in cooperation with Colorado counties, incorporated, and the Colorado municipal league, to conduct a study to increase efficiency in the administration, maintenance, and construction of transportation systems at the state, county, and municipal levels, and requires the department to implement such cost-saving measures and to report to the general assembly and to the governor by a certain date. Prohibits appropriation by the general assembly from the highway users tax fund without statutory authority. Repeals statutory authority for certain appropriations from the highway users tax fund to fund the administrative costs of certain governmental functions and replaces said funding with increases in the state income taxes.

Requires counties to specifically identify all sources of revenue credited to the county road and bridge fund and to report all expenditures of such revenues in a manner prescribed by the division of highways. Creates a municipal road and bridge fund and requires municipalities to account for all sources of revenue credited to the fund and to report all expenditures of such revenues. Authorizes such counties and municipalities to use a portion of the moneys allocated to

them from the highway users tax fund to cover the accounting costs required by this act.

Clarifies that highway users tax fund moneys allocated to the state highway fund may be used for construction and maintenance of county and municipal roads and highways. Authorizes counties and municipalities to expend moneys they receive from the highway users tax fund for work on any public highways. Allows the state department of highways to reimburse counties, cities, and incorporated towns pursuant to contract for maintenance or construction of highways which are part of the state highway system. Allows municipalities, counties, and political subdivisions to enter into intergovernmental agreements to loan funds to the department to accelerate the completion of priority state highway projects under the supervision of the chief engineer of the state department of highways. Authorizes boards of county commissioners to undertake or contract for construction or repair of any public highway or bridge. Removes the dollar limit on contracts which counties may enter into with federal or state governments for construction or repair of state or federal highways. Includes work on public highways in the statute requiring advertisement for bids by boards of county commissioners.

Creates the metropolitan transportation finance authority (MTFA). Establishes a commission to govern the affairs of the MTFA. Sets the number of commission members and their terms of office. Continues the existing regional transportation district (RTD) and its board of directors as a mass transportation operating entity with authority over the operation of bus services and other means of mass transit planned and constructed by the MTFA. Establishes a farebox recovery ratio for the RTD. Dissolves the transit construction authority (TCA). Transfers the planning and construction powers of the TCA and the RTD to the MTFA. Provides for the merger of public highway authorities into the MTFA upon the existence of certain conditions. Consolidates the debt financing and revenue-raising powers of the TCA and RTD, other than RTD's authority to set rates for the use of bus services, under the MTFA and provides that outstanding securities of the RTD shall be securities of the MTFA. Empowers the MTFA to plan, develop, and provide financing for projects in the area of the MTFA for rapid transit, tolled beltways, metro area arterial and collector roadways, and other front-range capacity-improvement projects.

1 Be it enacted by the General Assembly of the State of Colorado:

2 SECTION 1. Legislative declaration. The general

3 assembly hereby finds, determines, and declares that the

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BILL 1

1 condition of the public transportation system in this state is
 2 important for the public welfare of Colorado citizens as well
 3 as the state's economic development. The general assembly
 4 further finds, determines, and declares that the purpose of
 5 this act is to ensure that existing transportation dollars be
 6 used as efficiently as possible and that additional dollars
 7 invested into projects on Colorado's transportation system be
 8 used to produce optimum results in transportation system
 9 improvements in this state.

10 SECTION 2. Part 1 of article 1 of title 43, Colorado
 11 Revised Statutes, 1984 Repl. Vol., as amended, is amended BY
 12 THE ADDITION OF A NEW SECTION to read:

13 43-1-114. State, county, and municipal efficiency and
 14 accountability actions - implementation. (1) By July 1,
 15 1990, the state department of highways, in cooperation with
 16 Colorado counties, incorporated, and the Colorado municipal
 17 league, shall undertake and complete a definitive efficiency
 18 and productivity plan for state, county, and municipal road
 19 administration, maintenance, and construction. Such study
 20 shall make recommendations for measures to reduce costs in the
 21 administration, maintenance, and construction of highways,
 22 roads, and streets at the state, county, and municipal levels.
 23 The general assembly anticipates that increased efficiency
 24 measures in the state department of highways should save nine
 25 million dollars per year. The state department of highways,
 26 Colorado counties, incorporated, and the Colorado municipal
 27 league shall report to the governor and to the general

1 assembly no later than July 1, 1990. The state department of
 2 highways shall implement such cost-saving measures as
 3 determined to be appropriate based on the study required by
 4 this section. County and municipal governments shall also
 5 implement the recommendations of the study required by this
 6 section.

7 (2) For the fiscal year 1989-90, the commission shall
 8 take whatever measures it deems necessary to create a savings
 9 of seven million four hundred thousand dollars in internal
 10 operating efficiencies. Such savings shall be credited to the
 11 state highway fund for use by the commission on highway
 12 projects. For the fiscal year 1990-91, and for each fiscal
 13 year thereafter, the savings shall be increased to seven
 14 million nine hundred thousand dollars.

15 (3) Local governments shall continue to provide the same
 16 level of support for the maintenance and construction of
 17 highways, roads, and streets that such governments provided
 18 prior to July 1, 1989.

19 (4) Local governments shall file with the commission,
 20 subject to penalties for perjury, that portion of their
 21 budgets which relates to the highway maintenance and
 22 construction activities of such local governments. The
 23 commission shall use such information to compile a report
 24 concerning the condition of the state highway system and the
 25 use of the increased revenues in the highway users tax fund as
 26 a result of house bill no. ____, which bill was enacted during
 27 the first regular session of the fifty-seventh general

1 assembly. Such report shall be made to the general assembly no
2 later than February 15, 1992.

3 SECTION 3. 39-22-104 (1), Colorado Revised Statutes,
4 1982 Repl. Vol., as amended, is amended to read:

5 39-22-104. Income tax imposed on individuals, estates,
6 and trusts - single rate. (1) (a) Subject to subsection (2)
7 of this section, with respect to taxable years commencing on
8 or after January 1, 1987, BUT PRIOR TO JANUARY 1, 1989, a tax
9 of five percent is imposed on the federal taxable income, as
10 determined pursuant to section 63 of the internal revenue
11 code, of every individual, estate, and trust.

12 (b) SUBJECT TO SUBSECTION (2) OF THIS SECTION, WITH
13 RESPECT TO TAXABLE YEARS COMMENCING ON OR AFTER JANUARY 1,
14 1989, A TAX OF FIVE AND TWENTY-FIVE ONE-HUNDREDTHS PERCENT IS
15 IMPOSED ON THE FEDERAL TAXABLE INCOME, AS DETERMINED PURSUANT
16 TO SECTION 63 OF THE INTERNAL REVENUE CODE, OF EVERY RESIDENT
17 INDIVIDUAL, ESTATE, AND TRUST.

18 SECTION 4. 39-22-301 (1) (d) (I) (C), (1) (d) (I) (D),
19 (1) (d) (I) (E), (1) (d) (I) (F), and (1) (d) (I) (G),
20 Colorado Revised Statutes, 1982 Repl. Vol., as amended, are
21 amended to read:

22 39-22-301. Corporate tax imposed. (1) (d) (I) (C) For
23 income tax years commencing on or after July 1, 1989, but
24 before July 1, 1990:

25 If the Colorado
26 net income is: The tax is:
27 \$50,000.00 or less 5% 5.25% of the Colorado net

1 income
2 Over \$50,000.00 \$2,500.00 plus ~~5.4%~~ 5.65% of
3 the excess Colorado net
4 income over \$50,000.00

5 (D) For income tax years commencing on or after July 1,
6 1990, but before July 1, 1991:

7 If the Colorado
8 net income is: The tax is:
9 \$50,000.00 or less 5% 5.25% of the Colorado net
10 income
11 Over \$50,000.00 \$2,500.00 plus ~~5.3%~~ 5.55% of
12 the excess Colorado net
13 income over \$50,000.00

14 (E) For income tax years commencing on or after July 1,
15 1991, but before July 1, 1992:

16 If the Colorado
17 net income is: The tax is:
18 \$50,000.00 or less 5% 5.25% of the Colorado net
19 income
20 Over \$50,000.00 \$2,500.00 plus ~~5.2%~~ 5.45% of
21 the excess Colorado net
22 income over \$50,000.00

23 (F) For income tax years commencing on or after July 1,
24 1992, but before July 1, 1993:

25 If the Colorado
26 net income is: The tax is:

1 \$50,000.00 or less 5% 5.25% of the Colorado net
 2 income
 3 Over \$50,000.00 \$2,500.00 plus ~~5.1%~~ 5.35% of
 4 the excess Colorado net
 5 income over \$50,000.00

6 (G) For income tax years commencing on or after July 1,
 7 1993, five AND TWENTY-FIVE ONE-HUNDREDTHS percent of the
 8 Colorado net income.

9 SECTION 5. 29-2-105 (1) (f), Colorado Revised Statutes,
 10 1986 Repl. Vol., is amended to read:

11 29-2-105. Contents of sales tax ordinances and
 12 proposals. (1) (f) A provision that, in the event the seven
 13 ~~percent~~ SEVEN AND TWENTY-FIVE ONE-HUNDREDTHS PERCENT
 14 limitation provided in section 29-2-108 is to be exceeded in
 15 any municipality within the county by a proposed county sales
 16 or use tax, such limitation shall be exceeded by a stated rate
 17 in the named municipality.

18 SECTION 6. 29-2-108 (1) and (3), Colorado Revised
 19 Statutes, 1986 Repl. Vol., are amended to read:

20 29-2-108. Limitation on amount. (1) In no case shall
 21 the total sales tax or total use tax imposed by the state of
 22 Colorado, any county, and any city or town in any locality in
 23 the state of Colorado exceed ~~seven--percent~~ SEVEN AND
 24 TWENTY-FIVE ONE-HUNDREDTHS PERCENT; except that this
 25 limitation shall not preclude a county sales tax or use tax at
 26 a rate not to exceed one percent.

27 (3) The additional two-tenths of one percent tax imposed

1 by article 26.1 of title 39, C.R.S., any tax imposed pursuant
 2 to section 30-11-107.5, C.R.S., and the additional tax
 3 authorized by section 30-20-604.5, C.R.S., if imposed, shall
 4 be exempt from the ~~seven--percent~~ SEVEN AND TWENTY-FIVE
 5 ONE-HUNDREDTHS PERCENT limitation imposed by subsection (1) of
 6 this section.

7 SECTION 7. 39-26-105 (1), Colorado Revised Statutes,
 8 1982 Repl. Vol., is amended to read:

9 39-26-105. Vendor liable for tax. (1) Every retailer,
 10 also in this part 1 called "vendor", shall, irrespective of
 11 the provisions of section 39-26-106, be liable and responsible
 12 for the payment of an amount equivalent to ~~three--percent~~ THREE
 13 AND TWENTY-FIVE ONE-HUNDREDTHS PERCENT of all sales made by
 14 him of commodities or services as specified in section
 15 39-26-104 and shall before the twentieth day of each month
 16 make a return to the executive director of the department of
 17 revenue for the preceding calendar month and remit an amount
 18 equivalent to said ~~three--percent~~ THREE AND TWENTY-FIVE
 19 ONE-HUNDREDTHS PERCENT on such sales to said executive
 20 director, less three and one-third percent of the sum so
 21 remitted to cover the vendor's expense in the collection and
 22 remittance of said tax; but, if any vendor is delinquent in
 23 remitting said tax, other than in unusual circumstances shown
 24 to the satisfaction of the executive director, the vendor
 25 shall not be allowed to retain any amounts to cover his
 26 expense in collecting and remitting said tax, and an amount
 27 equivalent to the full ~~three--percent~~ THREE AND TWENTY-FIVE

1 ONE-HUNDREDTHS PERCENT, plus the amount of any local vendor
2 expense which may be allowed by the local government to the
3 vendor, shall be remitted to the executive director by any
4 such delinquent vendor. Such returns of the taxpayer or his
5 duly authorized agent shall contain such information and be
6 made in such manner and upon such forms as the executive
7 director may prescribe. Any local vendor expense remitted to
8 the executive director shall be deposited to the state general
9 fund.

10 SECTION 8. 39-26-106 (1) (a) and (2) (a), Colorado
11 Revised Statutes, 1982 Repl. Vol., as amended, are amended to
12 read:

13 39-26-106. Schedule of sales tax. (1) (a) There is
14 imposed upon all sales of commodities and services specified
15 in section 39-26-104 a tax at the rate of ~~three-percent~~ THREE
16 AND TWENTY-FIVE ONE-HUNDREDTHS PERCENT of the amount of the
17 sale, to be computed in accordance with schedules or systems
18 approved by the executive director of the department of
19 revenue. Said schedules or systems shall be designed so that
20 no such tax is charged on any sale of seventeen cents or less.

21 (2) (a) Except as provided in paragraph (b) of this
22 subsection (2), retailers shall add the tax imposed, or the
23 average equivalent thereof, to the sale price or charge,
24 showing such tax as a separate and distinct item, and when
25 added such tax shall constitute a part of such price or charge
26 and shall be a debt from the consumer or user to the retailer
27 until paid and shall be recoverable at law in the same manner

1 as other debts. The retailer shall be entitled, as collecting
2 agent of the state, to apply and credit the amount of his
3 collections against the ~~three-percent~~ THREE AND TWENTY-FIVE
4 ONE-HUNDREDTHS PERCENT rate to be paid by him under the
5 provisions of section 39-26-105, remitting any excess of
6 collections over said ~~three--percent~~ THREE AND TWENTY-FIVE
7 ONE-HUNDREDTHS PERCENT, less the three and one-third percent
8 collection expense allowance, to the executive director of the
9 department of revenue in the retailer's next monthly sales tax
10 return.

11 SECTION 9. 39-26-112, Colorado Revised Statutes, 1982
12 Repl. Vol., is amended to read:

13 39-26-112. Excess tax - remittance. If any vendor,
14 during any reporting period, collects as a tax an amount in
15 excess of ~~three-percent~~ THREE AND TWENTY-FIVE ONE-HUNDREDTHS
16 PERCENT of his total taxable sales, he shall remit to the
17 executive director of the department of revenue the full net
18 amount of the tax imposed in this part 1 and also such excess.
19 The retention by the retailer or vendor of any excess of tax
20 collections over the ~~three-percent~~ THREE AND TWENTY-FIVE ONE
21 HUNDREDTHS PERCENT of the total taxable sales of such retailer
22 or vendor, or the intentional failure to remit punctually to
23 the executive director the full amount required to be remitted
24 by the provisions of this part 1, is declared to be unlawful
25 and constitutes a misdemeanor.

26 SECTION 10. 39-26-202 (1), Colorado Revised Statutes,
27 1982 Repl. Vol., as amended, is amended to read:

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1 39-26-202. Authorization of tax. (1) There is imposed
 2 and shall be collected from every person in this state a tax
 3 or excise at the rate of ~~three-percent~~ THREE AND TWENTY-FIVE
 4 ONE-HUNDREDTHS PERCENT of storage or acquisition charges or
 5 costs for the privilege of storing, using, or consuming in
 6 this state any articles of tangible personal property
 7 purchased at retail. Such tax shall be payable to and shall
 8 be collected by the executive director of the department of
 9 revenue and shall be computed in accordance with schedules or
 10 systems approved by said executive director.

11 SECTION 11. 24-75-215, Colorado Revised Statutes, 1988
 12 Repl. Vol., is amended BY THE ADDITION OF A NEW SUBSECTION to
 13 read:

14 24-75-215. Transfers to highway users tax fund.
 15 (4.5) On and after July 1, 1989, as sufficient moneys become
 16 available in the general fund, the state treasurer and the
 17 controller shall transfer from the general fund to the highway
 18 users tax fund an amount equal to the revenues attributable to
 19 a twenty-five one-hundredths percent portion of the total
 20 sales and use tax rates imposed by sections 39-26-106 (1) and
 21 39-26-202, C.R.S.

22 SECTION 12. 39-27-102 (1) (a) (II), Colorado Revised
 23 Statutes, 1982 Repl. Vol., as amended, is REPEALED AND
 24 REENACTED, WITH AMENDMENTS, to read:

25 39-27-102. Tax imposed - deposits - penalties.
 26 (1) (a) (II) The excise tax imposed by subparagraph (I) of
 27 this paragraph (a) shall be twenty cents per gallon or

1 fraction thereof for fiscal years beginning on and after July
 2 1, 1989.

3 SECTION 13. 39-27-202 (1) (c), Colorado Revised
 4 Statutes, 1982 Repl. Vol., as amended, is REPEALED AND
 5 REENACTED, WITH AMENDMENTS, to read:

6 39-27-202. Tax imposed - exemptions - ex-tax purchases.
 7 (1) (c) The excise tax imposed by paragraph (a) of this
 8 subsection (1) shall be sixteen cents per gallon or fraction
 9 thereof for fiscal years beginning on and after July 1, 1989.

10 SECTION 14. 42-3-123 (4) (b), Colorado Revised Statutes,
 11 1984 Repl. Vol., is amended to read:

12 42-3-123. Registration fees - passenger, passenger-mile,
 13 and ton-mile taxes. (4) (b) (I) Passenger cars, station
 14 wagons, taxicabs, ambulances, motor homes, and hearses:

15 (A) Weighing two thousand pounds or less, six dollars;

16 (B) Weighing forty-five hundred pounds or less, six
 17 dollars plus twenty cents per one hundred pounds, or fraction
 18 thereof, of weight over two thousand pounds;

19 (C) Weighing more than forty-five hundred pounds, twelve
 20 dollars and fifty cents plus sixty cents per one hundred
 21 pounds, or fraction thereof, of weight over forty-five hundred
 22 pounds; except that, for motor homes weighing more than
 23 sixty-five hundred pounds, such fees shall be twenty-four
 24 dollars and fifty cents plus thirty cents per one hundred
 25 pounds, or fraction thereof, of weight over sixty-five hundred
 26 pounds;

27 (II) In addition to the registration fees imposed by

1 subparagraph (I) of this paragraph (b), an additional
2 registration fee shall be imposed on the motor vehicles
3 described in the introductory portion of this paragraph (b),
4 which additional registration fee shall be based on the age of
5 the motor vehicle, as follows:

6 (A) For motor vehicles six years old or less, twelve
7 dollars;

8 (B) For motor vehicles six to ten years old, ten
9 dollars;

10 (C) For motor vehicles older than ten years, seven
11 dollars.

12 SECTION 15. 42-3-123 (11), Colorado Revised Statutes,
13 1984 Repl. Vol., is amended BY THE ADDITION OF A NEW
14 PARAGRAPH, to read:

15 42-3-123. Registration fees - passenger-mile and
16 ton-mile taxes. (11) (e) In addition to the registration
17 fees imposed by paragraph (a) of this subsection (11), an
18 additional registration fee shall be imposed on the vehicles
19 described in such paragraph (a), which additional registration
20 fee shall be based on the age of the motor vehicle, as
21 follows:

22 (I) For farm trucks six years old or less, twelve
23 dollars;

24 (II) For farm trucks six to ten years old, ten dollars;

25 (III) For farm trucks older than ten years, seven
26 dollars.

27 SECTION 16. 42-3-123 (13) (b), Colorado Revised

1 Statutes, 1984 Repl. Vol., is amended, and the said 42-3-123
2 (13) is further amended BY THE ADDITION OF A NEW PARAGRAPH, to
3 read:

4 42-3-123. Registration fees - passenger, passenger-mile,
5 and ton-mile taxes. (13) (b) Except as provided in paragraph
6 (b.5) of this subsection (13), for each such vehicle
7 registered under this subsection (13) having an empty weight
8 exceeding ten thousand pounds, ~~twenty-two~~ THIRTY-THREE dollars
9 and fifty cents.

10 (d) In addition to the registration fees imposed by
11 paragraph (a) of this subsection (13), an additional
12 registration fee shall be imposed on the motor vehicles
13 described in such paragraph (a), which additional registration
14 fee shall be based on the age of the vehicle, as follows:

15 (I) For light trucks six years old or less, twelve
16 dollars;

17 (II) For light trucks six to ten years old, ten dollars;

18 (III) For light trucks over ten years old, seven
19 dollars.

20 SECTION 17. 42-3-123, Colorado Revised Statutes, 1984
21 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW
22 SUBSECTION to read:

23 42-3-123. Registration fees - passenger, passenger-mile,
24 and ton-mile taxes. (13.3) (a) The additional fees collected
25 pursuant to this subsection (13.3) shall be transmitted to the
26 state treasurer, who shall credit the same to the highway
27 users tax fund.

(b) The additional revenues which accrue to the highway users tax fund as a result of the increased registration fees imposed by subparagraph (II) of paragraph (b) of subsection (4), paragraph (e) of subsection (11), and paragraphs (b) and (d) of subsection (13) of this section shall be used by the state highway commission to finance and construct regional capacity improvement projects on highways along the front range.

SECTION 18. 43-4-201, Colorado Revised Statutes, 1984 Repl. Vol., is amended BY THE ADDITION OF A NEW SUBSECTION to read:

43-4-201. Funds created. (4) The general assembly shall make no appropriation from the highway users tax fund for any purpose not specifically authorized by law.

SECTION 19. 8-20-105, Colorado Revised Statutes, 1986 Repl. Vol., as amended, is amended to read:

8-20-105. Expenses of administration. For the purpose of administering this article, there shall be appropriated from the highway-users-tax GENERAL fund to the department of labor and employment each fiscal year such moneys as the general assembly may determine, upon presentation of a budget for that purpose in form and content in accordance with the provisions for submission of budget requests by state agencies.

SECTION 20. 24-33.5-220, Colorado Revised Statutes, 1988 Repl. Vol., is amended to read:

24-33.5-220. Costs of administration. Except as

otherwise provided in section 24-33.5-226 (3) (c), the cost of administration of this part 2 and of all payrolls and salaries of the chief, commissioned and noncommissioned officers, patrolmen, and office personnel and the cost of clerical work, stationery, postage, uniforms, badges, all supplies and equipment, and necessary travel and subsistence allowances shall be appropriated by the general assembly out of the moneys in the highway-users-tax GENERAL fund. ~~The expenses and salaries provided for in this section are declared to be for the administration and enforcement of the several statutes referred to in this part 2 and for the construction, maintenance, and supervision of the public highways.~~ Expenses and salaries shall be paid by the state treasurer upon warrants of the controller issued upon vouchers provided by the chief. ~~and shall be charged against net collection of highway users taxes as an expense of construction, maintenance, and supervision of public highways and the administration of the laws of the state governing the public highways and their use.~~ The expenditures of the Colorado state patrol shall be audited and approved from time to time by the executive director and the state auditor.

SECTION 21. 24-33.5-224 (3), Colorado Revised Statutes, 1988 Repl. Vol., is amended to read:

24-33.5-224. Duties during state fair at Pueblo. (3) The highway-users-tax GENERAL fund shall be reimbursed by the board of commissioners of the Colorado state fair authority, within the amount appropriated by the general

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1 assembly for this purpose, and such reimbursement is
 2 authorized, as an administrative expense of said board, for
 3 any expenditures incurred from such fund resulting from the
 4 activities of the Colorado state patrol under subsection (1)
 5 of this section, such reimbursement to be made immediately
 6 following the termination of the service performed by the
 7 Colorado state patrol.

8 SECTION 22. 33-10-111 (4), Colorado Revised Statutes,
 9 1984 Repl. Vol., is amended to read:

10 33-10-111. Parks and outdoor recreation cash fund
 11 created - accounting expenditures for roads and highways.

12 (4) At each regular session, the general assembly shall
 13 determine the amounts to be expended by the division for the
 14 acquisition of rights-of-way for the construction,
 15 improvement, repair, and maintenance of public roads and
 16 highways in state recreation areas and parks and shall
 17 appropriate such amounts ~~from the state allocation provided by~~
 18 ~~section 43-4-206, C.R.S., from the highway users tax fund to~~
 19 ~~the division~~ as are necessary to accomplish these purposes.
 20 These funds, and any other funds appropriated for these
 21 purposes, may only be expended to contract for the provision
 22 of such services with the state department of highways.

23 SECTION 23. 39-27-112 (2) (b), Colorado Revised
 24 Statutes, 1982 Repl. Vol., as amended, is amended to read:

25 39-27-112. Payment of expenses and distribution of
 26 funds. (2) (b) Effective January 1, 1989, and except as
 27 provided in subsection (3) of this section, the balance of

1 such funds thus obtained and remaining with the state
 2 treasurer shall be placed in the highway users tax fund and
 3 distributed in accordance with the provisions of the statute
 4 governing that fund. The general assembly shall make
 5 ~~proportionate appropriations from the highway users tax fund~~
 6 ~~and the aviation fund~~ for the expenses of the administration
 7 of this part 1.

8 SECTION 24. 39-27-215 (2), Colorado Revised Statutes,
 9 1982 Repl. Vol., as amended, is amended to read:

10 39-27-215. Payment of expenses and distribution of
 11 funds. (2) The balance of such funds obtained and remaining

12 with the state treasurer shall be placed in the highway users
 13 tax fund and distributed in accordance with the provisions of
 14 the statute governing that fund. The general assembly shall
 15 make appropriations ~~from the highway users tax fund~~ for the
 16 expenses of the administration of this part 2.

17 SECTION 25. 42-1-215 (2), Colorado Revised Statutes,
 18 1984 Repl. Vol., as amended, is amended to read:

19 42-1-215. Disposition of fines and surcharges.

20 (2) ~~Except for the first fifty cents of any penalty for a~~
 21 ~~traffic infraction which shall be retained by the department~~
 22 ~~and used for administrative purposes,~~ Moneys collected by the
 23 department pursuant to the provisions of section 42-4-1501 (4)
 24 (a) shall be transmitted to the state treasurer, who shall
 25 credit the same to the highway users tax fund; except that
 26 moneys collected pursuant to said section for a violation of
 27 section 42-4-236 shall only be transmitted to the state

1 treasurer if the citing officer was an officer of the Colorado
2 state patrol and in all other cases shall be transmitted to
3 the treasurer of the local jurisdiction in which the violation
4 occurred.

5 SECTION 26. 42-2-112 (2) and (3), Colorado Revised
6 Statutes, 1984 Repl. Vol., are amended to read:

7 42-2-112. License issued - fees. (2) The fee for the
8 issuance of a driver's or provisional driver's license shall
9 be ~~six-dollars-and-fifty-cents~~ THIRTEEN DOLLARS, which license
10 shall expire on the birthday of the applicant in the fourth
11 year after the issuance thereof or when the applicant reaches
12 age twenty-one, whichever occurs first; except that, in the
13 case of a provisional driver's or driver's license issued by
14 the office of the county clerk and recorder in each county,
15 the office of the county clerk and recorder shall retain the
16 sum of three _____ dollars, and ~~three-dollars-and-fifty-cents~~
17 _____ shall be forwarded to the department for
18 transmission to the state treasurer, who shall credit the same
19 to the highway users tax fund. ~~and-the-general-assembly-shall~~
20 ~~make-appropriations--therefrom--for--the--expenses---of---the~~
21 ~~administration-of-parts-1-to-3-of-this-article.~~

22 (3) The fee for the issuance of a minor driver's license
23 shall be ~~six-dollars-and-fifty-cents~~ THIRTEEN DOLLARS, which
24 license shall expire twenty days after the eighteenth birthday
25 of the licensee. In the case of the issuance of such minor
26 driver's license by the office of the county clerk and
27 recorder, the fee therefor shall be apportioned in the same

1 manner as for the issuance of a driver's license.

2 SECTION 27. 42-2-124 (3) (b), Colorado Revised Statutes,
3 1984 Repl. Vol., as amended, is amended to read:

4 42-2-124. Period of suspension or revocation.
5 (3) (b) All restoration fees collected pursuant to this
6 subsection (3) from persons whose licenses or driving
7 privileges were revoked pursuant to section 42-2-122.1 shall
8 be transmitted to the state treasurer, who shall credit the
9 same to the ~~driver's-license-administrative-revocation-account~~
10 ~~in-the highway users tax fund, which--account--is--hereby~~
11 ~~created,---The--moneys--in--the--account--shall-be-subject-to~~
12 ~~annual-appropriation-by-the-general-assembly--for--the--direct~~
13 ~~and--indirect--costs--incurred-by-the-department-of-revenue-in~~
14 ~~the-administration-of-section-42-2-122.1,--At-the-end-of--each~~
15 ~~fiscal--year, any-unexpended-and-unencumbered-moneys-remaining~~
16 ~~in-the-account-shall-be-transferred-out--of--the--account--and~~
17 ~~credited-to-the-highway-users-tax-fund.~~

18 SECTION 28. 42-4-107.5, Colorado Revised Statutes, 1984
19 Repl. Vol., is amended to read:

20 42-4-107.5. Motorized bicycle registration - fee. Every
21 motorized bicycle sold in this state shall have an
22 identification number stamped on its frame which shall be
23 recorded upon registration. Motorized bicycles shall be
24 registered with the department, and such registration shall be
25 evidenced by a decal which is securely affixed to the
26 motorized bicycle frame in a conspicuous place. Registration
27 shall be valid for a period of three years, and the fee for

1 such registration shall be five dollars. Retail sellers of
2 motorized bicycles shall retain one dollar from each such fee,
3 and four dollars of each such fee shall be forwarded monthly
4 to the department for deposit in the state treasury to the
5 credit of the highway users tax fund. The general assembly
6 shall make appropriations ~~from the highway users tax fund~~ for
7 the expenses of the administration of this section. The
8 department shall promulgate regulations providing that retail
9 sellers of motorized bicycles may be agents of the department
10 for such registration.

11 SECTION 29. 42-4-111, Colorado Revised Statutes, 1984
12 Repl. Vol., is amended to read:

13 42-4-111. Appropriations for administration of article.
14 The general assembly shall make appropriations ~~from the~~
15 ~~highway users tax fund~~ for the expenses of the administration
16 of this article.

17 SECTION 30. 42-6-136 (1) and (2), Colorado Revised
18 Statutes, 1984 Repl. Vol., are amended to read:

19 42-6-136. Disposition of fees. (1) All fees received
20 by the authorized agent under the provisions of section
21 42-6-135 (1) or (2), upon application being made for a
22 certificate of title, shall be disposed of as follows: Three
23 dollars thereof shall be retained by the authorized agent and
24 disposition thereof made as provided by law; ~~two dollars and~~
25 ~~fifty cents~~ THE REMAINDER SHALL BE TRANSMITTED TO THE STATE
26 TREASURER AND shall be credited to the ~~special purpose account~~
27 ~~established by section 42-1-210.1~~ HIGHWAY USERS TAX FUND.

1 (2) All fees collected by the authorized agent under the
2 provisions of section 42-6-135 (5) shall be disposed of as
3 follows: One dollar and fifty cents shall be retained by the
4 authorized agent and disposition made as provided by law; two
5 dollars shall be credited to the ~~special purpose account~~
6 ~~established by section 42-1-210.1~~ HIGHWAY USERS TAX FUND. All
7 fees collected by the department under the provisions of
8 section 42-6-135 (5) shall be credited to ~~such special purpose~~
9 ~~account~~ THE HIGHWAY USERS TAX FUND.

10 SECTION 31. 42-8-110, Colorado Revised Statutes, 1984
11 Repl. Vol., is amended to read:

12 42-8-110. Expenses of administration. For the purpose
13 of administering this article and for the operation,
14 maintenance, and future construction of the port of entry
15 weigh stations established pursuant to this article, there
16 shall be appropriated ~~from the highway users tax fund~~ for each
17 fiscal year such moneys as the general assembly may determine,
18 upon presentation of a budget for that purpose in form and
19 content in accordance with the provisions for submission of
20 budget requests by state agencies.

21 SECTION 32. 43-1-601, Colorado Revised Statutes, 1984
22 Repl. Vol., is amended to read:

23 43-1-601. Transportation services for the elderly and
24 handicapped. The state department of highways and the
25 executive director thereof are designated and authorized to
26 take all steps and adopt all proceedings necessary to make and
27 enter into such contracts or agreements as may be necessary

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1 for state application and administration of section 16 (b) (2)
 2 of the federal "Urban Mass Transportation Act of 1964" (Public
 3 Law 88-365, 49 U.S.C. 1601 et seq.), or any amendment thereof
 4 or successor legislation thereto, specifically designed for
 5 state operations including state participation in technical
 6 studies and grant programs for the purpose of assisting
 7 nonprofit corporations and associations in making available
 8 appropriate highway transportation services for the elderly
 9 and the handicapped. This section, however, shall not be
 10 construed to permit the state department of highways to
 11 conduct technical studies in areas in which a metropolitan
 12 planning organization has been designated. In performing this
 13 work, the said department shall consult with concerned local
 14 authorities for a productive statewide coordinated effort and
 15 shall prepare a statewide survey showing the transportation
 16 needs of elderly and handicapped persons in priority order.
 17 The general assembly shall determine AND APPROPRIATE the
 18 amounts to be expended for such purposes. ~~and shall appropriate~~
 19 ~~such amounts from the highway users tax fund.~~

20 SECTION 33. 43-2-202 (1) and (4), Colorado Revised
 21 Statutes, 1984 Repl. Vol., are amended to read:

22 43-2-202. County road and bridge fund - apportionment to
 23 municipalities - municipal road and bridge fund. (1) A fund
 24 to be known as the county road and bridge fund is created and
 25 established in each county of this state. Such fund shall
 26 consist of the revenue derived from the tax authorized to be
 27 levied under section 43-2-203 for road and bridge

1 construction, maintenance, and administration, all moneys
 2 received by the county from the state or federal governments
 3 for expenditure on roads and bridges, and any other moneys
 4 which may become available to the county for such purpose. FOR
 5 PURPOSES OF COMPLYING WITH THE PROVISIONS OF PART 6 OF ARTICLE
 6 1 OF TITLE 29, C.R.S., EACH COUNTY SHALL SPECIFICALLY AND
 7 SEPARATELY IDENTIFY THE SOURCE OF ALL REVENUE WHICH IS
 8 CREDITED TO THE FUND, AND EACH COUNTY SHALL ALSO REPORT ALL
 9 EXPENDITURES OF THE REVENUES IN THE FUND IN A MANNER
 10 PRESCRIBED BY THE DIVISION. EACH COUNTY MAY USE A PORTION OF
 11 THE MONEYS ALLOCATED TO IT OUT OF THE HIGHWAY USERS TAX FUND,
 12 PURSUANT TO SECTION 43-4-207, FOR THE REASONABLE AND NECESSARY
 13 COSTS OF COMPLYING WITH THE ACCOUNTING REQUIREMENTS OF THIS
 14 SUBSECTION (1).

15 (4) A FUND TO BE KNOWN AS THE MUNICIPAL ROAD AND BRIDGE
 16 FUND IS HEREBY CREATED AND ESTABLISHED IN EACH MUNICIPALITY OF
 17 THIS STATE. SUCH FUND SHALL CONSIST OF ALL MONEYS RECEIVED BY
 18 THE MUNICIPALITY FROM THE COUNTY, STATE, OR FEDERAL GOVERNMENT
 19 FOR EXPENDITURE ON ROADS AND BRIDGES AND ANY OTHER MONEYS
 20 WHICH MAY BECOME AVAILABLE TO THE MUNICIPALITY FOR SUCH
 21 PURPOSE. FOR PURPOSES OF COMPLYING WITH PART 6 OF ARTICLE 1 OF
 22 TITLE 29, C.R.S., EACH MUNICIPALITY SHALL SPECIFICALLY AND
 23 SEPARATELY IDENTIFY THE SOURCE OF ALL REVENUE WHICH IS
 24 CREDITED TO THE FUND, AND EACH MUNICIPALITY SHALL REPORT ALL
 25 EXPENDITURES OF REVENUES IN SUCH FUND IN A MANNER PRESCRIBED
 26 BY THE DIVISION. All moneys received by a municipality from
 27 the county road and bridge fund shall be credited to an

1 ~~appropriate fund and shall be~~ used by such municipality only
2 for construction and maintenance of roads and streets located
3 within its corporate boundaries. EACH MUNICIPALITY MAY USE A
4 PORTION OF THE MONEYS ALLOCATED TO IT OUT OF THE HIGHWAY USERS
5 TAX FUND, PURSUANT TO SECTION 43-4-208, FOR THE REASONABLE AND
6 NECESSARY COSTS OF COMPLYING WITH THE ACCOUNTING REQUIREMENTS
7 OF THIS SUBSECTION (4).

8 SECTION 34. Part 2 of article 4 of title 43, Colorado
9 Revised Statutes, 1984 Repl. Vol., as amended, is amended BY
10 THE ADDITION OF A NEW SECTION to read:

11 43-4-217. Appropriations for administrative expenses.
12 The general assembly shall use the additional revenues
13 attributable to the twenty-five one-hundredths percent
14 increase in the rate of income tax imposed by house bill no.
15 _____, which bill was enacted during the first regular session
16 of the fifty-seventh general assembly, to replace the
17 "off-the-top" appropriations formerly made from the highway
18 users tax fund to various state agencies for administrative
19 expenses. The revenues attributable to such income tax
20 increase shall be deemed to be equal to the revenues required
21 for such appropriations. It is the intent of the general
22 assembly that such administrative expenses not be paid out of
23 the highway users tax fund.

24 SECTION 35. 43-4-207 (2), Colorado Revised Statutes,
25 1984 Repl. Vol., is REPEALED AND REENACTED, WITH AMENDMENTS,
26 to read:

27 43-4-207. County allocation. (2) For the fiscal year

1 commencing July 1, 1989, and each fiscal year thereafter, for
2 the purpose of allocating moneys in the highway users tax fund
3 to the various counties throughout the state, the following
4 method is hereby adopted:

5 (a) (I) Sixty-nine million seven hundred thousand
6 dollars shall be allocated to the counties in such a manner
7 that each county receives the same allocation that it received
8 for the fiscal year 1987-88.

9 (II) Seventeen million dollars shall be allocated to the
10 following seventeen counties in the following percentages:
11 Adams, 9.5718; Alamosa, 1.1598; Arapahoe, 12.6560; Boulder,
12 7.3571; Douglas, 3.5148; El Paso, 13.0552; Jefferson, 14.9666;
13 La Plata, 2.0733; Larimer, 7.9978; Lincoln, 1.8866; Logan,
14 2.0334; Mesa, 4.3285; Morgan, 2.9915; Otero, 1.6843; Pueblo,
15 4.6096; Rio Grande, 1.3384; and Weld, 8.7753.

16 (b) Except as provided in paragraph (f) of this
17 subsection (2), all moneys credited to the fund in excess of
18 eighty-six million seven hundred thousand dollars shall be
19 allocated to the counties in the following manner:

20 (I) Fifteen percent shall be allocated to the counties
21 in proportion to the rural motor vehicle registration in each
22 county. The term "rural motor vehicle registration" includes
23 all passenger, truck, truck-tractor, and motorcycle
24 registrations in unincorporated portions of the county. The
25 number of registrations used in computing the percentage shall
26 be those certified to the state treasurer by the department of
27 revenue, motor vehicle division, as constituting the rural

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1 motor vehicle registration for the last preceding year.

2 (II) Fifteen percent shall be allocated to the counties
3 in proportion to the countywide motor vehicle registration in
4 each county. The term "countywide motor vehicle registration"
5 includes all passenger, truck, truck-tractor, and motorcycle
6 registrations in unincorporated portions of the county and in
7 cities and incorporated towns. The number of registrations
8 used in computing the percentage shall be those certified to
9 the state treasurer by the department of revenue, motor
10 vehicle division, as constituting the countywide motor vehicle
11 registration for the last preceding year.

12 (III) Sixty percent shall be allocated to counties in
13 proportion to the adjusted lane miles of county roads in each
14 county, excepting mileage of state highways and municipal
15 streets. A lane mile shall be measured by each ten-foot width
16 of road from the center lane of each county road. The
17 adjusted lane miles shall be determined by applying to the
18 existing lane miles of county roads in each county a factor of
19 difficulty. The lane miles, the adjusted lane miles, and the
20 factor representing the difficulty of construction and
21 maintenance in the various counties in the state by reason of
22 terrain shall be determined by the state department of
23 highways as provided in paragraphs (c), (d), and (e) of this
24 subsection (2).

25 (IV) Ten percent shall be allocated to counties in
26 proportion to the square feet of bridge deck for bridges
27 greater than twenty feet in length in each county, as

1 certified by the state department of highways.

2 (c) The percentage of area in each county classified as
3 "plains", "plains rolling and irrigated", and "mountainous"
4 shall be determined from an accredited topographical map. The
5 state department of highways shall also classify the
6 percentage of "paved" roads in each county. To the percentage
7 indicated "plains" a factor of 1.00 shall be applied. To the
8 percentage indicated "plains rolling and irrigated" a factor
9 of 1.75 shall be applied. To the percentage indicated
10 "mountainous" a factor of 3.00 shall be applied. To the
11 percentage indicated "paved" roads a factor of 1.5 shall be
12 applied.

13 (d) The state department of highways, prior to July 1 of
14 each year, shall certify to the state treasurer the lane mile
15 figures, as of December 31 of the preceding year, of the
16 several counties, and the state treasurer shall use such lane
17 mile figures for the current fiscal year as the basis for the
18 allocation mentioned in this subsection (2).

19 (e) The county clerk and recorder in each county shall
20 certify to the motor vehicle division the number of motor
21 vehicle licenses issued during the preceding calendar year to
22 persons residing within the limits of a county and whether or
23 not such persons reside in cities, incorporated towns, or in
24 unincorporated portions of the county. Upon receipt of the
25 information certified by the respective county clerk and
26 recorders, the department of revenue shall tabulate the total
27 number of all motor vehicle licenses issued during the

1 preceding calendar year to persons residing within the limits
2 of the respective counties in the entire state and within the
3 limits of each city or incorporated town within the respective
4 counties. The department of revenue shall then determine the
5 percentage that the rural motor vehicle registration in each
6 county bears to the total rural motor vehicle registration in
7 the entire state and shall then determine the percentage that
8 the countywide motor vehicle registration in each county bears
9 to the total countywide rural and urban motor vehicle
10 registration in the entire state. On or before May 1 of each
11 year, the motor vehicle division shall certify to the state
12 treasurer the percentage of motor vehicle registration for
13 each county as provided in this paragraph (e).

14 (f) The allocations made pursuant to paragraph (b) of
15 this subsection (2) to the counties of Adams, Arapahoe,
16 Boulder, Douglas, and Jefferson shall be transferred to the
17 metropolitan transportation finance authority created in
18 section 32-9.7-103, C.R.S.

19 SECTION 36. 43-4-205 (2) and the introductory portion to
20 43-4-205 (5), Colorado Revised Statutes, 1984 Repl. Vol., are
21 amended, and the said 43-4-205, as amended is further amended
22 BY THE ADDITION OF A NEW SUBSECTION, to read:

23 43-4-205. Allocation of fund. (2) Out of the highway
24 ~~users-tax~~ GENERAL fund, there shall first be paid and credited
25 to the highway crossing protection fund the sum of twenty
26 thousand dollars each month; but, whenever, after deducting
27 all amounts which have theretofore been approved or ordered by

1 the public utilities commission to be paid from said fund for
2 the installation of automatic and other safety appliance
3 signals and devices at railroad grade crossings, there is a
4 balance in said fund, not so approved or ordered to be paid,
5 of at least two hundred forty thousand dollars, no further
6 moneys shall be paid or credited to said fund from the highway
7 ~~users--tax~~ GENERAL fund until the balance in said fund, after
8 making the same deduction, is less than two hundred forty
9 thousand dollars.

10 (5) EXCEPT AS PROVIDED IN SUBSECTION (5.5) OF THIS
11 SECTION, revenues raised by the excise tax imposed on gasoline
12 and special fuel pursuant to sections 39-27-102 and 39-27-202,
13 C.R.S., equal to the first seven cents per gallon of such tax
14 shall be placed in the highway users tax fund to be allocated
15 as follows:

16 (5.5) Beginning July 1, 1989, and each fiscal year
17 thereafter, sixty-seven million three hundred thousand dollars
18 of the revenues raised by the excise tax imposed on gasoline
19 and special fuel pursuant to sections 39-27-102 and 39-27-202,
20 C.R.S., equal to the first seven cents per gallon of such tax
21 shall be placed in the highway users tax fund to be allocated
22 as provided in subparagraphs (I) to (III) of paragraph (b) of
23 subsection (6) of this section.

24 SECTION 37. The introductory portion to 43-4-206 (1) and
25 43-4-206 (1) (b) (V), Colorado Revised Statutes, 1984 Repl.
26 Vol., as amended, are amended to read:

27 43-4-206. State allocation. (1) ~~After-the-payments--to~~

1 the-highway-crossing-protection-fund-required-by-law-have-been
 2 made, After any distributions pursuant to section 43-4-205 (9)
 3 or (10) have been made, and-after-paying-the-costs-of-the
 4 Colorado-state-patrol-and-such-other-costs-of-the--department,
 5 exclusive--of--highway--construction,-highway-improvements,-or
 6 highway--maintenance,-as-are--appropriated--by--the--general
 7 assembly, sixty-five percent of the balance of the highway
 8 users tax fund shall be paid to the state highway fund and
 9 shall be expended for the following purposes:

10 (b) (V) The construction, reconstruction, repairs,
 11 improvement, planning, supervision, and maintenance of the
 12 state highway system and other public highways, INCLUDING ANY
 13 COUNTY AND MUNICIPAL ROADS AND HIGHWAYS, together with the
 14 acquisition of rights-of-way and access rights for the same;

15 SECTION 38. 43-4-207 (1), Colorado Revised Statutes,
 16 1984 Repl. Vol., as amended, is amended to read:

17 43-4-207. County allocation. (1) After--the-payments
 18 required-by--law--have--been--made--to--the--highway--crossing
 19 protection--fund, After any distributions pursuant to section
 20 43-4-205 (9) or (10) have been made, and--after--paying--the
 21 costs-of-the-Colorado-state-patrol-and-such-other-costs-of-the
 22 department,---exclusive---of---highway--construction,-highway
 23 improvements,-or-highway-maintenance,-as-are--appropriated--by
 24 the-general-assembly, twenty-six percent of the balance of the
 25 highway users tax fund shall be paid to the county treasurers
 26 of the respective counties and shall be allocated and expended
 27 as provided in this section. The moneys thus received shall

1 be allocated to the counties as provided by law and shall be
 2 expended by said counties only on the construction,
 3 engineering, reconstruction, maintenance, repair, equipment,
 4 improvement, and administration of the county highway systems
 5 AND ANY OTHER PUBLIC HIGHWAYS, INCLUDING ANY STATE HIGHWAYS,
 6 together with acquisition of rights-of-way and access rights
 7 for the same and for no other purpose. The amount to be
 8 expended for administrative purposes shall not exceed five
 9 percent of each county's share of the funds available.

10 SECTION 39. 43-4-208 (1) and the introductory portion to
 11 43-4-208 (2), Colorado Revised Statutes, 1984 Repl. Vol., as
 12 amended, are amended, and the said 43-4-208 is further amended
 13 BY THE ADDITION OF A NEW SUBSECTION, to read:

14 43-4-208. Municipal allocation. (1) After-the-payments
 15 required-by--law--have--been--made--to--the--highway--crossing
 16 protection--fund, After any distributions pursuant to section
 17 43-4-205 (9) or (10) have been made, and--after--paying--the
 18 costs-of-the-Colorado-state-patrol-and-such-other-costs-of-the
 19 department,---exclusive---of---highway--construction,-highway
 20 improvements,-or-highway-maintenance,-as-are--appropriated--by
 21 the--general-assembly, and AFTER making allocation as provided
 22 by sections 43-4-206 and 43-4-207, the remaining nine percent
 23 of the highway users tax fund shall be paid to the cities and
 24 incorporated towns within the limits of the respective
 25 counties and shall be allocated and expended as provided in
 26 this section. Each city treasurer shall account for the
 27 moneys thus received as provided in this part 2. Such moneys

1 so allocated shall be expended by said cities and incorporated
2 towns for the construction, engineering, reconstruction, and
3 maintenance, repair, equipment, improvement, and
4 administration of the system of streets of such city or
5 incorporated town OR OF ANY PUBLIC HIGHWAYS LOCATED WITHIN
6 SUCH CITY OR INCORPORATED TOWN, INCLUDING ANY STATE HIGHWAYS,
7 together with the acquisition of rights-of-way and access
8 rights for the same, and for no other purpose. The amount to
9 be expended for administrative purposes shall not exceed five
10 percent of each city's share of the funds available.

11 (2) EXCEPT AS PROVIDED IN SUBSECTION (2.5) OF THIS
12 SECTION, for the purpose of allocating moneys in the highway
13 users tax fund to the various cities and incorporated towns
14 throughout the state, the following method is adopted:

15 (2.5) (a) The portion of the municipal allocation of the
16 highway users tax fund for all of the cities and incorporated
17 towns within the jurisdiction of the metropolitan
18 transportation finance authority which is attributable to
19 increased revenues shall be paid to the authority, which is
20 created in section 32-9.7-103, C.R.S.

21 (b) For purposes of this subsection (2.5), "increased
22 revenues" means the additional revenues available in the
23 highway users tax fund as a result of the following provisions
24 of house bill no. _____, enacted in the first regular session
25 of the fifty-seventh general assembly:

26 (I) The elimination of the "off-the-top" appropriations
27 out of the highway users tax fund for administrative expenses

1 of various state agencies;

2 (II) The increase in the rate of sales and use taxes
3 from three percent to three and twenty-five one-hundredths
4 percent;

5 (III) The two cent increase in the gasoline tax; and

6 (IV) The increase in driver's license fees from six
7 dollars and fifty cents to thirteen dollars.

8 SECTION 40. Part 1 of article 2 of title 43, Colorado
9 Revised Statutes, 1984 Repl. Vol., as amended, is amended BY
10 THE ADDITION OF A NEW SECTION to read:

11 43-2-104.5. Reimbursement of counties and
12 municipalities. (1) The state department of highways is
13 authorized to reimburse, pursuant to contract, counties,
14 cities, or incorporated towns for maintenance or construction
15 of highways which are part of the state highway system. Such
16 reimbursement may be over a period of time, and any funds
17 available to the state department of highways for the
18 maintenance and construction of public highways may be used.

19 (2) Any municipality, county, or political subdivision
20 may enter into an intergovernmental agreement with the state
21 department of highways to loan to the state department of
22 highways funds necessary to accelerate the completion of
23 priority state highway projects which are scheduled to be
24 completed within five years. Such loaned funds may be repaid
25 by the state department of highways from any funds available
26 to that department for the maintenance and construction of
27 public highways. Such acceleration of projects must be

1 approved by the state highway commission and the governing
2 board of the municipality, county, or political subdivision
3 involved. The construction of projects conducted pursuant to
4 this section shall be carried out under the supervision of the
5 chief engineer of the state department of highways, who may
6 contract with private parties for construction services. Any
7 municipality, county, or political subdivision may contract
8 with private parties for construction services when conducting
9 projects pursuant to this section.

10 SECTION 41. 43-2-208 (1), Colorado Revised Statutes,
11 1984 Repl. Vol., is amended to read:

12 43-2-208. County commissioners authorized to construct
13 highways and let contracts. (1) Whenever any county highway
14 or bridge is to be constructed or any grading or repairing is
15 to be done upon any county highway OR UPON ANY PUBLIC HIGHWAY,
16 the board of county commissioners is authorized to undertake
17 such construction, grading, or repairing in its own behalf or
18 to let contracts for the same. Boards of county commissioners
19 are also authorized to make bids and to enter into contracts
20 ~~where--the-contract-price-involved-does-not-exceed-one-hundred~~
21 ~~thousand-dollars,~~ with the state department of highways or any
22 agency of the federal or state government for the
23 construction, maintenance, and repair of state or federal
24 highways or bridges within their respective counties and to
25 undertake and perform whatever work is necessary in connection
26 therewith. All labor employed in such contracts shall be bona
27 fide residents of the state of Colorado, and, in all cases,

1 preference shall be granted to residents of the county wherein
2 the contract is being performed.

3 SECTION 42. 43-2-209, Colorado Revised Statutes, 1984
4 Repl. Vol., is amended to read:

5 43-2-209. Contract for work on highways - advertise for
6 bids. In the event THAT any board of county commissioners
7 desires to let out any work on the county highways OR ANY
8 OTHER PUBLIC HIGHWAYS by contract, it may advertise in a legal
9 newspaper in the county or post a notice in the county
10 courthouse, for a period of not less than ten days before the
11 contract is let, for sealed proposals for performing the work.
12 When a contract for work on PUBLIC highways involves
13 expenditure of five thousand dollars or more, the board of
14 county commissioners shall advertise in a newspaper as
15 provided in this section unless such advertisement, in the
16 judgment of the board, would be detrimental to the immediate
17 preservation of the public peace, health, and safety. Such
18 advertisement shall describe the work to be done and its
19 location and shall refer all persons to the person holding the
20 plans and specifications therefor, and such contract shall be
21 awarded to the lowest responsible bidder, the board reserving
22 the right to reject any bids proffered. The cost of any
23 county highway work mentioned in sections 43-2-208 to 43-2-210
24 may be paid out of the county road and bridge fund or
25 emergency road fund, as the board may determine.

26 SECTION 43. Title 32, Colorado Revised Statutes, as
27 amended, is amended BY THE ADDITION OF A NEW ARTICLE to read:

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ARTICLE 9.7

State Transportation System

PART 1

METROPOLITAN TRANSPORTATION

FINANCE AUTHORITY

32-9.7-101. Legislative declaration. The general assembly finds, determines, and declares that the improvement of the surface transportation system in the Denver metropolitan area is a matter of statewide concern and that the creation of the metropolitan transportation finance authority is necessary for the planning, financing, and development of the surface transportation system in the Denver metropolitan area. The general assembly further finds, determines, and declares that the consolidation of the several transportation agencies functioning in the Denver metropolitan area on the effective date of this section into one authority will be beneficial for the improvement of the surface transportation system in the Denver metropolitan area by providing enhanced coordination of planning, financing, and development responsibilities.

32-9.7-102. Definitions. As used in this article, unless the context otherwise requires:

- (1) "Authority" means the metropolitan transportation finance authority.
- (2) "Authority area" means that area described in section 32-9.7-103.
- (3) "Board" means the board of directors of the regional

transportation district.

(4) "Commercial property" means any real property which is assessed for valuation as nonagricultural and nonresidential property.

(5) "Commission" means the governing body of the authority, which governing body is created in section 32-9.7-105.

(6) "Commissioner" means a member of governing body created in section 32-9.7-105.

(7) "Condemn" or "condemnation" means the exercise by the authority of the power of dominant eminent domain or eminent domain, in the manner provided in articles 1 to 7 of title 38, C.R.S., to acquire surface transportation facilities and property, real or personal, or an interest therein, for the public use of the authority, the district, or any general purpose local government within the boundaries of the authority.

(8) "Director" means a member of the board.

(9) "District" means the regional transportation district created by this article.

(10) "Dominant eminent domain" means that the right of the authority to condemn public property, real and personal, shall be superior in public necessity to that of any city, town, city and county, county, or other public corporation except a school district.

(11) "General purpose local government" means any county, city and county, city, or town.

1 (12) "Mass transportation facility" means any facility
2 which transports the general public by bus, rail, fixed
3 guideway, or any other means of conveyance. Such term shall
4 also include high occupancy vehicle lanes.

5 (13) "Net revenues" means the revenues after the
6 deduction of operation and maintenance expenses.

7 (14) "Operation and maintenance expenses" means all
8 reasonable and necessary current expenses of the authority or
9 district, paid or accrued, of operating, maintaining, and
10 repairing mass transportation facilities of the authority or
11 district.

12 (15) "Person" means any natural person, association,
13 partnership, company, or corporation.

14 (16) "Publication" means the publication once a week for
15 three consecutive weeks in at least one newspaper having
16 general circulation in the authority area. Publication need
17 not be made on the same day of the week in each of the three
18 weeks; but not less than fourteen days shall intervene between
19 the first day of publication and the last day of publication.

20 (17) "Public body" means the state of Colorado, or any
21 county, city and county, city, town, district, or any other
22 political subdivision of the state, excluding the regional
23 transportation district.

24 (18) "Revenues" means the tolls, fees, rates, charges,
25 or other income and revenues derived from the operation of the
26 mass transportation facilities of the district, and the taxes,
27 fees, tolls, or income derived from investments by the

1 district or authority.

2 (19) "Securities of the authority" means bonds,
3 temporary bonds, refunding bonds, special obligation bonds,
4 interim notes, notes, and warrants of the authority authorized
5 to be issued by this article.

6 (20) "Surface transportation facility" means any
7 highway, road, street, bridge, viaduct, thoroughfare, freeway,
8 collector, arterial, mass transportation facility, or
9 transportation management system, or any construction of or
10 improvement thereon.

11 (21) "Taxpaying elector" and "elector" of a district
12 have the meanings, respectively, as specified in section
13 32-1-103; except that to qualify under this article as a
14 taxpaying elector or as an elector of a district, a person
15 must also be a resident of the district.

16 (22) "Transportation system management" means measures
17 for the improvement of traffic flow including, but not limited
18 to, van or car pool services, improved signalization and
19 computer signalization, voluntary flex-time programs, parking
20 services, improved intersections, counter-flow, and turn lane
21 adjustments.

22 32-9.7-103. Creation and area of authority. There is
23 hereby created an authority, to be known as the metropolitan
24 transportation finance authority, which shall be a body
25 corporate and a political subdivision of the state. The
26 authority shall not be an agency of state government and shall
27 not be subject to administrative direction by any state

1 department, commission, board, bureau, or agency. The area
2 comprising the authority shall consist of the city and county
3 of Denver and the counties of Adams, Arapahoe, Boulder,
4 Douglas, and Jefferson. Within this area, the authority shall
5 be responsible with the general purpose local governments for
6 the planning, financing, and construction of surface
7 transportation facilities in the Denver metropolitan area.

8 32-9.7-104. Regional mass transportation facility -
9 authorization. (1) (a) The general assembly hereby finds,
10 determines, and declares that:

11 (I) The construction and operation of a mass
12 transportation facility in the Denver metropolitan area is a
13 matter of statewide concern; and
14 (II) Such a facility is necessary for mobility, economic
15 development, commerce, and the reduction of air pollution.

16 (b) The general assembly further finds and declares that
17 the development of mass transportation facilities is in the
18 best interests of the citizens of the Denver metropolitan
19 area. The general assembly also believes that such a facility
20 should be financed by a mixture of fees on businesses which
21 derive benefit from the facility, of federal funds which have
22 been identified for these purposes, and of receipts from taxes
23 on the residents of the district.

24 (c) The general assembly further declares that it is the
25 intent of this section to designate corridors for construction
26 of a mass transportation facility by 1994. In addition, it is
27 the intent of the general assembly that long-range planning

1 continue in order to identify additional corridors as the
2 demand is demonstrated.

3 (d) The general assembly further declares that, where
4 practicable, the authority should encourage the use of
5 Colorado residents, goods, and services in implementing this
6 section.

7 (2) (a) The general assembly hereby directs the
8 authority to plan, finance, and construct, or to approve the
9 planning, financing, and construction of, phases of a mass
10 transportation facility in the Denver metropolitan area
11 pursuant to subsection (3) of this section.

12 (b) The general assembly urges the authority to attempt
13 to facilitate the projects authorized by this section as a
14 partnership between the public and private sectors and, as
15 such, to receive funds from the federal urban mass
16 transportation administration.

17 (3) (a) The authority is directed to initiate the
18 acquisition of the necessary rights-of-way and to design and
19 plan the construction of the mass transportation facility as
20 set forth in subsection (2) of this section.

21 (b) The authority is directed to develop a financing
22 plan to implement the phases of the mass transportation
23 facility set forth in subsection (2) of this section by
24 utilizing moneys to be received from the federal urban mass
25 transportation administration, moneys to be received from the
26 private sector, moneys received from such special tax
27 districts or tax increment districts as may be established,

1 and moneys from tax revenues pursuant to section 32-9.7-109
 2 (2) (b).
 3 32-9.7-105. Commission - appointment. (1) The powers
 4 of the authority shall be vested in the commission, which
 5 shall consist of nine members appointed by the governor and
 6 confirmed by the senate, six of whom shall represent the
 7 counties and the city and county within the authority area,
 8 and three of whom shall be at-large members from within the
 9 authority area. The boards of county commissioners of Adams,
 10 Arapahoe, Boulder, Douglas, and Jefferson counties shall each
 11 submit to the governor the names of three nominees who are
 12 local elected officials of general purpose local governments
 13 in the respective counties, and the governor shall appoint one
 14 of those nominees from each county to the commission. The
 15 city council of the city and county of Denver, with the advice
 16 and consent of the mayor, shall submit to the governor the
 17 names of three nominees who are electors of the city and
 18 county of Denver, and the governor shall appoint one of those
 19 nominees to the commission. The governor shall appoint to the
 20 commission three at-large members who are electors residing
 21 within the city and county or one of the counties which are
 22 within the authority area. The three at-large members shall
 23 have experience in the fields of transportation, highway
 24 planning, construction or finance, or air quality. The
 25 governor may remove any commissioner for cause. Of the nine
 26 members first appointed to the commission, five shall serve
 27 for a term of four years and four shall serve for a term of

1 two years. Thereafter, all persons appointed to the
 2 commission shall serve for a term of four years. Any vacancy
 3 on the commission shall be filled in the same manner as for an
 4 original appointment and shall be for the unexpired term. The
 5 members of the commission shall receive a per diem of one
 6 hundred dollars for each day actually spent in the transaction
 7 of official business of the commission in the state of
 8 Colorado. In addition to such ~~per diem, each member shall be~~
 9 reimbursed for his reasonable and necessary expenses incurred
 10 in the completion of his duties.
 11 (2) The commission shall hire an executive director who
 12 shall serve at the pleasure of the commission and who shall be
 13 responsible for the implementation of the transportation
 14 program which is developed and financed by the authority. The
 15 authority may contract with the Denver regional council of
 16 governments or with other public or private agencies for the
 17 provision of staff services for the authority.
 18 32-9.7-106. Projects undertaken by the authority -
 19 priorities - criteria for completion. (1) The authority
 20 shall consider the following priorities in the planning,
 21 financing, or construction of any mass transportation
 22 facility, surface transportation facility, or transportation
 23 management system:
 24 (a) Transportation management systems on existing roads
 25 and highways shall be the first priority of the authority.
 26 (b) The improvement of existing surface transportation
 27 facilities shall be the second priority of the authority. Such

1 improvements shall include, but shall not be limited to, new
2 construction for increased capacity, improvements related to
3 road and highway safety considerations, and improvements for
4 the benefit of air quality.

5 (c) The third priority of the authority shall be the
6 completion of mass transportation facilities in a manner which
7 parallels the completion of the E-470 and W-470 beltway
8 projects and the improvement of C-470.

9 (2) The authority shall plan, finance, or construct each
10 mass transportation facility, surface transportation facility,
11 or transportation management system accordance with the
12 following criteria:

13 (a) Each project developed by the authority shall be
14 developed on the basis of increasing the mobility and safety
15 of the traveling public in the authority area, in addition to
16 promoting better air quality in the authority area.

17 (b) Prior to the commencement of any project, the
18 authority shall conduct an analysis of each transportation
19 corridor within the authority area. The analysis shall include
20 a consideration of the total transportation needs of the
21 corridor, including mass transportation and motor vehicle
22 transportation.

23 (c) In addition to the corridor analysis required by
24 paragraph (b) of this subsection (2), the authority shall
25 consider the life-cycle costs related to a particular project.
26 The alternative which results in the least cost to the
27 authority shall be taken into consideration, but the authority

1 shall not be limited to the least-cost alternative. In
2 connection with mass transportation facilities, the authority
3 shall make a projection of the life-cycle tax and public funds
4 subsidy, and it shall consider such tax and subsidy in
5 determining which facilities to plan, finance, or construct.

6 (d) The authority shall enter into intergovernmental
7 agreements with the state department of highways and with
8 general purpose local governments, as necessary or desirable,
9 in order to facilitate the completion of any project. The
10 agreements may include any aspect of the planning, financing,
11 or construction of such projects.

12 (e) When the authority completes a project, except a
13 beltway project, the project shall be turned over to the state
14 department of highways or to the local governmental entity
15 which has jurisdiction over such project. Beltway projects
16 shall be maintained and operated by the authority, and the
17 authority may contract for such maintenance and operation
18 duties.

19 (3) The authority may complete an integrated air quality
20 analysis of its programs and projects, and the authority shall
21 coordinate its analysis with local, state, and federal air
22 quality authorities.

23 32-9.7-107. Administrative powers. (1) The commission
24 has the following administrative powers:

25 (a) To fix the time and place of its regular meetings,
26 to be held at least monthly, and to provide for the calling
27 and holding of special meetings;

- 1 (b) To adopt and amend bylaws and rules of procedure;
- 2 (c) To elect one member as chairman and another member
- 3 as chairman pro tem and to appoint one or more persons as
- 4 secretary and treasurer;
- 5 (d) To prescribe a system of business administration, to
- 6 create necessary offices, and to establish the powers, duties,
- 7 and compensation of all officers, agents, and employees and
- 8 other persons contracting with the authority;
- 9 (e) To prescribe a method of auditing and allowing or
- 10 rejecting claims and demands;
- 11 (f) To provide a method for the letting of contracts on
- 12 a fair and competitive basis for the construction of works,
- 13 any facility, or any project, or any interest therein, and for
- 14 the performance or furnishing of labor, materials, or
- 15 supplies;
- 16 (g) To make and pass resolutions necessary to carry out
- 17 the provisions of this article.
- 18 32-9.7-108. Additional powers of authority. (1) In
- 19 addition to any other powers granted to the authority in this
- 20 article, the authority has the following powers:
- 21 (a) To have the duties, privileges, immunities, rights,
- 22 liabilities, and disabilities of a public body politic and
- 23 corporate. The authority shall be a political subdivision of
- 24 the state.
- 25 (b) To have perpetual existence and succession;
- 26 (c) To adopt, have, and use a seal and to alter same at
- 27 pleasure;

- 1 (d) To sue and be sued;
- 2 (e) To enter into any contract or agreement not
- 3 inconsistent with this article or the laws of this state;
- 4 (f) To borrow money and to issue authority securities
- 5 evidencing same;
- 6 (g) To refund any loan or obligation of the authority
- 7 and to issue refunding securities therefor;
- 8 (h) To purchase, trade, exchange, or otherwise acquire,
- 9 maintain, and dispose of real property and personal property
- 10 and any interest therein;
- 11 (i) To levy and cause to be collected taxes on all
- 12 taxable property within the authority, subject to the
- 13 limitations imposed by this article and the laws of the state;
- 14 (j) To employ such officers, agents, employees, and
- 15 other persons necessary to carry out the purposes of this
- 16 article and to acquire office space, equipment, services,
- 17 supplies, and insurance necessary to carry out the purposes of
- 18 this article;
- 19 (k) To condemn property for public use;
- 20 (l) To purchase, trade, exchange, or otherwise acquire,
- 21 maintain, and dispose of real and personal property and any
- 22 interest therein;
- 23 (m) To make all contracts, execute all instruments, and
- 24 do all things necessary or convenient for the planning,
- 25 financing, or construction of a surface transportation
- 26 facility;
- 27 (n) To fix and from time to time increase or decrease

1 the revenues for services and facilities provided by the
2 authority; to pledge net revenues for the payment of special
3 authority obligation bonds which have been issued in
4 accordance with this article; and to enforce the collection of
5 such revenues;

6 (o) To deposit any moneys of the authority not then
7 needed in the conduct of authority affairs in any banking
8 institution within or without the authority area or in any
9 depository authorized in section 24-75-603, C.R.S. For the
10 purpose of making such deposits, the commission may appoint,
11 by written resolution, one or more persons to act as
12 custodians of the moneys of the authority. Such persons shall
13 give surety bonds in such amounts and form and for such
14 purposes as the commission requires.

15 (p) To establish a reserve fund and to roll forward any
16 unexpended balances in such fund;

17 (q) To invest any surplus money in the authority's
18 treasury, including moneys in a sinking or reserve fund
19 established for the purpose of retiring any securities of the
20 authority not required for immediate necessities of the
21 authority in its own securities or federal or state
22 securities;

23 (r) To sell from time to time such securities thus
24 purchased and held;

25 (s) To accept grants or loans from the federal
26 government, the state government, or any political subdivision
27 thereof, to enter into contracts and cooperate with the

1 federal government, the state government, or any political
2 subdivision thereof, and to do all things necessary, not
3 inconsistent with this article or the laws of this state, in
4 order to avail itself of such aid, assistance, and cooperation
5 under any federal or state legislation;

6 (t) To enter into joint operating or service contracts,
7 and acquisition, improvement, equipment, or disposal contracts
8 with any public body in the authority area concerning any
9 surface transportation facility whether acquired by the
10 authority or by the public body; to perform such contracts;
11 and to accept grants and contributions from any public body or
12 any other person in connection therewith;

13 (u) To enter upon any land within the authority area to
14 make surveys, borings, soundings, and examinations for the
15 purposes of the authority;

16 (v) To enter into contracts of indemnity and guaranty;

17 (w) To secure financial statements, appraisals, economic
18 feasibility reports, and valuations of any type relating to
19 any surface transportation facility of the authority;

20 (x) To make all contracts, execute all instruments, and
21 do all things necessary or convenient in the exercise of the
22 powers granted in this article.

23 (2) The authority shall also have the power to enter
24 into intergovernmental agreements with any local governmental
25 entity within the authority area and with the state highway
26 commission or the state department of highways for the
27 completion of surface transportation projects which are

1 interjurisdictional or which have interjurisdictional
2 consequences.

3 32-9.7-109. Financial powers. (1) (a) To provide
4 revenue to finance the operations of the authority, to defray
5 the cost of construction of capital improvements and
6 acquisition of capital equipment, and to pay the interest and
7 principal on securities of the authority, the commission, for
8 and on behalf of the authority, after approval by election,
9 shall have the power to levy uniformly throughout the
10 authority area a sales tax at the rate of six-tenths of one
11 percent upon every transaction or other incident with respect
12 to which a sales tax is now levied by the state, pursuant to
13 the provisions of article 26 of title 39, C.R.S. Any sales
14 tax imposed by the district prior to July 1, 1989, shall be
15 deemed to have been imposed by the authority, and the
16 authority shall collect such tax in accordance with this
17 article.

18 (b) (I) In addition to any sales tax levied pursuant to
19 paragraph (a) of this subsection (1), to provide revenue to
20 defray the costs of the authority described in paragraph (a)
21 of this subsection (1), the commission, for and on behalf of
22 the authority after approval by election held pursuant to
23 subparagraph (II) of this paragraph (b), shall have the power
24 to levy uniformly throughout the authority area or to levy at
25 varying rates based upon varying levels of service in the
26 authority area an additional sales tax at a rate not to exceed
27 one percent upon every transaction or other incident with

1 respect to which a sales tax is levied by the state, pursuant
2 to the provisions of article 26 of title 39, C.R.S.

3 (II) (A) Unless there is pending in any court an action
4 questioning the validity of this section or any part thereof
5 or the power of the authority to proceed under this article,
6 the commission shall submit at a special or a general election
7 or elections to be held, as determined by the commission,
8 notwithstanding the provisions of section 32-9.7-136, the
9 question or questions of granting the authority the power to
10 levy an additional sales tax pursuant to, and for the purposes
11 specified in, this paragraph (b). No such election shall be
12 held unless the hearings required by subsections (4) and (5)
13 of this section have been held. The election shall be
14 conducted in the manner provided in this article; except that
15 those voting must be registered electors. Any such election
16 shall be held on the first Tuesday after the first Monday in
17 February, May, October, or December, or on the date of any
18 general election; except that no such election or elections
19 shall be held prior to January 1, 1990.

20 (B) No moneys of the authority, from whatever source,
21 nor any other public moneys shall be expended to advertise,
22 promote, or purchase commercial promotion or advertisement to
23 urge electors to vote in favor of or against any additional
24 sales tax at any election held pursuant to this paragraph (b).

25 (III) No moneys of the authority shall be used to
26 purchase commercial promotion or advertisement to urge
27 electors to vote in favor of or against an additional sales

1 tax at any election held pursuant to subparagraph (II) of this
2 paragraph (b).

3 (c) Sales tax levied pursuant to this subsection (1)
4 shall be collected, administered, and enforced as follows:

5 (I) The collection, administration, and enforcement of
6 said sales tax shall be performed by the executive director of
7 the department of revenue in the same manner as the
8 collection, administration, and enforcement of the state sales
9 tax imposed under article 26 of title 39, C.R.S., including,
10 without limitation, the retention by a vendor of the
11 percentage of the amount remitted to cover the vendor's
12 expense in the collection and remittance of said tax as
13 provided in section 39-26-105, C.R.S.

14 (II) The executive director of the department of revenue
15 shall administer, collect, and distribute any sales tax
16 imposed in conformity with this article. The executive
17 director of the department of revenue shall make monthly
18 distributions of such sales tax collections to the authority.
19 The department of revenue shall retain an amount not to exceed
20 the net cost of such administration, collection, and
21 distribution and shall transmit such amount to the state
22 treasurer, who shall credit the same to the general fund. The
23 cost of such administration, collection, and distribution
24 shall be the audited net incremental cost thereof reduced by
25 the amount of interest earned on such sales tax collections
26 prior to distribution to the authority.

27 (2) To provide revenue to defray the cost of the

1 planning, financing, or construction of a surface
2 transportation facility within a corridor and the cost of
3 acquisition of capital equipment or interests in real property
4 necessary for such system, the commission, for and on behalf
5 of the authority, subject to approval by the voters of the
6 question provided in subsection (1) (b) (I) of this section,
7 has the following additional powers within a corridor:

8 (a) To establish, and from time to time increase or
9 decrease, a tax not to exceed two dollars on the privilege of
10 employment within a corridor and to collect the tax for each
11 person so employed from the employer within a corridor; except
12 that no tax shall be collected on persons employed by
13 governmental entities within a corridor. The department of
14 revenue shall adopt regulations in connection with the
15 collection of such tax.

16 (b) To establish, and from time to time increase or
17 decrease, a tax not to exceed two dollars on the privilege of
18 conducting any trade, business, occupation, or profession
19 within a corridor and to collect the tax from persons engaged
20 full time at a place of employment in any trade, business,
21 occupation, or profession within a corridor. The department
22 of revenue shall adopt regulations in connection with the
23 collection of such tax.

24 (3) For the purpose of planning, financing, developing,
25 or constructing a surface transportation facility, the
26 commission has the power:

27 (a) (I) To impose a fee upon, subject to the provisions

1 of subsection (4) of this section, each commercial property
2 within the corridor in accordance with one of the following
3 methods:

4 (A) For commercial property used for general office
5 purposes, the fee times the number of net leasable square
6 feet;

7 (B) For commercial property used for retail sales, the
8 fee times the number of net leasable square feet;

9 (C) For all other commercial property, the fee times the
10 total number of persons employed on such property; or

11 (D) Such methodology as determined by the commission to
12 be equitable.

13 (II) Fees shall be collected by the department of
14 revenue from the property owner or his authorized agent.

15 (III) Fees shall constitute a lien and be collected in
16 the manner provided in section 32-1-1001 (1) (j).

17 (IV) The commission shall adopt procedures so that it
18 may exempt certain properties from the imposition of the fee.

19 (b) To revise from time to time the fee imposed pursuant
20 to this subsection (3) but only if the use of such property
21 changes.

22 (4) (a) The commission shall not levy the fees provided
23 in paragraph (a) of subsection (3) of this section until a
24 public hearing, notice of which has been mailed to all
25 property owners not more than sixty nor less than forty-five
26 days in advance, has been held to hear objections to the fees.
27 The notice of the public hearing shall also include a

1 disclosure to the property owner of the amount of the proposed
2 fees. At the public hearing, the commission shall consider
3 all objections to the fees and may affirm or modify the fees.
4 Notice of such action shall be mailed to the objecting
5 property owner within five days of the commission's decision.

6 (b) No fee shall be made as proposed if, not later than
7 five days prior to the hearing, a protest to the fees is filed
8 with the commission which is signed by the owners of more than
9 fifty percent of the square footage of the buildings subject
10 to the fee located on the commercial property in the corridor.
11 In such case the commission shall revise the proposed fees and
12 proceed as provided in paragraph (a) of this subsection (4).

13 (c) The list of property owners used by the commission
14 for mailing of the notice pursuant to paragraph (a) of this
15 subsection (4) shall be made available to any of said property
16 owners for the purpose of protesting the fees pursuant to
17 paragraph (b) of this subsection (4).

18 (5) (a) The commission may establish one or more tax
19 increment areas within a corridor to facilitate the
20 construction of a surface transportation facility therein.
21 Such tax increment areas may be established by the commission
22 whenever the market value of any area within a corridor will
23 increase as a result of the construction of a surface
24 transportation facility.

25 (b) Prior to the creation of a tax increment area, the
26 commission shall prepare a tax increment plan which shall
27 identify a surface transportation facility to be constructed,

1 the property to be included in the tax increment area, the
 2 period of time during which the tax increment area shall be in
 3 effect, and the portion of the property taxes, except school
 4 district property taxes, or sales taxes levied or collected
 5 within the tax increment area which will be retained by the
 6 authority during the period the tax increment area remains in
 7 effect. A copy of the tax increment plan shall be submitted
 8 to the governing body of each governmental unit which has the
 9 power to levy or impose a property tax or sales tax within the
 10 boundaries of the proposed tax increment area, except the
 11 board of education of any school district. Property taxes
 12 levied for school districts shall be exempt and excepted from
 13 the tax increment plan. Not less than twenty days prior to
 14 the hearing on the tax increment plan, notice of the time and
 15 place of the hearing on the tax increment plan shall be
 16 published at least once in a newspaper of general circulation
 17 in the proposed tax increment area and shall be mailed to the
 18 governmental units which received the tax increment plan.

19 (c) The commission shall hold a hearing which shall be
 20 open to the public, and a record of the proceedings shall be
 21 made. All governmental units which received notice of the
 22 hearing and each owner of property within the proposed tax
 23 increment area shall be interested parties and shall be
 24 afforded an opportunity to be heard. Following the hearing,
 25 the commission may approve or disapprove the tax increment
 26 plan. If approved, any such tax increment plan may be
 27 modified later in the same manner as the original approval.

1 No such tax increment plan shall be implemented by the
 2 commission unless a resolution or ordinance approving the plan
 3 is adopted by each of the governmental units affected by the
 4 plan in each tax increment area.

5 (d) Any such tax increment plan as originally approved
 6 or later modified may contain a provision that property taxes,
 7 if any, levied or imposed by a governmental unit after the
 8 effective date of the tax increment plan upon taxable property
 9 within the tax increment area or that any sales taxes
 10 collected within said area, or all such taxes, shall be
 11 divided for a period set forth in the tax increment plan after
 12 the effective date of the tax increment plan, as follows:

13 (I) That portion of the property taxes which are
 14 produced by the levy at the rate fixed each year by or for
 15 each governmental unit upon the valuation for assessment of
 16 taxable property within the boundaries of the tax increment
 17 area last certified prior to the effective date of the tax
 18 increment plan, or that portion of the sales tax collected
 19 within the boundaries of the tax increment area in the
 20 twelve-month period ending on the last day of the month prior
 21 to the effective date of the tax increment plan, or both such
 22 portions, shall be paid into the funds of each such
 23 governmental unit as are all other taxes collected by or for
 24 said governmental unit.

25 (II) Up to fifty percent of that portion of said
 26 property taxes or sales taxes, or both, which is in excess of
 27 the portion determined in subparagraph (I) of this paragraph

1 (d) shall be allocated and, when collected, paid into a
2 special fund of the authority for the payment of, or the
3 funding of, reserves, sinking, or other funds for the payment
4 of, the principal of, interest on, and any premiums due in
5 connection with the bonds of the authority incurred for the
6 financing of a surface transportation facility in the corridor
7 in which the tax increment area is located. The remaining
8 fifty percent shall be distributed to local governments,
9 except school districts, according to the appropriate mill
10 levy.

11 (e) In the event that there is a general reassessment of
12 taxable property in any county including all or part of a tax
13 increment area or a change in the rate of the sales tax
14 collected by a county or municipality in a tax increment area,
15 the portions of taxes specified in subparagraphs (I) and (II)
16 of paragraph (d) of this subsection (5) shall be
17 proportionately adjusted in accordance with such reassessment
18 or change.

19 (f) When the bonds of the authority, including refunding
20 bonds, have been paid, all taxes in such tax increment area
21 shall thereafter be paid into the funds of the respective
22 governmental units.

23 (g) In the event a tax increment authority already
24 exists, the provisions of this subsection (5) shall not apply
25 except pursuant to the intergovernmental agreement act.

26 (6) The executive director of the department of revenue
27 shall provide for the collection, administration, and

1 enforcement of the revenue-raising powers used by the
2 commission pursuant to subsections (2) and (3) of this section
3 and the sales tax increment financing provisions of subsection
4 (5) of this section. The county assessor of each applicable
5 county shall be responsible for the collection,
6 administration, and enforcement of the revenue-raising powers
7 used by the commission pursuant to the property tax increment
8 financing provisions of subsection (5) of this section. The
9 executive director shall make monthly distributions of the
10 fees, taxes, and sales taxes provided in subsections (2), (3),
11 and (5) of this section to the commission. The commission
12 shall pay the direct and indirect costs incurred by the
13 department of revenue in the administration and collection of
14 such moneys. The costs of the county assessor incurred in the
15 administration and collection of the property tax increment
16 provided in subsection (5) of this section shall be paid to
17 the assessor by the commission from moneys so collected.

18 32-9.7-110. Additional financial powers. (1) In
19 addition to the financial powers outlined in section
20 32-9.7-109, the commission shall have the following additional
21 financial powers:

22 (a) The power to impose an additional registration fee
23 on motor vehicles registered within the authority area;

24 (b) The power to impose upon all sales of gasoline in
25 the authority area a tax at a rate not to exceed three percent
26 of the amount of the sale.

27 32-9.7-111. Forms of borrowing. Subject to the

1 provisions of this article, the authority, to carry out the
 2 purposes of this article, may borrow money and may issue the
 3 following district securities to evidence such borrowing:
 4 Notes, warrants, bonds, temporary bonds, refunding bonds,
 5 special obligation bonds, and interim notes.

6 32-9.7-112. Issuance of notes. The authority may borrow
 7 money in anticipation of general ad valorem property taxes,
 8 sales taxes, fuel taxes, registration fees, employment taxes,
 9 occupation taxes, commercial property assessments, tax
 10 increment area revenues, or a combination thereof, and issue
 11 notes to evidence the amount so borrowed.

12 32-9.7-113. Issuance of warrants. The authority may
 13 defray the cost of any services or supplies, equipment, or
 14 other materials furnished to or for the benefit of the
 15 authority by the issuance of warrants to evidence the amount
 16 due therefor in anticipation of general ad valorem property
 17 taxes, sales taxes, or revenues, or any combination thereof.

18 32-9.7-114. Maturities of notes and warrants. Notes and
 19 warrants may mature at such time not exceeding two years from
 20 the respective dates of their issuance as the board may
 21 determine. They shall not be extended or funded except by the
 22 issuance of bonds, special obligation bonds, or interim notes
 23 in compliance with sections 32-9.7-115 and 32-9.7-117.

24 32-9.7-115. Incurrence of special obligations. The
 25 authority may borrow money in anticipation of the revenues and
 26 the sales tax proceeds of the authority, but not the proceeds
 27 of any general ad valorem property taxes, and issue special

1 obligation bonds to evidence the amount so borrowed. Any
 2 special obligation bonds or other obligations payable in whole
 3 or in part from the sales tax proceeds of the authority or net
 4 revenues of the authority, or both, may be issued or incurred
 5 without an election, in anticipation of such sales tax
 6 proceeds or net revenues, or both.

7 32-9.7-116. Issuance of temporary bonds. The authority
 8 may, without an election, issue temporary bonds, pending
 9 preparation of definitive bonds and exchangeable for the
 10 definitive bonds when prepared, as the commission may
 11 determine. Each temporary bond shall set forth substantially
 12 the same conditions, terms, and provisions as the definitive
 13 bond for which it is exchanged. Each holder of a temporary
 14 bond shall have all the rights and remedies which he would
 15 have as a holder of the definitive bond.

16 32-9.7-117. Issuance of interim notes. The authority
 17 may borrow money and issue interim notes evidencing short-term
 18 loans for the acquisition or improvement and equipment of any
 19 mass transportation facility of the authority in
 20 supplementation of long-term financing and the issuance of
 21 bonds, as provided in section 32-9.7-135.

22 32-9.7-118. Pledge of proceeds of sales taxes and
 23 revenues. The payment of securities of the authority may be
 24 secured by the specific pledge of the proceeds of sales taxes
 25 or net revenues, or both such taxes and net revenues, of the
 26 authority, as the board may determine. Net revenues or sales
 27 taxes pledged for the payment of any securities, as received

1 by the authority, shall immediately be subject to the lien of
 2 each such pledge, without any physical delivery thereof, any
 3 filing, or further act, and the lien of each such pledge and
 4 the obligation to perform the contractual provisions made in
 5 the authorizing resolution or other instrument relating
 6 thereto shall have priority over all other obligations and
 7 liabilities of the authority, except as may be otherwise
 8 provided in this article or in said resolution or instrument,
 9 and subject to any prior pledges and liens theretofore
 10 created. The lien of each such pledge shall be valid and
 11 binding as against all persons having claims of any kind in
 12 tort, contract, or otherwise against the authority,
 13 irrespective of whether such persons have notice thereof.

14 32-9.7-119. Ranking among different issues. Except as
 15 otherwise provided in the authorizing resolution of the
 16 authority, all securities of the same issue or series shall,
 17 subject to the prior rights of outstanding securities, claims,
 18 and other obligations, have a prior lien on the net revenues
 19 pledged for the payment of the securities.

20 32-9.7-120. Ranking in same issue. All securities of
 21 the same issue or series shall be equally and ratably secured
 22 without priority by a lien on the net revenues of the
 23 authority in accordance with the provisions of this article
 24 and the authorizing resolution, or other instrument relating
 25 thereto, except to the extent such resolution or other
 26 instrument shall otherwise expressly provide.

27 32-9.7-121. Payment recital in securities. Securities

1 of the authority issued under this article and constituting
 2 special obligations shall recite in substance that the
 3 securities and the interest thereon are payable solely from
 4 the net revenues of the authority or the sales tax proceeds of
 5 the authority, or both, as the case may be, pledged to the
 6 payment thereof.

7 32-9.7-122. Incontestable recital in securities. Any
 8 authorizing resolution, or other instrument relating thereto
 9 under this article, may provide that each security therein
 10 designated shall recite that it is issued under authority of
 11 this article. Such recital shall conclusively impart full
 12 compliance with all the provisions of this article, and all
 13 securities issued containing such recital shall be
 14 incontestable for any cause whatsoever after their delivery
 15 for value.

16 32-9.7-123. Limitation upon payment. The payment of
 17 securities shall not be secured by any encumbrance, mortgage,
 18 or other pledge of property of the authority, other than net
 19 revenues, proceeds of sales taxes, or any other moneys pledged
 20 for the payment of the securities. No property of the
 21 authority, subject to said exception, shall be liable to be
 22 forfeited or taken in payment of the securities.

23 32-9.7-124. Security details. (1) Any securities of
 24 the authority authorized to be issued in this article shall
 25 bear such date, shall be in such denomination, shall mature at
 26 such time, but in no event exceeding forty years from their
 27 date or any shorter limitation provided in this article, and

1 shall bear interest at a rate such that the net effective
 2 interest rate of the issue of securities does not exceed the
 3 maximum net effective interest rate authorized, which interest
 4 may be evidenced by one or two sets of coupons payable
 5 annually or semiannually; except that the first interest
 6 payment date appertaining to any security may represent
 7 interest for any period not in excess of one year, as may be
 8 prescribed by resolution or other instrument. The securities
 9 and any coupons shall be payable in such medium of payment at
 10 any banking institution or such other place within or without
 11 the state as determined by the commission, and the securities
 12 at the option of the commission may be in one or more series,
 13 may be made subject to prior redemption in advance of maturity
 14 in such order or by lot or otherwise at such time without or
 15 with the payment of such premium, not exceeding seven percent
 16 of the principal amount of each security so redeemed, as
 17 determined by the commission. For any securities the issuance
 18 of which does not require approval at an election pursuant to
 19 this article, the maximum net effective interest rate shall be
 20 established by the commission prior to the sale and issuance
 21 of such securities.

22 (2) Any securities of the authority may be issued with
 23 privileges for conversion or registration, or both, for
 24 payment as to principal or interest, or both, and, where
 25 interest accruing on the securities is not represented by
 26 interest coupons, the securities may provide for the endorsing
 27 of payments of interest thereon, and the securities generally

1 shall be issued in such manner, in such form, either coupon or
 2 registered, with such recitals, terms, covenants, and
 3 conditions, and with such other details, as may be provided by
 4 the commission in the resolution authorizing the securities,
 5 or other instrument appertaining thereto, except as otherwise
 6 provided in this article.

7 (3) Any resolution authorizing the issuance of
 8 securities or any other instrument relating thereto may
 9 provide for their reissuance in other denominations in
 10 negotiable or nonnegotiable form and otherwise in such manner
 11 and form as the commission may determine.

12 32-9.7-125. Negotiability. Subject to the payment
 13 provisions specifically provided in this article, any
 14 securities of the authority and any interest coupons thereto
 15 attached shall be fully negotiable within the meaning of and
 16 for all the purposes of article 8 of title 4, C.R.S., except
 17 as the commission may otherwise provide.

18 32-9.7-126. Single bonds. (1) The commission may:

19 (a) Provide for the initial issuance of one or more
 20 securities, in this section called "bond", aggregating the
 21 amount of the entire issue, or a designated portion thereof;

22 (b) Make such provision for installment payments of the
 23 principal amount of any such bond as the commission may
 24 consider desirable;

25 (c) Provide for the making of any such bond payable to
 26 bearer or otherwise, registrable as to principal or as to both
 27 principal and interest, and where interest accruing thereon is

1 not represented by interest coupons, for the endorsing of
2 payments of interest on each such bond;

3 (d) Further make provision in any such proceedings for
4 the manner and circumstances in which any such bond may in the
5 future, at the request of the holder or owner thereof, be
6 converted into securities of smaller denominations, which
7 securities of smaller denominations may in turn be either
8 coupon bonds or bonds registrable as to principal, or
9 principal and interest, or both, at the option of the holder
10 or owner.

11 32-9.7-127. Sale of securities. (1) Any securities
12 authorized in this article, except for warrants not issued for
13 cash, and except for temporary bonds issued pending
14 preparation of definitive bonds, shall be sold at public or
15 private sale for not less than the principal amount thereof
16 and accrued interest, or at the commission's option, below
17 par, at a discount not exceeding seven percent of the
18 principal amount thereof, but such securities shall never be
19 sold at a price such that the net effective interest rate
20 exceeds the maximum net effective interest rate authorized.

21 (2) No discount, except as provided in subsection (1) of
22 this section, or commission shall be allowed or paid on or for
23 any security sale to any purchaser or bidder, directly or
24 indirectly.

25 32-9.7-128. Application of proceeds. All moneys
26 received from the issuance of any securities authorized in
27 this article shall be used solely for the purposes for which

1 issued.

2 32-9.7-129. Use of unexpended proceeds. Any unexpended
3 balance of such security proceeds remaining after the
4 completion of the purposes for which such securities were
5 issued shall be credited immediately to the fund or account
6 created for the payment of the principal of said securities
7 and shall be used therefor, subject to the provisions as to
8 the times and methods for their payment as stated in the
9 securities and the proceedings authorizing or otherwise
10 appertaining to their issuance, or so paid into a reserve
11 therefor.

12 32-9.7-130. Covenants in security proceedings. Any
13 resolution or trust indenture authorizing the issuance of
14 securities or any other instrument relating thereto may
15 contain covenants and other provisions limiting the exercise
16 of powers conferred by this article upon the commission in
17 order to secure the payment of such securities, in agreement
18 with the holders and owners of such securities, as the
19 commission may determine.

20 32-9.7-131. Remedies of security holders. (1) Subject
21 to contractual limitations binding upon the holders or owners
22 of any issue or series of securities or trustee therefor and
23 subject to any prior or superior rights of others, any holder
24 or owner of securities or trustee therefor shall have the
25 right and power for the equal benefit and protection of all
26 holders and owners of securities similarly situated:

27 (a) By mandamus or other suit, action, or proceeding at

1 law or in equity to enforce his rights against the authority
2 and its commission and any of its officers, agents, and
3 employees, and to require and compel the authority or its
4 commission or any such officers, agents, or employees to
5 perform and carry out their duties, obligations, or other
6 commitments under this article and their covenants and
7 agreements with the holder or owner of any security;

8 (b) By action or suit in equity to require the authority
9 and its commission to account as if they were the trustee of
10 an express trust;

11 (c) By action or suit in equity to have appointed a
12 receiver, which receiver may enter and take possession of any
13 revenues or any proceeds of taxes, or both, pledged for the
14 payment of the securities, prescribe sufficient fees derived
15 therefrom, and collect, receive, and apply all net revenues or
16 other moneys pledged for the payment of the securities in the
17 same manner as the district itself might do in accordance with
18 the obligations of the authority;

19 (d) By action or suit in equity to enjoin any acts or
20 things which may be unlawful or in violation of the rights of
21 the holder of any security and to bring suit thereupon.

22 32-9.7-132. Limitations upon liabilities. Neither the
23 commissioners nor any person executing any securities of the
24 authority issued under this article shall be liable personally
25 on the securities by reason of the issuance thereof.
26 Securities issued pursuant to this article shall not in any
27 way create or constitute any indebtedness, liability, or

1 obligation of the state or of any political subdivision
2 thereof, except the authority, and nothing in this article
3 shall be construed to authorize the authority to incur any
4 indebtedness on behalf of or in any way to obligate the state
5 or any political subdivision thereof, except the authority.

6 32-9.7-133. Interest after maturity. No interest shall
7 accrue on any security authorized in this article after it
8 becomes due and payable if funds for the payment of the
9 principal of and the interest on the security and any prior
10 redemption premium due are available to a paying agent for
11 such payment without default.

12 32-9.7-134. Refunding bonds. (1) Except as otherwise
13 provided in this article, any bonds issued under this article
14 may be refunded without an election, subject to the provisions
15 concerning their payment and to any other contractual
16 limitations in the proceedings authorizing their issuance or
17 otherwise relating thereto.

18 (2) Any bonds issued for refunding purposes may either
19 be delivered in exchange for the outstanding bonds authorized
20 to be refunded or may be sold as provided in this article for
21 the sale of other bonds.

22 (3) No bonds may be refunded under this article unless
23 the holders thereof voluntarily surrender them for exchange or
24 payment or unless they either mature or are callable for prior
25 redemption under their terms within ten years from the date of
26 issuance of the refunding bonds. Provision shall be made for
27 paying the bonds within said period of time. No maturity of

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1 any bonds refunded may be extended over fifteen years. The
 2 rate of interest on such refunding bonds shall be determined
 3 by the commission. The principal amount of the refunding
 4 bonds may exceed the principal amount of the refunded bonds if
 5 the aggregate principal and interest costs of the refunding
 6 bonds do not exceed such unaccrued costs of the bonds
 7 refunded, except the extent any interest on the bonds refunded
 8 in arrears or about to become due is capitalized with the
 9 proceeds of the refunding bonds. The principal amount of the
 10 refunding bonds may also be less than or the same as the
 11 principal amount of the bonds refunded so long as provision is
 12 duly and sufficiently made for their payment.

13 (4) The proceeds of refunding bonds shall either be
 14 immediately applied to the retirement of the bonds to be
 15 refunded or be placed in escrow or in trust to be applied to
 16 the payment of the bonds refunded upon their presentation
 17 therefor. Any proceeds held in escrow or in trust, pending
 18 such use, may be invested or reinvested in state or federal
 19 securities. Such proceeds and investments in escrow or in
 20 trust, together with any interest or other gain to be derived
 21 from any such investment, shall be in an amount at all times
 22 sufficient as to principal, interest, any prior redemption
 23 premium due, and any charges of the escrow agent or trustee
 24 payable therefrom, to pay the bonds refunded as they become
 25 due at their respective maturities or due at designated prior
 26 redemption date upon which the board shall be obligated to
 27 call the refunded bonds for prior redemption.

1 (5) Except as otherwise provided in this article, the
 2 relevant provisions pertaining to bonds generally shall be
 3 equally applicable in the authorization and issuance of
 4 refunding bonds, including their terms and security, the bond
 5 resolution, trust indenture, taxes, and revenues, and other
 6 aspects of the bonds.

7 32-9.7-135. Issuance of interim notes. (1) Whenever a
 8 proposal to issue bonds for any purpose authorized in this
 9 article has been approved at an election held in accordance
 10 with this article, the authority may borrow money without any
 11 other election in anticipation of sales taxes or of the
 12 receipt of the proceeds of said bonds and to issue interim
 13 notes to evidence the amount so borrowed; except that the
 14 aggregate amount of the interim notes may not exceed the
 15 amount so authorized by the election. Any interim notes may
 16 mature at such time not exceeding a period of time equal to
 17 the estimated time needed to effect the purposes for which the
 18 bonds are authorized to be issued, plus two years, as the
 19 commission may determine. Except as otherwise provided in
 20 this section, interim notes shall be issued as provided in
 21 this article for securities of the authority.

22 (2) Sales taxes, proceeds of bonds to be thereafter
 23 issued or reissued, and bonds issued for the purpose of
 24 securing the payment of interim notes, or any combination
 25 thereof, may be pledged for the purpose of securing the
 26 payment of the interim notes. Any bonds pledged as collateral
 27 security for the payment of any interim notes shall mature at

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1 such time as the commission may determine, but in no event
 2 exceeding forty years from the date of either any of such
 3 bonds or any of such interim notes, whichever date is the
 4 earlier. Any such bonds pledged as collateral security shall
 5 not be issued in an aggregate principal amount exceeding the
 6 aggregate principal amount of the interim notes or interim
 7 notes secured by a pledge of such bonds, nor shall they bear
 8 interest at any time which, with any interest accruing at the
 9 same time on the interim notes so secured, exceeds the maximum
 10 net effective interest rate authorized.

11 (3) For the purpose of funding any interim notes, any
 12 bonds pledged as collateral security to secure the payment of
 13 such interim notes, upon their surrender as pledged property,
 14 may be reissued without an election, and any bonds not
 15 previously issued but authorized to be issued at an election
 16 may be issued for such a funding. Any such bonds shall mature
 17 at such time as the commission may determine, but in no event
 18 exceeding forty years from the date of either any of the
 19 interim notes so funded or any of the bonds so pledged as
 20 collateral security, whichever date is earlier. Bonds may be
 21 issued separately or issued in combination in one series or
 22 more. Except as otherwise provided in this section any such
 23 funding bonds shall be issued as is provided in this article
 24 for securities of the authority.

25 (4) No interim note issued pursuant to the provisions of
 26 this section shall be extended or funded except by the
 27 issuance or reissuance of a bond in compliance with the

1 provisions of this section.

2 32-9.7-136. Elections. Where in this article an
 3 election is permitted or required, the election shall be held
 4 concurrently with any general election held under the laws of
 5 this state.

6 32-9.7-137. Election resolution. (1) The commission
 7 shall call any election by resolution adopted at least thirty
 8 days prior to the election. Such resolution shall recite:

9 (a) The objects and purposes of the election for which
 10 the indebtedness is proposed to be incurred;

11 (b) The estimated cost;

12 (c) How much, if any, of said estimated cost is to be
 13 defrayed out of any federal grant or money other than that
 14 received from indebtedness to be incurred;

15 (d) The estimated additional annual cost of operation
 16 and maintenance of any facility for which the acquisition of
 17 the indebtedness, in whole or in part, is to be incurred;

18 (e) The amount of principal of the indebtedness to be
 19 incurred therefor, and the maximum net effective interest rate
 20 to be paid on such indebtedness;

21 (f) The date upon which such election shall be held and
 22 the form of the ballot.

23 (2) In the case of any election not to be held
 24 concurrently with the primary or general election, the
 25 commission shall provide for the appointment of sufficient
 26 judges of the election, who shall be electors of the
 27 authority, and in such event shall set their compensation.

1 The election resolution shall also designate the precincts and
2 polling places. Precincts established by any governing body
3 within the authority area may be consolidated in the election
4 resolution by the commission for any election not to be held
5 concurrently with a primary or general election.

6 (3) If the election is held concurrently with a primary
7 or general election held under the laws of the state, the
8 judges of election for such primary or general election shall
9 be designated as the judges of election for the election held
10 pursuant to this article, and they shall receive such
11 additional compensation, if any, as the commission sets by the
12 election resolution.

13 32-9.7-138. Conduct and costs of elections. (1) Except
14 as otherwise provided in this article, any authority election
15 shall be opened and conducted in the manner then provided by
16 the laws of this state for the conduct of general elections.

17 (2) The authority shall reimburse each affected county
18 for all true and actual costs of conducting an authority
19 election. If an authority election is held concurrently with
20 a primary, general, or special election, the authority shall
21 reimburse each affected county for the authority's share of
22 the cost of conducting the election.

23 (3) Electors of the authority area may vote in any
24 election by absent voter's ballot under the terms and
25 conditions, and in substantially the same manner insofar as is
26 practicable, as prescribed in article 7 of title 1, C.R.S.,
27 for general elections, except as specifically modified in this

1 article.

2 (4) All acts required or permitted to be performed by a
3 county clerk and recorder or election commission shall be
4 performed by it in the event of a primary or general election
5 and by the secretary or assistant secretary of the commission
6 in the event of any other election, unless the services of the
7 county clerk and recorder and election commission are
8 contracted for.

9 (5) Application may be made for an absent voter's ballot
10 no more than twenty nor less than three days before the
11 election.

12 (6) No consideration shall be given nor distinction made
13 with reference to any person's political party affiliation or
14 the lack thereof.

15 (7) The return envelope for the absent voter's ballot
16 shall have printed on its face an affidavit substantially in
17 the following form:

18 "State of;
19 County of
20 I, being first duly sworn according to law,
21 depose and say that my residence and post office address is
22; that I am a person qualified to vote in
23 general elections in the state of Colorado; and that I satisfy
24 one of the following requirements (check applicable
25 statement):

26 (1) I have been a resident of the Metropolitan
27 Transportation Finance Authority area for not less than

1 thirty-two days;

2 (2) I or my spouse owns taxable real or personal
3 property within the Metropolitan Transportation Finance
4 Authority area; or

5 (3) I am a person who is obligated to pay general ad
6 valorem taxes under a contract to purchase real property in
7 the Metropolitan Transportation Finance Authority area at the
8 time of this election.

9

10 Signature of voter

11 Subscribed and sworn to before me this day of
12 19....

13

14 Signature of notary public,
15 county clerk and recorder, or other
16 officer authorized to administer oaths

17 (SEAL)

18 Title of office"

19 (8) In any such election at which voting machines are
20 used, the commission shall provide paper ballots for absentee
21 voters containing the same question as is to be submitted to
22 the other voters on the voting machines.

23 (9) The authority may provide for absent voters to cast
24 their absent voters' ballots on voting machines expressly
25 provided for that purpose if each absent voter indicates by
26 affidavit that he is qualified to vote at said election and
27 will be an absent voter, pursuant to section 1-7-110, C.R.S.,

1 and all laws supplemental thereto.

2 32-9.7-139. Authority, tax exempted. The authority
3 shall be exempted from any general ad valorem taxes upon any
4 property of the authority acquired and used for purposes of
5 this article.

6 32-9.7-140. Merger, consolidation, or assumption of
7 authority. Nothing in this article shall be construed to
8 prevent the merger, consolidation, or assumption of the
9 authority area with, into, or by any other district,
10 authority, or political subdivision of the state that may be
11 authorized and formed pursuant to the laws and constitution of
12 the state of Colorado, so long as adequate and equitable
13 provisions are made upon merger, consolidation, or assumption
14 for the discharge of all obligations of the authority and for
15 the protection of the rights of all holders of securities of
16 the authority.

17 32-9.7-141. Freedom from judicial process.

18 (1) Execution or other judicial process shall not issue
19 against any property of the authority authorized in this
20 article, nor shall any judgment against the authority be a
21 charge or lien upon its property.

22 (2) Subsection (1) of this section does not apply to or
23 limit the right of the holder or owner of any securities of
24 the authority, his trustee, or any assignee of all or part of
25 this interest, the federal government or any public body when
26 it is a party to any contract with the authority, and any
27 other obligee under this article to foreclose, to enforce, or

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1 to pursue any remedies for the enforcement of any pledge or
2 lien given by the authority on the proceeds of any taxes or
3 revenues or both, or on any other moneys of the authority.

4 32-9.7-142. Misdemeanors. (1) Any person who
5 wrongfully damages, injures, or destroys, or in any manner
6 impairs the usefulness of any facility, property, structure,
7 improvement, equipment, or other property of the district or
8 of the authority acquired under the provisions of this
9 article, or who wrongfully interferes with any officer, agent,
10 or employee of the district or of the authority in the proper
11 discharge of his duties is guilty of a misdemeanor and, upon
12 conviction thereof, shall be punished by a fine of not more
13 than three hundred dollars, or by imprisonment in the county
14 jail for not more than ninety days, or by both such fine and
15 imprisonment.

16 (2) If the district or the authority is damaged by any
17 such act, it may also bring a civil action for damages
18 sustained by any such act, and in such proceeding the
19 prevailing party shall also be entitled to reasonable attorney
20 fees and costs of court.

21 32-9.7-143. Eminent domain. (1) Subsequent to approval
22 of incurrence of debt and issuance of securities in an
23 election held pursuant to section 32-9.7-138, the power of
24 eminent domain vested in the authority shall include, but not
25 be limited to, the power to condemn, in the name of the
26 authority:

27 (a) Either the fee simple or any lesser estate or

1 interest in any real property which the commission by
2 resolution determines is necessary for carrying out the
3 purposes of this article; such resolution shall be prima facie
4 evidence that the condemnation of the fee simple, or other
5 lesser estate or interest in real property, is necessary for
6 carrying out the purposes of this article; and

7 (b) Any property necessary to carry out any of the
8 purposes of this article, even if such property is already
9 devoted to the same use by any person or public body, except
10 the federal government unless the federal government consents
11 to such condemnation.

12 (2) The authority shall not abandon any condemnation
13 proceedings after the date upon which the authority took
14 possession of the property condemned.

15 32-9.7-144. Money management. The authority has the
16 authority to structure and transact its banking affairs in a
17 manner most financially advantageous to the authority,
18 consistent with prevailing prudent business practice. The
19 authority may conduct its banking affairs with any banking or
20 other state or federally regulated financial institution,
21 which is federally insured, whether such bank or other
22 financial institution is within or without the authority.

23 32-9.7-145. Investment management. (1) In addition to
24 the authority granted the authority under section 32-9.7-108
25 (1) (o) to (1) (q), the authority may invest its moneys in any
26 of the following:

27 (a) Obligations of the United States government or its

1 agencies and instrumentalities;

2 (b) Certificates of deposit or other evidences of
3 deposit or investment of a bank, a savings and loan
4 association, or any other state or federally regulated
5 financial institution, which is federally insured;

6 (c) Bankers' acceptances drawn on and accepted by
7 commercial banks;

8 (d) Collateralized prime commercial paper;

9 (e) Repurchase agreements and reverse repurchase
10 agreements the underlying collateral of which consists of the
11 instruments set forth in paragraphs (a) to (d) of this
12 subsection (1);

13 (f) Money market mutual funds the portfolios of which
14 consist of the instruments set forth in paragraphs (a) to (d)
15 of this subsection (1);

16 (g) Securities of the authority.

17 (2) In addition to the investments authorized by
18 subsection (1) of this section, the authority, for purposes of
19 hedging against interest rate risk only and not for
20 speculation, may enter into contractual arrangements involving
21 debt futures and options on debt futures only on obligations
22 of the United States government.

23 (3) Investment decisions shall be made with the judgment
24 and care, under circumstances then prevailing, which persons
25 of prudence, discretion, and intelligence exercise in the
26 management of their own affairs and shall not be made for
27 speculation but shall be made for investment, considering the

1 probable credit quality of their capital as well as the
2 probable income to be derived.

3 (4) The authority shall establish a written investment
4 policy with respect to investing the moneys of the authority.
5 The investment policy shall address, but shall not be limited
6 to, liquidity, diversification, credit quality of principal,
7 yield, maturity, and quality and capability of investment
8 management, with primary emphasis on credit quality and
9 liquidity.

10 32-9.7-146. Custodians. For purposes of making deposits
11 or investments, the commission may appoint, by written
12 resolution, one or more persons to act as custodians of the
13 moneys of the authority, who shall give surety bonds in such
14 amounts and form and for such purposes as the commission
15 requires.

16 32-9.7-147. Protection of district securities issued
17 prior to July 1, 1989. Any district securities outstanding on
18 July 1, 1989, shall be fully honored by the authority as
19 securities of the authority.

20 32-9.7-148. Merger of public highway authorities into
21 metropolitan transportation finance authority - authority of
22 commission - protection of rights of holders of securities.

23 If the authority created pursuant to this part 1 determines
24 that it is organizationally capable of assuming responsibility
25 for the construction of a public highway in the authority area
26 under construction or being planned pursuant to part 5 of
27 article 4 of title 43, C.R.S., the commission may by

1 resolution merge any authority created under part 5 of article
2 4 of title 43, C.R.S., to construct any such public highway,
3 into the authority. In the case of any merger under this
4 section, the commission shall make adequate and equitable
5 provisions for the protection of the rights of all holders of
6 securities of any authority created under part 5 of article 4
7 of title 43, C.R.S.

8 PART 2

9 REGIONAL TRANSPORTATION DISTRICT

10 32-9.7-201. Creation of district. There is hereby
11 created a district to be known and designated as the "regional
12 transportation district".

13 32-9.7-202. District area. (1) The area comprising the
14 district shall consist of that part of Adams county excluding
15 census enumeration districts 1, 2, and 3 of the east Adams
16 division, as such districts and division are used by the
17 United States bureau of the census in designation of land
18 areas for purposes of the 1970 census, that part of Arapahoe
19 county excluding census enumeration districts 1, 2, and 3 of
20 the east Arapahoe division, as such districts and division are
21 used by the United States bureau of the census in designation
22 of land areas for the purposes of the 1970 census, and the
23 city and county of Denver and the counties of Jefferson and
24 Boulder, and those parts of Douglas county as provided by
25 subsection (2) of this section.

26 (2) (a) That portion of Douglas county beginning at the

1 intersection of the eastern boundary of the right-of-way of
2 interstate highway 25 and the northern boundary of Douglas
3 county; thence east on said northern boundary to the eastern
4 boundary of Douglas county; thence south along the eastern
5 boundary of Douglas county to a point marking the boundary
6 between township eight south and township seven south; thence
7 west to a point on the boundary line of township eight south
8 and township seven south where it intersects the southern
9 boundary of the right-of-way of highway 86 in range sixty-six
10 west on a line between section thirty-two of township seven
11 south and section five of township eight south; thence south
12 and west along the southern boundary of the right-of-way of
13 highway 86 to the corporate boundary of the city of Castle
14 Rock; thence north and west along the east and north corporate
15 boundaries of the city of Castle Rock to a point where the
16 eastern boundary of the right-of-way of the federal aid
17 secondary highway system to interstate highway 25 intersects
18 the northern corporate boundary of the city of Castle Rock;
19 thence north along the eastern boundary of the right-of-way of
20 the federal aid secondary highway system to interstate highway
21 25 to a point where the eastern boundary of the right-of-way
22 of county road 43 intersects the western boundary of the
23 right-of-way of the federal aid secondary highway system to
24 interstate highway 25; thence along the eastern boundary of
25 the right-of-way of county road 43 to a point where the
26 eastern boundary of county road 43 intersects the southern
27 boundary of county road 8; thence along the southern boundary

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1 of county road 8 to a point where county road 8 intersects the
2 eastern boundary of the right-of-way of interstate highway
3 25; thence north along the eastern boundary of the
4 right-of-way of interstate highway 25 to the point of
5 beginning shall remain in the district.

6 (b) The new town of Highlands Ranch, as hereinafter
7 described, shall become part of the district effective January
8 1, 1982. The new town of Highlands Ranch shall include the
9 following described land in Douglas county:

10 Township 6 South, Range 67 West, 6th P.M., Douglas County

11 Section 5: All
12 Section 6: SE1/4 and S1/2NE1/4
13 Section 7: All
14 Except one square acre in the northwest corner
15 conveyed to the directors of school district
16 number 9.

17 Section 8: All
18 Except the north 465 feet of the east 380 feet
19 of the NE1/4NE1/4NE1/4 conveyed to public
20 service company of Colorado by deed recorded in
21 book 172 at page 12.

22 Section 17: N1/2 and NE1/4SE1/4.
23 Section 18: All
24 Section 19: NW1/4 and W1/2NE1/4.

25 Township 6 South, Range 68 West, 6th P.M., Douglas County

26 Section 1: All
27 Section 2: All

1 Section 3: All
2 Except that portion deeded to department of
3 highways of the state of Colorado by deed
4 recorded in book 159 at page 399 and recorded in
5 book 160 at page 117, and except tract conveyed
6 in book 169 at page 342, and tract conveyed in
7 book 176 at page 133, and except tracts deeded
8 to the northern Colorado irrigation company in
9 book 38 at page 129 and in book 93 at page 64.
10 Section 4: SE1/4NE1/4 and N1/2SE1/4 and SE1/4SE1/4 and
11 SW1/4
12 Except a strip of land 1,320 feet long and 22
13 feet wide off the east side of the NE1/4SW1/4
14 and a strip of land 20 feet long and 22 feet
15 wide off the east side of the SE1/4SW1/4 and
16 adjoining the strip of land last above
17 described, on the south.

18 Section 5: SE1/4 and NW1/4SW1/4 and SE1/4SW1/4 and
19 NE1/4SW1/4 and that part of the E1/2NE1/4
20 described as follows: Beginning at the northeast
21 corner of section 5; thence west 1130 feet;
22 thence south 700 feet; thence south 50°30' west
23 418 feet; thence south 20°30' west 300 feet;
24 thence south 1671 feet; thence east 1571 feet;
25 thence north 2902 feet to point of beginning.
26 Except that part described in deed recorded in
27 book 101 at page 90, and except that part

1 described in deed recorded in book 183 at page
 2 423, and except that part conveyed to the
 3 department of highways of the state of Colorado
 4 in deed recorded in book 159 at page 397, and
 5 except a strip 150 feet wide for canal through
 6 SE1/4 of said section 5, as conveyed to northern
 7 Colorado irrigation company by deed recorded in
 8 book N at page 266, and except for strip 100
 9 feet wide for canal through the SW1/4 and NE1/4
 10 of said section 5 as conveyed in deed recorded
 11 in book N at page 132, and except that part
 12 lying within the right-of-way for highway 85.

13 Section 8: All

14 Except tract described as follows: starting at
 15 a point, point of beginning, which lies on the
 16 north and south center-line of said section 8,
 17 100 feet south of the north one-quarter corner
 18 to said section 8; thence south on centerline a
 19 distance of 674 feet; thence east 395 feet;
 20 thence north 430 feet; thence north 58°15' west
 21 460 feet, more or less, to point of beginning,
 22 and except tract described in declaration of
 23 taking for Chatfield Dam project recorded in
 24 book 203 at page 383, and except that part lying
 25 within the right-of-way for highway 85.

26 Section 9: All

27 Section 10: All

1 Section 11: All

2 Except that portion of the SE1/4SW1/4 of said
 3 section 11 more particularly described as
 4 follows: Beginning at the southwest corner of
 5 said section 11; thence east along the south
 6 line of said section 11 a distance of 1589.50
 7 feet; thence north a distance of 20 feet; thence
 8 north 06°08'00" east, a distance of 243.3 feet;
 9 thence east a distance of 249.00 feet; thence
 10 south 18.1 feet to the true point of beginning;
 11 thence continuing south 223.9 feet to a point 20
 12 feet north of the south line of said section 11;
 13 thence west 246.54 feet to the southeast corner
 14 of that parcel of land conveyed to highland
 15 venturers, a partnership, by deed recorded June
 16 26, 1979, in book 363 at page 948; thence north
 17 06°30'00" east along the east line of said
 18 parcel 235.54 feet; thence south 87°20'24" east
 19 along the south line of said parcel 220.11 feet
 20 to the true point of beginning, and except that
 21 part of the SE1/4SW1/4 of said section 11 lying
 22 within the following described property: A
 23 tract of land in the SW1/4 of section 11 and in
 24 the NW1/4 of section 14, township 6 south, range
 25 68 west of the 6th P.M., described as follows:
 26 Beginning at the southwest corner of said
 27 section 11; thence east along the south line of

1 said section 11, a distance of 1615.68 feet to
 2 the true point of beginning of the tract of land
 3 herein described; thence south 06°30' west a
 4 distance of 30 feet; thence south 89°14'58" east
 5 a distance of 303.44 feet; thence north
 6 15°10'00" east a distance of 105.0 feet; thence
 7 north 12°07'43" east a distance of 174.79 feet;
 8 thence north 87°20'24" west a distance of 115.52
 9 feet; thence south, a distance of 223.90 feet;
 10 thence west, a distance of 246.54 feet; thence
 11 south 06°30' west a distance of 20.13 feet to
 12 the true point of beginning, Douglas county, all
 13 bearings used herein are assumed based on the
 14 south line of said section 11 bearing due east
 15 and west.

16 Section 12: All

17 Section 13: All

18 Section 14: All

19 Except that part of the NW1/4 of said section 14
 20 lying within the following described property:
 21 A tract of land in the SW1/4 of section 11 and
 22 in the NW1/4 of section 14, township 6 south,
 23 range 68 west of the 6th P.M., described as
 24 follows: Beginning at the southwest corner of
 25 said section 11; thence east along the south
 26 line of said section 11, a distance of 1615.68
 27 feet to the true point of beginning of the tract

1 of land herein described; thence south 06°30'
 2 west, a distance of 30 feet; thence south
 3 89°14'58" east, a distance of 303.44 feet;
 4 thence north 15°10'00" east, a distance of 105.0
 5 feet; thence north 12°07'43" east, a distance of
 6 174.79 feet; thence north 89°20'24" west, a
 7 distance of 115.52 feet; thence south a distance
 8 of 223.90 feet; thence west a distance of 246.54
 9 feet; thence south 06°30' west, a distance of
 10 20.13 feet to the true point of beginning,
 11 Douglas county, all bearings used herein are
 12 assumed based on the south line of said section
 13 11 bearing due east and west.

14 Section 15: All

15 Section 16: All

16 Section 17: N1/2 and SE1/4

17 Except that part of the NW1/4 lying westerly of
 18 the easterly right-of-way line of highway 85.

19 Section 22: N1/2N1/2

20 Section 24: N1/2

21 (c) The following areas within Douglas county may be
 22 included in the district as provided by paragraph (d) of this
 23 subsection (2):

24 (1) Area 1: That portion of Douglas county beginning at
 25 the intersection of the northern boundary of Douglas county
 26 and eastern boundary of the right-of-way of interstate
 27 highway 25; thence west along the northern boundary of

1 Douglas county to a point where the northern boundary of
 2 Douglas county intersects the western boundary of Douglas
 3 county; thence south along the western boundary of Douglas
 4 county to a point where the western boundary of Douglas county
 5 is intersected by the boundary of the Pike national forest;
 6 thence east and south along the eastern boundary of the Pike
 7 national forest until the east boundary is intersected by the
 8 southern boundary of the right-of-way of state highway 67;
 9 thence northeasterly along the southern boundary of state
 10 highway 67 to a point where the southern boundary of state
 11 highway 67 intersects the western boundary of state highway
 12 105; thence south along the western boundary of state highway
 13 105 to a point where the western boundary of state highway 105
 14 is intersected by a line extended from the northern boundary
 15 of the right-of-way of county road 46; thence east along the
 16 northern boundary of the right-of-way of county road 46 to the
 17 corporate boundary of the city of Castle Rock; thence north
 18 and east along the west and north corporate boundaries of the
 19 city of Castle Rock to a point where the eastern boundary of
 20 the right-of-way of the federal aid secondary highway system
 21 to interstate highway 25 intersects the corporate boundary of
 22 the city of Castle Rock; thence north along the eastern
 23 boundary of the right-of-way of the federal aid secondary
 24 highway system to interstate highway 25 to a point where the
 25 eastern boundary of the right-of-way of county road 43
 26 intersects the western boundary of the right-of-way of the
 27 federal aid secondary highway system to interstate highway 25;

1 thence along the eastern boundary of the right-of-way of
 2 county road 43 to a point where the eastern boundary of county
 3 road 43 intersects the southern boundary of county road 8;
 4 thence along the southern boundary of county road 8 to a point
 5 where county road 8 intersects the eastern boundary of the
 6 right-of-way of interstate highway 25; thence north along the
 7 eastern boundary of the right-of-way of interstate highway 25
 8 to the point of beginning; except the new town of Highlands
 9 Ranch as described in paragraph (b) of this subsection (2).

10 (II) Area 2: The city of Castle Rock.

11 (III) Area 3: That portion of Douglas county beginning
 12 at the intersection of the eastern boundary of Douglas county
 13 and a point marking the boundary between township eight south
 14 and township seven south; thence west to a point on the
 15 boundary line of township eight south and township seven south
 16 where it intersects the southern boundary of the right-of-way
 17 of highway 86 in range sixty-six west on a line between
 18 section thirty-two of township seven south and section five of
 19 township eight south; thence south and west along the southern
 20 boundary of the right-of-way of highway 86 to the corporate
 21 boundary of the city of Castle Rock; thence south, west, and
 22 north along the east, south, and west corporate boundaries of
 23 the city of Castle Rock to a point where the northern boundary
 24 of the right-of-way of county highway 46 intersects the
 25 western boundary of the city of Castle Rock; thence west along
 26 the northern boundary of county highway 46 to a point where
 27 the western boundary of the right-of-way of state highway 105

1 is intersected by a line extended from the northern boundary
 2 of the right-of-way of county road 46; thence north along the
 3 western boundary of the right-of-way of state highway 105 to a
 4 point where the southern boundary of the right-of-way of state
 5 highway 67 intersects the western boundary of state highway
 6 105; thence southwest along the southern boundary of the
 7 right-of-way of state highway 67 to a point where the southern
 8 boundary of the right-of-way of state highway 67 intersects
 9 the eastern boundary of the Pike national forest; thence south
 10 and east along the eastern boundary of the Pike national
 11 forest to a point where the eastern boundary of the Pike
 12 national forest intersects the southern boundary of Douglas
 13 county; thence east along the southern boundary of Douglas
 14 county to a point where the southern boundary of Douglas
 15 county intersects the eastern boundary of Douglas county;
 16 thence north along the eastern boundary of Douglas county to
 17 the point of beginning.

18 (d) (I) Areas 1, 2, and 3 described in paragraph (c) of
 19 this subsection (2) may, at any time prior to July 1, 1985, be
 20 included in the district if:

21 (A) There is a petition signed by at least eight percent
 22 of the qualified electors in an area, or any combination of
 23 areas, requesting an election for the purpose of the area, or
 24 any combination of areas, being included in the district;

25 (B) The election for determination of the inclusion of
 26 an area, or any combination of areas, is held in accordance
 27 with the provisions of this article.

1 (II) The election for determination of inclusion of any
 2 area, or combination of areas, may be subject to a
 3 proportionate share of any bonded indebtedness incurred by the
 4 district from July 1, 1975, to the time the area, or any
 5 combination of areas, is included in the district. An area
 6 shall have a maximum of two elections for determination of
 7 inclusion in the district.

8 (III) Any area not included in the district under the
 9 provisions of this subsection (2) by July 1, 1985, shall not
 10 be included in the district.

11 (e) The area of Douglas county not described in this
 12 subsection (2) shall be excluded from the district.

13 (f) Nothing contained in this subsection (2) shall be
 14 construed to alter, exempt, or modify the preexisting
 15 obligations of the residents of the total county of Douglas
 16 for bonds or other indebtedness incurred prior to the
 17 enactment of this subsection (2).

18 (3) In addition to those areas specified in subsections
 19 (1) and (2) of this section, the area comprising the district
 20 shall include the following portion of Douglas county: Parcel
 21 no. 102X of the state department of highways, division of
 22 highways, state of Colorado, project no. IXFU 470-1 (2) phase
 23 I, containing approximately four hundred forty-three thousand,
 24 two hundred seventy-three square feet, in the NW 1/4 of
 25 section five (5), township six (6) south, range sixty-eight
 26 (68) west, of the sixth principal meridian; and such portion
 27 also includes the contiguous portion of the Santa Fe Drive

1 corridor of the state department of highways, extending north
2 from the northern border of designated parcel no. 102X to the
3 southern boundary of Arapahoe county.

4 32-9.7-203. Board of directors - membership - powers.

5 (1) Effective January 1, 1990, the governing body of the
6 district shall be a board of directors consisting of seven
7 persons, each of whom is a qualified elector residing within
8 his county or city and county.

9 (2) Members of the board shall be appointed as provided
10 in section 32-9.7-204.

11 (3) The terms of members of the board serving on July 1,
12 1989, shall expire on January 1, 1990, and a new board,
13 constituted pursuant to this section, shall take office on
14 January 1, 1990, after having been elected pursuant to section
15 32-9.7-204.

16 (4) All powers, duties, functions, rights, and
17 privileges vested in the district shall be exercised and
18 performed by the board; except that the exercise of any
19 executive, administrative, or ministerial powers may be
20 delegated by the board to officers and employees of the
21 district.

22 32-9.7-204. Appointment of directors - dates - terms.

23 (1) The board shall consist of seven members appointed by the
24 governor and confirmed by the senate, six of whom shall
25 represent the counties and the city and county which are
26 wholly or partially within the district, and one of whom shall
27 be an at-large member from within the district's boundaries.

1 The boards of county commissioners of Adams, Arapahoe,
2 Boulder, Douglas, and Jefferson counties shall each submit to
3 the governor the names of three nominees who are electors of
4 the respective counties, and the governor shall appoint one of
5 those nominees from each county to the board. The city
6 council of the city and county of Denver, with the advice and
7 consent of the mayor of Denver, shall submit to the governor
8 the names of three nominees who are electors of the city and
9 county of Denver, and the governor shall appoint one of those
10 nominees to the board. The governor shall appoint to the
11 board one at-large member who is an elector residing within
12 the city and county or one of the counties which are wholly or
13 partially within the district.

14 (2) Board members shall serve for terms of four years;
15 except that the governor shall designate four members of the
16 board who begin their terms on January 1, 1990, and who shall
17 serve for terms of two years. A member whose term has expired
18 shall be replaced by a member who is an elector of the same
19 county and who shall be nominated and appointed pursuant to
20 the provisions of subsection (1) of this section. A member
21 whose term has expired may be renominated and reappointed to
22 the board. Board members shall receive a per diem of one
23 hundred dollars for each day actually spent in the transaction
24 of official business of the board in the state of Colorado.
25 In addition to such per diem, each board member shall be
26 reimbursed for his reasonable and necessary expenses incurred
27 in the completion of his duties.

1 32-9.7-205. Vacancies on board. A change of residence
 2 of a member of the board to a place outside the county or city
 3 and county from which he was nominated and appointed to
 4 represent shall automatically create a vacancy on the board.
 5 Upon a vacancy occurring for any reason other than normal
 6 expiration of a term, the vacancy shall be filled for the
 7 remainder of the term according to the provisions of section
 8 32-9.7-204.

9 32-9.7-206. Fidelity bonds. Each director, before
 10 entering upon his official duties, shall give a fidelity bond
 11 to the district in the sum of ten thousand dollars with good
 12 and sufficient surety, to be approved by the governor,
 13 conditioned for the faithful performance of the duties of his
 14 office. Premiums on all fidelity bonds provided for in this
 15 section shall be paid by the district and filed in the office
 16 of the secretary of state.

17 32-9.7-207. Board's administrative powers. (1) The
 18 board has the following administrative powers:

19 (a) To fix the time and place at which its regular
 20 meetings, to be held at least quarterly, shall be held within
 21 the district, and the board shall provide for the calling and
 22 holding of special meetings;

23 (b) To adopt and amend bylaws and rules for procedure;

24 (c) To elect one director as chairman of the board and
 25 another director as chairman pro tem of the board, and to
 26 appoint one or more persons as secretary and treasurer of the
 27 board;

1 (d) To prescribe a system of business administration, to
 2 create necessary offices, and to establish the powers, duties,
 3 and compensation of all officers, agents, and employees and
 4 other persons contracting with the district, subject to the
 5 provisions of section 32-9.7-212;

6 (e) To prescribe a method of auditing and allowing or
 7 rejecting claims and demands;

8 (f) To provide a method for the letting of contracts on
 9 a fair and competitive basis for the construction of works,
 10 any facility, or any project, or any interest therein, or for
 11 the performance or furnishing of labor, materials, or supplies
 12 as required in this article;

13 (g) To designate an official newspaper published in the
 14 district in the English language; except that nothing in this
 15 article shall prevent the board from directing publication in
 16 any additional newspaper where it deems that the public
 17 necessity may so require;

18 (h) To make and pass resolutions and orders necessary to
 19 carry out the provisions of this article.

20 32-9.7-208. Additional powers of district - operating
 21 function - limitations. (1) In addition to any other powers
 22 granted to the district in this article, the district has the
 23 following powers:

24 (a) To have the duties, privileges, immunities, rights,
 25 liabilities, and disabilities of a public body politic and
 26 corporate. The district shall be a political subdivision of
 27 the state.

1 (b) To have perpetual existence and succession, subject
2 to the provisions of section 32-9.7-140;

3 (c) To adopt, have, and use a seal and to alter same at
4 pleasure;

5 (d) To sue and be sued;

6 (e) To enter into any contract or agreement not
7 inconsistent with this article or the laws of this state;

8 (f) To employ such officers, agents, employees, and
9 other persons necessary to carry out the purposes of this
10 article and to acquire office space, equipment, services,
11 supplies, and insurance necessary to carry out the purposes of
12 this article;

13 (g) To maintain and operate a mass transportation
14 facility, subject to the provisions of section 32-9.7-214, for
15 the operation of the district's bus operations, and all
16 necessary facilities relating thereto across or along any
17 public street, highway, bridge, viaduct, or other public
18 right-of-way, or in, upon, under, or over any vacant public
19 lands without first obtaining a franchise from the public body
20 having jurisdiction over the same; except that the district
21 shall cooperate with any public body having such jurisdiction
22 and the district shall promptly restore any such street,
23 highway, bridge, viaduct, or other public right-of-way to its
24 former state of usefulness as nearly as may be and shall not
25 use the same in such a manner as to impair completely or
26 unnecessarily the usefulness thereof;

27 (h) To maintain a working capital fund for the operation

1 of any mass transportation facility; and

2 (i) To implement the provisions of section 32-9.7-214
3 concerning the operation of the district's bus operations.

4 (2) The district shall operate and maintain any mass
5 transportation facility which was developed and established by
6 the district prior to July 1, 1989, and any facility which is
7 developed by the authority pursuant to the provisions of this
8 article.

9 (3) All of the powers of the district prior to July 1,
10 1989, related to the financing or acquisition of real property
11 or capital improvements, including the condemnation power and
12 the power to raise revenues, shall be vested in the authority
13 created in part 1 of this article.

14 32-9.7-209. Farebox recovery ratios - reports. (1) The
15 district shall take whatever measures it deems necessary to
16 insure that, for the fiscal year 1989-90, twenty percent of
17 the operating costs of the district are paid for by farebox
18 collections. For the fiscal year 1990-91, the district shall
19 increase the farebox recovery ratio to twenty-five percent,
20 and, for the fiscal year 1991-92 and each fiscal year
21 thereafter, the farebox recovery ratio shall be thirty
22 percent. The district shall prepare annual budgets and the
23 authority shall make allocations to the district based on the
24 farebox collections required by this section. In the event
25 that the farebox recovery ratios required by this subsection
26 (1) are not achieved by the district, the district shall not
27 use any of the revenues attributable to the sales tax imposed

1 by section 32-9.7-109 (1) (a) for the purpose of paying the
2 operating costs of the district; however, such revenues may be
3 used for capital costs.

4 (2) For purposes of this section, "farebox recovery
5 ratio" means the percentage of operating costs which is
6 recovered by farebox revenues, and "operating costs" means the
7 sum of all costs that can be associated with the operation and
8 maintenance of the system including depreciation on plant and
9 equipment, interest paid for loans on capital equipment, and
10 property taxes on capital items.

11 32-9.7-210. Records of board - audits. All resolutions
12 and orders shall be recorded and authenticated by the
13 signature of the presiding officer of the board and the
14 secretary. Every legislative act of the board of a general or
15 permanent nature shall be by resolution. The book of
16 resolutions and orders shall be a public record. A record
17 shall also be made of all other proceedings of the board,
18 minutes of the meetings, certificates, contracts, bonds given
19 by officers, employees, and any other agents of the district,
20 and all corporate acts, which record shall also be a public
21 record. The treasurer shall keep an account of all moneys
22 received by and disbursed on behalf of the district, which
23 shall also be a public record. Any public record of the
24 district shall be open for inspection by any elector of the
25 district, or by any representative of the state, or of any
26 county, city and county, city, or town within the district.
27 All records are subject to audit as provided by law for

1 political subdivisions.

2 32-9.7-211. Meetings of board. (1) All meetings of the
3 board shall be held within the district and shall be open to
4 the public. No business of the board shall be transacted
5 except at a regular or special meeting at which a quorum
6 consisting of at least a majority of the total membership of
7 the board is present.

8 (2) Effective January 1, 1991, any action of the board
9 shall require the affirmative vote of at least five members
10 present and voting.

11 32-9.7-212. Compensation of directors. Each director
12 shall receive a sum of three thousand dollars per annum. No
13 director shall receive any compensation as an officer, an
14 engineer, an attorney, an employee, or any other agent of the
15 district. Nothing contained in this article shall be
16 construed as preventing the board from authorizing the
17 reimbursement of any director for expenses incurred which
18 appertain to the activities of the district.

19 32-9.7-213. Conflicts in interest prohibited. No
20 director, officer, employee, or agent of the district shall be
21 interested in any contract or transaction with the district
22 except in his official representative capacity.

23 32-9.7-214. Competition to provide bus service within
24 the regional transportation district. (1) The general
25 assembly hereby finds, determines, and declares that: Public
26 transportation services are provided to assist the
27 transit-dependent and the poor, to relieve congestion, and to

1 minimize automotive pollution; public transportation service
 2 should be provided at the lowest possible cost consistent with
 3 desired service and safety; private transportation providers
 4 have been effectively used under competitive contracts to
 5 provide public transportation services at lower costs and with
 6 lower annual cost increases; obtaining cost-competitive public
 7 transportation services requires the establishment of a
 8 mechanism for competitive contracting; facilities and vehicles
 9 purchased for public transportation service are public assets
 10 which are held in the public trust; contracting for services
 11 has historically provided opportunities for minority, women,
 12 and disadvantaged business enterprises; and it is the intent
 13 of the general assembly that disadvantaged business
 14 enterprises, as defined in part 23 of Title 49 of the code of
 15 federal regulations, as amended, shall have the maximum
 16 opportunity to participate in the performance of contracts.

17 (2) (a) The district shall implement a system whereby at
 18 least twenty percent of the bus service determined by the
 19 district to be in the public interest shall be provided by
 20 qualified private businesses pursuant to competitively bid
 21 contracts.

22 (b) The district shall determine what routes, schedules,
 23 and fares are in the public interest.

24 (c) The district shall promulgate reasonable standards
 25 with respect to experience, safety records, and financial
 26 responsibility by which private providers can be qualified to
 27 provide bus services pursuant to this section.

1 (d) The district shall prepare a standard form of
 2 agreement to provide bus services. Such contract shall
 3 include:

4 (I) The specification of reasonable passenger comfort
 5 and safety characteristics of the equipment used;

6 (II) The specification of standards for access to bus
 7 services for persons with disabilities, which shall be as
 8 specified in the district's plan for such services as approved
 9 by the federal urban mass transportation administration;

10 (III) The specification for reasonable training and
 11 safety records to be required of any driver;

12 (IV) A provision for reasonable insurance protecting the
 13 district from liability for the acts, negligence, or omission
 14 of the provider, its agents, and its employees;

15 (V) Reasonable standards for reliability and on-time
 16 performance;

17 (VI) Reasonable penalties for inadequate performance,
 18 including the district's right to cancel the contract;

19 (VII) Provisions for the use of the district's logo,
 20 transfers, transit ways, bus stops, and such other elements as
 21 are owned by the district and appropriate for use by the
 22 provider to provide coordinated service with the district;

23 (VIII) A provision that the provider shall retain fifty
 24 to one hundred percent of the passenger fares and remit the
 25 balance of such fares to the district;

26 (IX) A provision that the provider, at its sole risk and
 27 in compliance with applicable laws and regulations, shall have

1 the right to sell additional services, including food and
2 other services, to its passengers, and to sell advertising
3 except as prohibited by existing contracts, freight, charter,
4 and other services using the provider's vehicles;

5 (X) An initial term of one year, with options for the
6 provider to extend the contract for four years, unless the
7 district and the provider shall mutually agree to a lesser
8 initial term or extension; and

9 (XI) No provision specifying wages, benefits, work
10 rules, work conditions, or union organization of the employees
11 of the provider beyond compliance with applicable regulation
12 and law, including compliance with the federal "Urban Mass
13 Transportation Act of 1964", 49 U.S.C. sec. 1609, sec. 13(c).

14 (3) (a) Subject to the requirements of the federal
15 "Urban Mass Transportation Act of 1964", as amended, by March
16 31, 1989, the district shall request proposals from private
17 providers to provide at least twenty percent of the bus
18 service of the district as measured by vehicle hours. The
19 district's decision as to which bus service routes shall be
20 subject to requests for proposals shall be representative of
21 the district's total bus service operations; except that each
22 individual request for proposals may designate one type of bus
23 service provided by the district. Service provided by private
24 businesses pursuant to this section shall be accomplished
25 through attrition of the district's full-time employees. No
26 layoffs shall occur solely as a result of the implementation
27 of this section.

1 (b) Each request for proposals shall specify the route,
2 service frequency, and the entire structure of maximum fares
3 determined by the district. Such request for proposals shall
4 include the district's estimate of passenger revenue. Each
5 request for proposals shall also specify any federal funds
6 available for vehicle capital assistance whether through
7 reimbursement of eligible depreciation expenses or through
8 lease of vehicles owned by the district.

9 (c) Each individual request for proposals shall reflect
10 the district's determination as to the appropriate size for
11 each such request in order to maximize the number of qualified
12 bidders without causing undue operating inefficiencies.

13 (d) Any qualified provider may respond to any request
14 for proposals. The district shall ensure that disadvantaged
15 business enterprises, as defined in part 23 of Title 49 of the
16 code of federal regulations, as amended, have the greatest
17 possible opportunity to respond. Any response shall be timely
18 if received by the district within ninety days of its request
19 for proposals. Each response shall specify the least subsidy
20 required by the bidder to provide the services described in
21 the request for proposals. If it determines the public
22 interest requires such, the district retains the right to
23 enter into noncompetitively awarded contracts on an interim
24 basis for the time needed to implement the request for
25 proposal process.

26 (e) With respect to each request for proposals, the
27 district shall award the contract to the qualified provider

1 whose responsive bid offers the lowest cost to the district;
 2 except that no one provider shall receive contracts covering
 3 more than fifty percent of the vehicle hours subject to such
 4 requests, and, with respect to awards made after January 1,
 5 1994, the district shall accept no bid from a bidder providing
 6 fifty percent or more of the vehicle hours contracted by the
 7 district. Each contract shall be effective not later than
 8 ninety days after its award. If the district determines that
 9 no responsive bids are received for a request for proposals or
 10 that the bids submitted would not be in the best interest of
 11 the district to accept, the district may solicit new bids for
 12 such request for proposals in accordance with the provisions
 13 of this section.

14 (4) The district shall submit to the general assembly a
 15 plan to provide assurance that the district's responsibilities
 16 with respect to bus service are accomplished at the lowest
 17 practicable cost.

18 (5) Any person qualified to provide bus services
 19 pursuant to subsection (2) of this section who does not
 20 require a district subsidy shall, as of January 1, 1989, be
 21 able to provide bus services within the district. Such person
 22 shall execute the district's standard form of agreement to
 23 provide bus services; except that such person shall be free to
 24 determine and retain passenger fares. Vehicles operated
 25 pursuant to this subsection (5) shall be identified to the
 26 public as charging fares not established by the district.

27 (6) Fares for bus services provided pursuant to this

1 section shall be exempt from sales or use taxes imposed
 2 pursuant to article 26 of title 39, C.R.S. Providers shall
 3 not otherwise be exempt from property, sales, income, excise,
 4 and other taxes.

5 (7) The provision of bus passenger services in
 6 accordance with this section shall not be subject to
 7 regulation by the public utilities commission of the state of
 8 Colorado.

9 (8) (a) For purposes of providing legislative oversight
 10 of the operation of this section, the highway legislation
 11 review committee shall review the district's implementation of
 12 this section and recommend any necessary changes to the
 13 general assembly.

14 (b) The district shall contract with an independent
 15 certified public accounting firm, other than the district's
 16 regular auditor, for a neutral and unbiased performance audit
 17 to be completed and reported to the general assembly by
 18 December 1, 1990. Such performance audit shall analyze in a
 19 fair and equitable fashion the operation of the implementation
 20 of this section including, but not limited to, consideration
 21 of comparisons of the cost of the district's bus operations
 22 with operations provided by private providers, the level of
 23 contract compliance by private providers, the cost of such
 24 compliance and whether such costs will be recurring or are
 25 reducible, and taxes paid by private providers. Such audit
 26 shall also determine whether the district's costs for a
 27 particular route include the full cost of the service being

1 procured from the private operators; whether individual route
2 costs include the attributable direct costs of driver labor
3 and benefits based upon actual work assignments, and a
4 reasonable allocation for the cost of replacement drivers and
5 all other costs of providing transportation and maintenance
6 for the route; whether the district's costs for a particular
7 route are based on a higher part-time driver labor cost
8 percentage on the route than part-time drivers represent as a
9 percentage of all district bus driver labor costs; and whether
10 the district's costs are based upon the latest board-approved
11 annual budget.

12 (9) It is the intent of the general assembly to provide
13 a reasonable period for the board to experiment and gain
14 knowledge and experience with limited privatization and, after
15 considering the performance audit required under this section,
16 to evaluate its effectiveness. Therefore, the term of any
17 part of any collective bargaining or other agreement that
18 relates to privatization or competitive contracting of any
19 jobs shall not extend beyond June 30, 1990, so that the
20 general assembly may have an opportunity to review the
21 performance audit and consider the need to provide further
22 statutory direction to the board. The provisions of this
23 subsection (9) shall be subject to the requirements of federal
24 law.

25 SECTION 44. Part 5 of article 4 of title 43, Colorado
26 Revised Statutes, 1984 Repl. Vol., as amended, is amended BY
27 THE ADDITION OF A NEW SECTION to read:

1 43-4-522. Merger of public highway authorities into
2 metropolitan transportation finance authority - authority of
3 metropolitan transportation finance authority commission -
4 protection of rights of holders of securities. If the
5 metropolitan transportation finance authority created in
6 section 32-9.7-103, C.R.S., is organized and financially
7 capable of assuming responsibility for the construction of a
8 public highway in the authority area, as defined in section
9 32-9.7-102 (2), C.R.S., under construction or being planned
10 pursuant to this part 5, the metropolitan transportation
11 finance authority commission may by resolution merge any
12 authority created under this part 5, to construct any such
13 public highway, into the metropolitan transportation finance
14 authority. In the case of any merger under this section and
15 section 32-9.7-148, C.R.S., the metropolitan transportation
16 finance commission shall make adequate and equitable
17 provisions for the protection of the rights of all holders of
18 securities of any authority created under this part 5. Any
19 earmarked revenues which are specifically obligated to secure
20 particular bonds or securities shall stay so obligated until
21 the bonds or securities are paid.

22 SECTION 45. 13-85-101, Colorado Revised Statutes, 1987
23 Repl. Vol., as amended, is amended to read:

24 13-85-101. Legislative declaration. The general
25 assembly hereby determines, finds, and declares that traffic
26 congestion and other transportation difficulties in the Denver
27 metropolitan area seriously threaten the public health and

1 welfare. In an effort to reduce air pollution and stimulate
 2 the economic development of the Denver metropolitan area, the
 3 general assembly has created the ~~transit--construction~~
 4 METROPOLITAN TRANSPORTATION FINANCE authority and has directed
 5 the ~~regional-transportation-district~~ AUTHORITY to proceed with
 6 the planning, FINANCING, AND construction ~~and-operation~~ of a
 7 ~~fixed--guideway--mass--transit--system~~ SURFACE TRANSPORTATION
 8 FACILITY. Since the success of the ~~mass--transit--system~~ SURFACE
 9 TRANSPORTATION FACILITY depends on its prompt construction and
 10 commencement of operation, the general assembly finds that it
 11 is necessary to avoid any possible delays in such construction
 12 and operation. To that end, the general assembly further
 13 finds that the trial of lawsuits arising out of the planning,
 14 development, financing, or construction of these projects
 15 should be given priority in the district and appellate courts
 16 of this state.

17 SECTION 46. 13-85-102, Colorado Revised Statutes, 1987
 18 Repl. Vol., as amended, is REPEALED AND REENACTED, WITH
 19 AMENDMENTS, to read:

20 13-85-102. Definitions. As used in this article, unless
 21 the context otherwise requires:

22 (1) "Authority" means the metropolitan transportation
 23 finance authority established by article 9.7 of title 32,
 24 C.R.S.

25 (2) "Regional transportation district" means the
 26 regional transportation district established by part 2 of
 27 article 9.7 of title 32, C.R.S.

1 (3) "Surface transportation facility" means any surface
 2 transportation facility planned, financed, or constructed by
 3 the authority.

4 SECTION 47. 13-85-103, Colorado Revised Statutes, 1987
 5 Repl. Vol., as amended, is amended to read:

6 13-85-103. Civil actions entitled to priority. The
 7 trial of all civil actions pertaining to or arising out of the
 8 planning, development, financing, or construction of ~~the-fixed~~
 9 ~~guideway--mass--transit--system--of--the--fixed-guideway-rapid~~
 10 ~~transit-system~~ ANY SURFACE TRANSPORTATION FACILITY in the
 11 Denver metropolitan area, or any election pertaining to either
 12 of said projects PROJECT, or any action against or pertaining
 13 to the authority of the ~~transit--construction~~ authority or the
 14 regional transportation district to plan, develop, finance, or
 15 construct either of said projects PROJECT shall be entitled to
 16 priority in the county and district courts of this state.

17 SECTION 48. 29-2-105 (1) (d), Colorado Revised Statutes,
 18 1986 Repl. Vol., is amended to read:

19 29-2-105. Contents of sales tax ordinances and
 20 proposals. (1) (d) A provision that the tangible personal
 21 property and services taxable pursuant to this article shall
 22 be the same as the tangible personal property and services
 23 taxable pursuant to section 39-26-104, C.R.S., and subject to
 24 the same exemptions as those specified in section 39-26-114,
 25 C.R.S., except the exemption allowed by section 39-26-114
 26 (11), C.R.S., for purchases of machinery or machine tools, the
 27 exemption of sales and purchases of those items in section

1 39-26-114 (1) (a) (XXI), C.R.S., and the exemption for sales
2 of food specified in section 39-26-114 (1) (a) (XX), C.R.S.
3 Sales of food, as defined in section 39-26-102 (4.5), C.R.S.,
4 exempted from the state sales tax pursuant to section
5 39-26-114 (1) (a) (XX), C.R.S., sales and purchases of those
6 items exempted from the state sales tax pursuant to section
7 39-26-114 (1) (a) (XXI), C.R.S., or purchases of machinery or
8 machine tools as provided in section 39-26-114 (11), C.R.S.,
9 may be exempted from said town, city, or county sales tax only
10 by the express inclusion of such exemption either at the time
11 of adoption of the initial sales tax ordinance or resolution
12 or by amendment thereto. Any such amendment shall be adopted
13 in the same manner as the initial ordinance or resolution. In
14 the absence of express provision for the exemption for sales
15 of food, as defined in section 39-26-102 (4.5), C.R.S., or
16 purchases of machinery or machine tools as provided in section
17 39-26-114 (11), C.R.S., or exemption of sales and purchases of
18 those items in section 39-26-114 (1) (a) (XXI), C.R.S., all
19 sales tax ordinances or resolutions, whether adopted prior to,
20 on, or subsequent to July 1, 1979, which provide in substance
21 that the tangible personal property and services taxed shall
22 be the same as the tangible personal property and services
23 taxable pursuant to section 39-26-104, C.R.S., or any
24 predecessor statute, and subject to the same exemptions as
25 those specified in section 39-26-114, C.R.S., or any
26 predecessor statute, shall be construed as imposing or
27 continuing to impose the town, city, or county sales tax on

1 food, as defined in section 39-26-102 (4.5), C.R.S., purchases
2 of machinery and machine tools as described in section
3 39-26-114 (11), C.R.S., and sales or purchases of those items
4 described in section 39-26-114 (1) (a) (XXI), C.R.S. The
5 regional transportation district may, in its discretion,
6 continue to levy a sales tax on purchases of machinery or
7 machine tools, as provided in section 39-26-114 (11), C.R.S.;
8 except that the district shall not levy a sales tax on
9 purchases of machinery or machine tools on or after the date
10 an additional sales tax is levied pursuant to section 32-9-119
11 ~~(2)-(b)~~ 32-9-7-109 (1) (b), C.R.S.

12 SECTION 49. 30-11-101 (1) (f), Colorado Revised
13 Statutes, 1986 Repl. Vol., is amended to read:

14 30-11-101. Powers of counties. (1) (f) To develop,
15 maintain, and operate mass transportation systems either
16 individually or jointly with any government or political
17 subdivision pursuant to the provisions of part 2 of article 1
18 of title 29, C.R.S.; except that this provision shall not
19 apply to any county or portion thereof encompassed by the
20 regional transportation district as formed pursuant to the
21 provisions of ~~article-9~~ ARTICLE 9.7 of title 32, C.R.S.;

22 SECTION 50. 32-1-1004 (6) (a), Colorado Revised
23 Statutes, as amended, is amended to read:

24 32-1-1004. Metropolitan districts - additional powers
25 and duties. (6) (a) A metropolitan district may be formed
26 within any part of the area within the regional transportation
27 district, as described in section 32-9-106 32-9-7-202, for the

1 single service of financing a system to transport the public
2 by bus, guideway, or any other means of conveyance, or any
3 combination thereof.

4 SECTION 51. 32-12-103 (8) (c), Colorado Revised
5 Statutes, as amended, is amended to read:

6 32-12-103. Definitions. (8) (c) No rail district may
7 be formed containing any area of the regional transportation
8 district, created by ~~article-9~~ ARTICLE 9.7 of this title.

9 SECTION 52. 32-13-104, Colorado Revised Statutes, as
10 amended, is amended to read:

11 32-13-104. Creation of district - area of district.
12 There is hereby created a district to be known and designated
13 as the "Denver Metropolitan Scientific and Cultural Facilities
14 District". The area comprising the district shall consist of
15 that area comprising the regional transportation district, as
16 specified in section ~~32-9-106~~ 32-9.7-202.

17 SECTION 53. Repeal. 24-33.5-212 (4), Colorado Revised
18 Statutes, 1988 Repl. Vol., articles 9 and 9.5 of title 32,
19 Colorado Revised Statutes, as amended, and 42-1-210.1 (2) and
20 (3), 42-3-125 (1) (c) (II), 43-1-111 (3.5), 43-4-201 (3), and
21 43-4-206 (1) (b) (V.5), Colorado Revised Statutes, 1984 Repl.
22 Vol., as amended, are repealed.

23 SECTION 54. Effective date - applicability. Sections 5
24 through 11, 14 through 29, 34 through 36, and 43 of this act
25 shall take effect July 1, 1989, and shall apply to fiscal
26 years beginning on or after said date. The remainder of this
27 act shall take effect upon passage.

1 SECTION 55. Safety clause. The general assembly hereby
2 finds, determines, and declares that this act is necessary
3 for the immediate preservation of the public peace, health,
4 and safety.

Highway Legislation Review Committee

A BILL FOR AN ACT

1 CONCERNING REGISTRATION OF MOTOR VEHICLES.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Eliminates the gross ton-mile tax. Imposes registration fees on vehicles weighing over a certain amount based on miles operated and declared gross vehicle weight for vehicles operated in Colorado and based only on declared gross vehicle weight for vehicles operated in interstate commerce. Eliminates fees for receipts proving payment of specific ownership tax on class A property. Exempts farm vehicles, towing vehicles, government vehicles, and certain other types of vehicles from the newly imposed registration fee. Decreases the number of trucks and truck tractors which a resident must own in order to qualify as a fleet owner. Increases and makes mandatory the penalty for operating a motor vehicle which is not registered or which does not have the proper number plates attached.

2 Be it enacted by the General Assembly of the State of Colorado:

3 SECTION 1. 42-3-123 (1), Colorado Revised Statutes, 1984
4 Repl. Vol., is RECREATED AND REENACTED, WITH AMENDMENTS, to
5 read:

6 42-3-123. Registration fees - passenger and
7 passenger-mile taxes. (1) For the purposes of this section,

1 "declared gross vehicle weight" means the maximum allowable
2 combined weight of the vehicle and its cargo when operated on
3 the public highways of this state. Such weight shall be
4 declared by the vehicle owner at the time the vehicle is
5 registered. Accurate records shall be kept of all miles
6 operated by each vehicle over the public highways of this
7 state by the owner of each vehicle.

8 SECTION 2. 42-3-123 (2), (13) (b), and (13.2), the
9 introductory portion to 42-3-123 (15), and 42-3-123 (17) and
10 (19) (a), Colorado Revised Statutes, 1984 Repl. Vol., as
11 amended, are amended, and the said 42-3-123 (13) is further
12 amended BY THE ADDITION OF A NEW PARAGRAPH, to read:

13 42-3-123. Registration fees - passenger and
14 passenger-mile taxes. (2) With respect to passenger-carrying
15 motor vehicles, the weight used in computing annual
16 registration fees shall be that weight published by the
17 manufacturer in approved manuals, and, in case of a dispute
18 over the weight of any such vehicle, the actual weight
19 determined by weighing such vehicle on a certified scale, as
20 provided in section 35-14-122 (6), C.R.S., shall be
21 conclusive. With respect to all other vehicles, the weight
22 used in computing annual registration fees shall be the empty
23 weight thereof, determined by weighing such vehicle on a
24 certified scale, OR, IN THE CASE OF REGISTRATION FEES IMPOSED
25 PURSUANT TO PARAGRAPHS (b) AND (b.3) OF SUBSECTION (13) OF
26 THIS SECTION, THE DECLARED GROSS VEHICLE WEIGHT OF THE VEHICLE
27 DECLARED BY THE OWNER OF THE VEHICLE AT THE TIME OF

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BILL 2

1 REGISTRATION.

2 (13) (b) Except as provided in paragraph ~~(b.5)~~ (b.3) of
3 this subsection (13), for each such vehicle registered under
4 this subsection (13) having an empty weight exceeding ten
5 thousand pounds, ~~twenty-two--dollars--and--fifty--cents~~ SUCH
6 REGISTRATION FEE SHALL BE BASED UPON THE DECLARED GROSS
7 VEHICLE WEIGHT OF THE VEHICLE REGISTERED AND THE NUMBER OF
8 MILES OPERATED BY THE VEHICLE OVER THE PUBLIC HIGHWAYS OF THIS
9 STATE EACH YEAR, ACCORDING TO THE FOLLOWING SCHEDULE:

<u>REGISTRATION FEE FOR</u>				
<u>NUMBER OF MILES OPERATED BY</u>				
<u>VEHICLE DURING YEAR</u>				
<u>DECLARED</u>	<u>LESS THAN</u>	<u>10,000 TO</u>	<u>OVER 30,000</u>	
<u>GROSS VEHICLE</u>	<u>10,000</u>	<u>30,000</u>	<u>PER YEAR</u>	
<u>WEIGHT (POUNDS)</u>	<u>PER YEAR</u>	<u>PER YEAR</u>		
10,001 BUT NOT MORE THAN 12,000	\$ 150	\$ 300	\$ 900	
12,001 BUT NOT MORE THAN 16,000	170	330	950	
16,001 BUT NOT MORE THAN 20,000	180	370	1,000	
20,001 BUT NOT MORE THAN 24,000	200	380	1,050	
24,001 BUT NOT MORE THAN 30,000	250	410	1,150	
30,001 BUT NOT MORE THAN 36,000	300	440	1,200	
36,001 BUT NOT MORE THAN 42,000	350	470	1,250	
42,001 BUT NOT MORE THAN 48,000	400	590	1,300	
48,001 BUT NOT MORE THAN 54,000	420	640	1,400	
54,001 BUT NOT MORE THAN 60,000	430	660	1,425	
60,001 BUT NOT MORE THAN 66,000	440	720	1,450	

1	66,001 BUT NOT MORE THAN 74,000	450	740	1,500	
2	OVER	74,000	460	810	1,600

3 (b.3) For each such vehicle registered under this
4 subsection (13) having an empty weight exceeding ten thousand
5 pounds which is used in interstate commerce, such registration
6 fee shall be determined according to the following schedule:

<u>Declared</u>		<u>Registration Fee</u>
<u>Gross Vehicle</u>	<u>Weight (Pounds)</u>	
10,001 but not more than 12,000		\$ 900
12,001 but not more than 16,000		950
16,001 but not more than 20,000		1,000
20,001 but not more than 24,000		1,050
24,001 but not more than 30,000		1,150
30,001 but not more than 36,000		1,200
36,001 but not more than 42,000		1,250
42,001 but not more than 48,000		1,300
48,001 but not more than 54,000		1,400
54,001 but not more than 60,000		1,425
60,001 but not more than 66,000		1,450
66,001 but not more than 74,000		1,500
Over	74,000	1,600

23 (13.2) In lieu of the payment of registration fees
24 specified in subsections (5) ~~(12)~~, and (13) of this section,
25 the owner of a truck OR truck tractor ~~trailer, or semitrailer~~

1 operating in interstate commerce shall apply to the department
 2 for a special laden weight registration. Such registration
 3 shall be valid for seventy-two hours after issuance and shall
 4 give authority to operate the vehicle when loaded. The fee
 5 for such special registration of a truck, a truck tractor, a
 6 trailer, or a semitrailer shall be ten dollars. The moneys
 7 collected by the department from such fees shall be
 8 transmitted to the state treasurer, who shall credit the same
 9 to the highway users tax fund. THE FEE FOR SUCH SPECIAL
 10 REGISTRATION OF A TRUCK OR A TRUCK TRACTOR SHALL BE BASED ON
 11 THE DECLARED GROSS VEHICLE WEIGHT OF THE VEHICLE AND ITS
 12 CARGO, COMPUTED TO THE NEAREST POUND, ACCORDING TO THE
 13 FOLLOWING SCHEDULE:

<u>DECLARED</u>	<u>REGISTRATION FEE</u>
<u>GROSS VEHICLE</u>	
<u>WEIGHT (POUNDS)</u>	
10,001 BUT NOT MORE THAN 30,000	\$ 60
30,001 BUT NOT MORE THAN 60,000	70
OVER 60,000	80

20 (15) The gross-ton-mile-tax REGISTRATION FEES assessed
 21 by the provisions of PARAGRAPHS (b) AND (b.3) of subsection
 22 (14) (13) of this section shall not apply:
 23 (17) The owner or operator of any truck, truck tractor,
 24 trailer, or semitrailer, or any combination thereof, which
 25 vehicles are registered in another state and which owner or
 26 operator desires to make an occasional trip into this state,

1 shall obtain a permit from the public utilities commission as
 2 provided in sections 40-10-104 and 40-11-103, C.R.S., and
 3 shall, in addition thereto, apply to the department for the
 4 issuance of a trip permit and shall pay to the department for
 5 the issuance of such trip permit a fee of ten dollars for a trip of
 6 trip of fifty miles or less, or forty dollars for a trip of
 7 more than fifty miles, or the actual ten-mile tax due and
 8 payable under subsection (14) of this section for such trip of
 9 more than fifty miles, whichever is greater; but the
 10 requirement of this subsection (17) shall not apply to the
 11 vehicles of any public utility which are temporarily in this
 12 state to assist in the construction, installation, or restoral
 13 of utility facilities used in serving the public.
 14 (19) (a) (i) The owner or operator of any mobile
 15 machinery and self-propelled construction equipment HAVING AN
 16 EMPTY WEIGHT NOT IN EXCESS OF TEN THOUSAND POUNDS which he
 17 desires to operate over the public highways of this state may
 18 elect to SHALL register such vehicle under the provisions of
 19 PARAGRAPH (a) OF subsection (11) (13) of this section. and;
 20 (i) To become subject to payment of the gross-ton-mile
 21 tax assessed by the provisions of subsection (14) of this
 22 section or
 23 (ii) To pay an additional fee for a special trip or
 24 monthly permit to be issued by the department or by the
 25 Colorado state patrol, such fee to be computed at the rate of
 26 two dollars and fifty cents for each one hundred miles, or
 27 fraction thereof, operated or

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1 ~~{III}--To pay an annual fee to the department computed at~~
2 ~~the rate of two dollars and fifty cents per ton of vehicle~~
3 ~~weight for operation not to exceed a distance of twenty-five~~
4 ~~hundred miles in any registration period.~~

5 (II) THE OWNER OR OPERATOR OF ANY MOBILE MACHINERY AND
6 SELF-PROPELLED CONSTRUCTION EQUIPMENT WITH AN EMPTY WEIGHT
7 EXCEEDING TEN THOUSAND POUNDS WHICH HE DESIRES TO OPERATE OVER
8 THE PUBLIC HIGHWAYS OF THIS STATE SHALL REGISTER SUCH VEHICLE
9 UNDER THE PROVISIONS OF PARAGRAPH (b) OF SUBSECTION (13) OF
10 THIS SECTION.

11 (III) IN LIEU OF REGISTRATION UNDER THE PROVISIONS OF
12 SUBPARAGRAPH (I) OR SUBPARAGRAPH (II) OF THIS PARAGRAPH (A),
13 THE OWNER OR OPERATOR OF ANY MOBILE MACHINERY AND
14 SELF-PROPELLED CONSTRUCTION EQUIPMENT WHICH HE DESIRES TO
15 OPERATE OVER THE PUBLIC HIGHWAYS OF THIS STATE MAY ELECT TO
16 PAY AN ANNUAL FEE TO THE DEPARTMENT COMPUTED AT THE RATE OF
17 TWO DOLLARS AND FIFTY CENTS PER TON OF VEHICLE WEIGHT FOR
18 OPERATION NOT TO EXCEED A DISTANCE OF TWO THOUSAND FIVE
19 HUNDRED MILES IN ANY REGISTRATION PERIOD.

20 SECTION 3. 42-1-102 (28.3), Colorado Revised Statutes,
21 1984 Repl. Vol., is amended to read:

22 42-1-102. Definitions. (28.3) "Fleet owner" means any
23 resident who owns ten or more motor vehicles OR THREE OR MORE
24 TRUCKS OR TRUCK TRACTORS, EACH WITH AN EMPTY VEHICLE WEIGHT
25 EXCEEDING TEN THOUSAND POUNDS PER VEHICLE, and who receives
26 from the department a registration period certificate in
27 accordance with article 3 of this title.

1 SECTION 4. 42-4-1501 (3) (a) (I.1) (B) and (4) (c) (II),
2 Colorado Revised Statutes, 1984 Repl. Vol., as amended, are
3 amended to read:

4 42-4-1501. Traffic offenses and infractions classified -
5 penalties - penalty and surcharge schedule. (3) (a) (I.1)

6	<u>Section Violated</u>	<u>Penalty</u>	<u>Surcharge</u>
7	(B) <u>Registration and taxation violations:</u>		
8	42-3-102	40.00	3.00
9	42-3-113	10.00	3.00
10	42-3-114	10.00	3.00
11	42-3-116	50.00	3.00
12	42-3-122(1)(a)	150.00	56.00
13	42-3-122 {1}{a} or (1)(c)	25.00	3.00
14	42-3-123	20.00	3.00

15 (4) (c) (II) In all cases where this paragraph (c)
16 prohibits the issuance of a penalty assessment notice, the
17 penalty and surcharge schedule contained in subparagraph (I.1)
18 of paragraph (a) of subsection (3) of this section shall be
19 inapplicable; EXCEPT THAT THE PENALTY AND SURCHARGE PROVIDED
20 IN THE SCHEDULE CONTAINED IN SUB-SUBPARAGRAPH (B) OF
21 SUBPARAGRAPH (I.1) OF PARAGRAPH (a) OF SUBSECTION (3) OF THIS
22 SECTION FOR ANY VIOLATION OF SECTION 42-3-122 (1) (a) SHALL
23 ALWAYS APPLY TO SUCH A VIOLATION. In all such cases WHERE THE
24 PENALTY AND SURCHARGE SCHEDULE CONTAINED IN SUBPARAGRAPH (I.1)
25 OF PARAGRAPH (a) OF SUBSECTION (3) OF THIS SECTION IS

1 INAPPLICABLE, the provisions of subsection (2) of this section
2 shall apply.

3 SECTION 5. 39-21-102 (1), Colorado Revised Statutes,
4 1982 Repl. Vol., as amended, is amended to read:

5 39-21-102. Scope. (1) Unless otherwise indicated, the
6 provisions of this article apply to income, inheritance, gift,
7 ~~gross--ton-mile~~, passenger-mile, gasoline, special fuel,
8 cigarette, tobacco products, sales, use, and severance taxes
9 and the charge on oil and gas production imposed by articles
10 22 to 29 of this title and article 60 of title 34 and article
11 3 of title 42, C.R.S.

12 SECTION 6. 39-21-103 (1), Colorado Revised Statutes,
13 1982 Repl. Vol., as amended, is amended to read:

14 39-21-103. Hearings. (1) As soon as practicable after
15 an income, gift, ~~gross--ton-mile~~, passenger-mile, gasoline,
16 special fuel, cigarette, tobacco products, sales, use, or
17 severance tax return or the return showing the value of oil
18 and gas is filed, the executive director of the department of
19 revenue shall examine it and shall determine the correct
20 amount of tax. If the tax found due is greater than the amount
21 theretofore assessed or paid, a notice of deficiency shall be
22 mailed to the taxpayer by certified mail.

23 SECTION 7. 39-21-106 (1), Colorado Revised Statutes,
24 1982 Repl. Vol., as amended, is amended to read:

25 39-21-106. Compromise. (1) The executive director of
26 the department of revenue or his delegate may compromise any
27 civil or criminal case arising under the Colorado income,

1 gift, ~~gross-ton-mile~~, passenger-mile, gasoline, special fuel,
2 cigarette, tobacco products, sales, use, or severance tax or
3 the charge on oil and gas production imposed by article 22,
4 article 25, part 1 or part 2 of article 26, article 27,
5 article 28, article 28.5, or article 29 of this title or
6 article 60 of title 34 or article 3 of title 42, C.R.S., prior
7 to reference to the department of law for prosecution or
8 defense; and the attorney general or his delegate shall, upon
9 the written direction of the executive director, compromise
10 any such case after reference to the department of law for
11 prosecution or defense.

12 SECTION 8. 39-21-107 (1), Colorado Revised Statutes,
13 1982 Repl. Vol., as amended, is amended to read:

14 39-21-107. Limitations. (1) Except as provided in this
15 section and unless such time is extended by waiver, the amount
16 of any ~~gross-ton-mile~~, passenger-mile, gasoline, special fuel,
17 cigarette, tobacco products, sales, use, or severance tax or
18 of any charge on oil and gas production and the penalty and
19 interest applicable thereto shall be assessed within three
20 years after the return was filed, whether or not such return
21 was filed on or after the date prescribed, and no assessment
22 shall be made or credit taken and no notice of lien shall be
23 filed, nor distraint warrant issued, nor suit for collection
24 instituted, nor any other action to collect the same commenced
25 after the expiration of such period; except that a written
26 proposed adjustment of the tax liability by the department
27 issued prior to the expiration of such period shall extend the

1 limitation of this subsection (1) for one year after a final
 2 determination or assessment is made. No lien shall continue
 3 after the three-year period provided for in this subsection
 4 (1), except for taxes assessed before the expiration of such
 5 period, notice of lien with respect to which has been filed
 6 prior to the expiration of such period, and except for taxes
 7 on which written notice of any proposed adjustment of the tax
 8 liability has been sent to the taxpayer during such three-year
 9 period, in which case the lien shall continue for one year
 10 only after the expiration of such period or after the issuance
 11 of a final determination or assessment based on the proposed
 12 adjustment issued prior to the expiration of the three-year
 13 period. This subsection (1) shall not apply to income tax.

14 SECTION 9. 39-21-108 (1) (a), Colorado Revised Statutes,
 15 1982 Repl. Vol., is amended to read:

16 39-21-108. Refunds. (1) (a) In the case of income tax
 17 imposed by article 22 of this title, the taxpayer must file
 18 any claim for refund or credit for any year not later than one
 19 year after the expiration of the time provided for filing a
 20 claim for refund of federal income tax, including any
 21 extensions of such period by agreement between the taxpayer
 22 and the federal taxing authorities; but nothing in this
 23 subsection (1) shall be construed to shorten the period for
 24 filing claims provided by section 39-22-601 (6) (f). In the
 25 case of the charge on oil and gas production imposed by
 26 article 60 of title 34, C.R.S., 1973, and the ~~ten-mile-or~~
 27 passenger-mile tax imposed by article 3 of title 42, C.R.S.

1 1973, or the severance tax imposed by article 29 of this
 2 title, the taxpayer must file any claim for refund or credit
 3 for any period not later than three years after the date of
 4 payment. Claims for refund of other taxes covered by this
 5 article shall be made within the time limits expressly
 6 provided for the specific taxes involved. No suit for refund
 7 may be commenced before the expiration of six months after the
 8 date of filing the claim for refund required under this
 9 section unless the executive director of the department of
 10 revenue renders a decision thereon within that time, nor after
 11 the expiration of two years after the date of mailing, by
 12 certified or registered mail, by the executive director to the
 13 taxpayer of a notice of disallowance of the part of the claim
 14 to which the suit relates. The said two-year period shall be
 15 extended for such period as may be agreed upon in writing
 16 between the taxpayer and the executive director. This
 17 subsection (1) shall not apply to sales and use taxes.

18 SECTION 10. 39-21-109 (1), Colorado Revised Statutes,
 19 1982 Repl. Vol., as amended, is amended to read:

20 39-21-109. Interest on underpayment, nonpayment, or
 21 extensions of time for payment of tax. (1) If any amount of
 22 income, ~~gross--ten-mile~~, passenger-mile, gasoline, special
 23 fuel, cigarette, tobacco products, sales, use, or severance
 24 tax or any charge on oil and gas production is not paid on or
 25 before the last date prescribed for payment, interest on such
 26 amount at the rate imposed under section 39-21-110.5 shall be
 27 paid for the period from such last date to the date paid. The

1 last date prescribed for payment shall be determined without
2 regard to any extension of time for payment and shall be
3 determined without regard to any notice and demand for payment
4 issued, by reason of jeopardy, prior to the last date
5 otherwise prescribed for such payment. In the case of a tax
6 in which the last date for payment is not otherwise
7 prescribed, the last date for payment shall be deemed to be
8 the date the liability for the tax arises, and in no event
9 shall it be later than the date notice and demand for the tax
10 is made by the executive director of the department of revenue
11 or his delegate.

12 SECTION 11. The introductory portion to 39-21-110 (1)
13 and 39-21-110 (2) and (3), Colorado Revised Statutes, 1982
14 Repl. Vol., as amended, are amended to read:

15 39-21-110. Interest on overpayments. (1) Interest
16 shall be allowed and paid upon any overpayment in respect to
17 any income, ~~gross-ton-mile~~, passenger-mile, gasoline, special
18 fuel, sales, use, or severance tax or any charge on oil and
19 gas production at the rate imposed under section 39-21-110.5.
20 Such interest shall be allowed and paid as follows:

21 (2) Any portion of an income, ~~gross---ton-mile~~,
22 passenger-mile, gasoline, special fuel, cigarette, tobacco
23 products, sales, use, or severance tax or of a charge on oil
24 and gas production or any interest, assessable penalty,
25 additional amount, or addition to a tax or charge which has
26 been erroneously refunded shall bear interest at the rate
27 imposed under section 39-21-110.5 from the date of the payment

1 of the refund.

2 (3) If any overpayment of an income, ~~gross--ton-mile~~,
3 passenger-mile, gasoline, special fuel, sales, use, or
4 severance tax or of a charge on oil and gas production is
5 refunded within ninety days after the last date prescribed for
6 filing the return of such tax or charge, determined without
7 regard to any extension of time for filing the return, no
8 interest shall be allowed under subsection (1) of this section
9 on such overpayment.

10 SECTION 12. 39-21-113 (1) (a), Colorado Revised
11 Statutes, 1982 Repl. Vol., as amended, is amended to read:

12 39-21-113. Reports and returns. (1) (a) It is the duty
13 of every person, firm, or corporation liable to the state of
14 Colorado for any ~~gross--ton-mile~~, passenger-mile, gasoline,
15 special fuel, cigarette, tobacco products, sales, use, or
16 severance tax or any charge on oil and gas production to keep
17 and preserve for a period of three years such books, accounts,
18 and records as may be necessary to determine the amount of
19 liability.

20 SECTION 13. 39-27-202 (3) (b) (I), Colorado Revised
21 Statutes, 1982 Repl. Vol., as amended, is amended to read:

22 39-27-202. Tax imposed - exemptions - ex-tax purchases.
23 (3) (b) (I) The user operates a motor vehicle propelled by
24 special fuel which is subject to the mileage taxes imposed by
25 section 42-3-123, C.R.S., ~~or a metro-vehicle, as defined in~~
26 ~~section 42-3-123-(12), G.R.S.~~, and such user establishes a
27 special fuel user tax account with the department of revenue

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1 and files returns; or

2 SECTION 14. 39-27-205 (2) (a), Colorado Revised
3 Statutes, 1982 Repl. Vol., is amended to read:

4 39-27-205. Tax collection. (2) (a) Except as provided
5 in paragraph (d) of this subsection (2), every person
6 authorized by the executive director to purchase special fuel
7 ex-tax under the provisions of section 39-27-202 (3) (b),
8 except such persons who qualify for ex-tax purchases under
9 section 39-27-202 (2) (a) or (2) (b), and every person who has
10 obtained a ~~ten-mile- or~~ passenger-mile tax permit pursuant to
11 section 42-3-126, C.R.S., 1973, where such permit relates to a
12 motor vehicle which is powered by special fuel, shall, on or
13 before the twenty-fifth day of each month, file with the
14 executive director a report stating the amount of special
15 fuel, subject to the tax imposed by this part 2, consumed by
16 such person during the prior calendar month, and such other
17 information relating to the use of special fuel for the
18 propulsion of a motor vehicle on the highways of this state as
19 the executive director may require. The executive director,
20 under rules and procedures established by him, may exempt from
21 the reporting requirement of this subsection (2) any motor
22 vehicle used exclusively within this state. Failure to receive
23 the authorized report form does not relieve such person from
24 the obligation of submitting a report to the executive
25 director setting forth all information required on the
26 prescribed report form. The report shall contain or be
27 accompanied by a written declaration that it is made under the

1 penalties of perjury in the second degree, as defined in
2 section 18-8-503, C.R.S. 1973.

3 SECTION 15. 40-2-109, Colorado Revised Statutes, 1984
4 Repl. Vol., is amended to read:

5 40-2-109. Report to executive director of the department
6 of revenue. On March 1 of each year, the public utilities
7 commission shall furnish the executive director of the
8 department of revenue with a list of those public utilities
9 subject to its jurisdiction, supervision, and regulation on
10 January 1 of each year, excepting those motor vehicle carriers
11 subject to the ~~ten-mile- or~~ passenger-mile tax imposed by the
12 provisions of section 42-3-123, C.R.S. (but only so long as
13 the cost of regulation of such motor vehicle carriers shall be
14 defrayed from the proceeds of such ~~ten-mile- or~~ passenger-mile
15 ~~taxes~~ TAX).

16 SECTION 16. 42-3-124 (1), Colorado Revised Statutes,
17 1984 Repl. Vol., is amended to read:

18 42-3-124. Enforcement powers of department. (1) The
19 department is authorized to administer and enforce the
20 provisions of section 42-3-123, including the right to inspect
21 and audit the books, records, and documents of any owner or
22 operator of a vehicle operated upon the public highways who is
23 required to pay the ~~ten-mile- or~~ passenger-mile ANY
24 REGISTRATION FEE OR tax imposed, and the executive director of
25 the department has authority to prescribe such reasonable
26 rules and regulations as he deems necessary or suitable for
27 such administration and enforcement.

1 discovers the false or fraudulent nature of such statement,
2 make an investigation and determine the correct amount of tax
3 due, add thereto a penalty of one hundred percent, and proceed
4 to collect the total amount by distraint and sale as provided
5 in section 39-21-114, C.R.S. If any such owner or operator
6 disputes the amount asserted to be due and payable, he shall
7 be entitled to a hearing before the executive director of the
8 department, and the decision of the executive director shall
9 be subject to judicial review in the manner provided by law.
10 (5) All ~~ten-mile-and~~ passenger-mile taxes and penalties
11 determined to be due from any owner or operator of a motor
12 vehicle and not paid on the date when the same are due and
13 payable shall become and remain a prior and perpetual lien
14 upon all the personal property of such owner or operator until
15 such time as the full amount of the tax determined and found
16 to be due, together with all penalties, has been paid.
17 Nothing in this section shall be construed to abrogate or
18 diminish the rights of bona fide purchasers, lienors, or
19 pledgees for value and without notice.
20 SECTION 18. 42-3-126 (1) and (4) (a), Colorado Revised
21 Statutes, 1984 Repl. Vol., as amended, are amended to read:
22 42-3-126. Permit to be secured - records kept -
23 penalties. (1) Every owner or operator of a motor vehicle
24 operated over any public highway of this state who is required
25 to pay the ~~ten-mile--of~~ passenger-mile tax imposed by the
26 provisions of section 42-3-123 shall apply to the department
27 and secure a ~~ten-mile-of~~ passenger-mile tax permit and shall

SECTION 17. 42-3-125 (1) (a), (3) (a), and (5), Colorado
Revised Statutes, 1984 Repl. Vol., as amended, are amended to
read:
42-3-125. Taxpayer statements - payment of tax -
estimates - penalties - deposits - delinquency proceedings.
(1) (a) Except as provided in paragraph (c) of this
subsection (1), every owner or operator of a motor vehicle
operated over any public highway of this state and required to
pay the ~~ten-mile--of~~ passenger-mile tax imposed by the
provisions of section 42-3-123 shall, on or before the
twenty-fifth day of each month, file with the department, on
forms prescribed by said department and the public utilities
commission, a statement, subject to the penalties for perjury
in the second degree, showing the name and address of the
owner of the motor vehicles so operated, total miles traveled,
and ~~total--fees--of--cargo--and~~ total number of passengers carried
in this state during the preceding month and such other
information as required by the department and the commission
and shall compute and pay such tax; except that the executive
director of the department may, in his discretion, authorize
the filing of statements and the payment of tax computed
thereon for periods in excess of one month but not to exceed a
period of twelve months.
(3) (a) If any owner or operator of a vehicle knowingly
makes and files with the department a false or fraudulent
statement with intent to evade payment of any ~~ten-mile-of~~
passenger-mile tax due, the department shall, as soon as it

1 keep and maintain true and correct records of the operations
 2 of such motor vehicles, including the number of miles operated
 3 ~~the number of pounds of cargo carried,~~ and the number of
 4 passengers carried, in such form and manner as to reflect the
 5 actual activity of all such motor vehicles and as may be
 6 prescribed by the department and the public utilities
 7 commission, and shall preserve all such records for a period
 8 of four years. The ~~ten-mile-~~ passenger-mile tax permit
 9 shall remain effective until the owner thereof advises the
 10 department of a change in ownership or a discontinuance of
 11 business or until he has failed to file tax reports and pay
 12 the ~~ten-mile-~~ passenger-mile tax, if any is due, for four
 13 successive tax periods.

14 (4) (a) If an examination of the financial
 15 responsibility of an owner or operator of a motor vehicle
 16 subject to the payment of the ~~ten-mile-~~ passenger-mile tax
 17 indicates that a financial guarantee in the form of cash, a
 18 certified check, a bank money order, a bond, or a negotiable
 19 certificate of deposit issued by a commercial bank doing
 20 business in this state and acceptable to the executive
 21 director is necessary to guarantee payment of the tax, the
 22 owner or operator may be required to deposit such guarantee
 23 with the department in an amount no greater than twice the
 24 amount of tax estimated by the executive director to become
 25 due and payable each tax period. If the deposit is in cash or
 26 a negotiable certificate of deposit, it shall be subject to
 27 forfeiture upon failure of the owner or operator to comply

1 with the provisions of sections 42-3-123 to 42-3-126 and
 2 articles 10 and 11 of title 40, C.R.S., or the rules and
 3 regulations of the department or the public utilities
 4 commission; if it is a surety bond, it shall be conditioned
 5 upon the insured's faithful compliance with said provisions or
 6 said rules and regulations.

7 SECTION 19. 42-4-234 (1) (a), Colorado Revised Statutes,
 8 1984 Repl. Vol., as amended is amended to read:

9 42-4-234. Minimum standards for commercial vehicles.
 10 (1) (a) "Commercial vehicle" means any self-propelled or
 11 towed vehicle bearing a ~~gross-ton-mile-plate, a metro-plate,~~
 12 ~~or an apportioned plate~~ or having a manufacturer's recommended
 13 gross vehicle weight of ten thousand pounds or more, which
 14 vehicle is used in commerce on the public highways of this
 15 state to transport cargo or is used to transport more than ten
 16 passengers, including the driver.

17 SECTION 20. 42-7-510 (1), Colorado Revised Statutes,
 18 1984 Repl. Vol., as amended, is amended to read:

19 42-7-510. Insurance or bond required. (1) Every owner
 20 of a truck bearing a ~~gross-ton-mile-truck-plate, a--ton-mile~~
 21 ~~truck--tractor--plate, or a metro-truck-plate~~ WHICH IS SUBJECT
 22 TO THE REGISTRATION FEE IMPOSED PURSUANT TO SECTION 42-3-123
 23 (13) (b), (13) (b.3), OR (13.2) AND which is not subject to
 24 regulation by the public utilities commission under article
 25 10, 11, or 13 of title 40, C.R.S., and every owner of a motor
 26 vehicle used for transporting sand, gravel, rock, dirt, stone,
 27 insulrock, road surfacing materials used in the construction

1 of roads and highways except such road surfacing materials as
 2 are transported in tank vehicles, houses or other buildings
 3 excluding manufactured housing as defined in section 40-10-104
 4 (3), C.R.S., timber, rough lumber, logs, or wooden poles
 5 before operating or permitting the operation of such vehicle
 6 upon any public highway in this state shall have in each such
 7 vehicle a motor vehicle liability insurance policy or a
 8 certificate evidencing such policy issued by an insurance
 9 carrier or insurer authorized to do business in the state of
 10 Colorado, or a copy of a valid certificate of self-insurance
 11 issued pursuant to section 10-4-716, C.R.S., or a surety bond
 12 issued by a company authorized to do a surety business in the
 13 state of Colorado in the sum of fifty thousand dollars for
 14 damages to property of others; the sum of one hundred thousand
 15 dollars for damages for or on account of bodily injury or
 16 death of one person as a result of any one accident; and,
 17 subject to such limit as to one person, the sum of three
 18 hundred thousand dollars for or on account of bodily injury to
 19 or death of all persons as a result of any one accident.

20 SECTION 21. 42-8-105 (1), Colorado Revised Statutes,
 21 1984 Repl. Vol., as amended, is amended to read:

22 42-8-105. Clearance of motor vehicles at port of entry
 23 weigh stations. (1) Every owner or operator of a motor
 24 vehicle which is subject to payment of ~~ten-mile-~~ REGISTRATION
 25 FEES or passenger-mile taxes under the provisions of section
 26 42-3-123 shall secure a valid clearance certificate from an
 27 office of the department of revenue, from an officer of the

1 Colorado state patrol, or from a port of entry weigh station
 2 before operating such vehicle or causing such vehicle to be
 3 operated on the public highways of this state, but an owner or
 4 operator shall be deemed to have complied with the provisions
 5 of this subsection (1) if he secures a clearance certificate
 6 from the first port of entry weigh station located within five
 7 road miles of the route which he would normally follow from
 8 his point of departure to the point of his destination. An
 9 owner or operator shall not be required to seek out a port of
 10 entry weigh station not located on the route he is following
 11 if he secures a special revocable permit from the department
 12 of revenue in accordance with the provisions of subsection (4)
 13 of this section. A vehicle of a seating capacity of fourteen
 14 or more passengers registered under the provisions of section
 15 42-3-123 (4) (c) (I) or (18) (a) shall not be required to
 16 secure a clearance certificate pursuant to this section.

17 SECTION 22. 43-4-203 (1) (c), Colorado Revised Statutes,
 18 1984 Repl. Vol., is amended to read:

19 43-4-203. Sources of revenue. (1) (c) From the
 20 imposition of ~~ten-mile-and~~ passenger-mile taxes on vehicles or
 21 any fee or payment substituted therefor;

22 SECTION 23. 43-4-316 (1) (c), Colorado Revised Statutes,
 23 1984 Repl. Vol., is amended to read:

24 43-4-316. Additional powers. (1) (c) To establish
 25 escrow accounts in any bank within the state of Colorado which
 26 is a member of the federal deposit insurance corporation under
 27 protective agreements in amounts sufficient to insure the

1 payment of any bonds refunded under the provisions of sections
2 43-4-315 to 43-4-318. Any of the accounts so established may
3 be invested in direct obligations of the United States with
4 appropriate maturities and yields to insure such payment.
5 Upon the establishment of such escrow accounts, all of said
6 refunding bonds shall constitute a first closed lien on all
7 net revenue derived by the state highway commission from the
8 imposition of any excise tax on motor fuel, annual
9 registration fees on drivers, motor vehicles, trailers and
10 semitrailers, and ~~ten-mile--and~~ passenger-mile taxes upon
11 vehicles or any fee or payment substituted therefor.

12 SECTION 24. Repeal. 42-3-106 (6), 42-3-123 (12), (13)
13 (b.5), (13) (c), and (14), 42-3-125 (1) (d), 42-8-105 (7), and
14 43-4-203 (1) (d), Colorado Revised Statutes, 1984 Repl. Vol.,
15 as amended, are repealed.

16 SECTION 25. Effective date - applicability. Sections 5
17 through 14, 17, 18, 21, 22, and 23 of this act shall take
18 effect July 1, 1993, and the remainder of this act shall take
19 effect July 1, 1989.

20 SECTION 26. Safety clause. The general assembly hereby
21 finds, determines, and declares that this act is necessary
22 for the immediate preservation of the public peace, health,
23 and safety.

Highway Legislation Review Committee

A BILL FOR AN ACT

1 CONCERNING THE CONSOLIDATION OF THE RELOCATION AUTHORITY OF
 2 THE STATE DEPARTMENT OF HIGHWAYS WITH THE STATE
 3 DEPARTMENT OF LOCAL AFFAIRS RELATING TO FEDERALLY
 4 ASSISTED PROGRAMS AND PROJECTS AND STATE HIGHWAY PROGRAMS
 5 AND PROJECTS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Combines the relocation authority of the state department of highways for the state highway system with the relocation authority of the department of local affairs for all federally assisted programs and projects to assure uniform application of federal and state relocation policy. Grants the state department of highways certain authority concerning relocation assistance on federally assisted local government highway projects. Increases relocation payment amounts as required by amendments to the federal "Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970" made by the federal "Surface Transportation and Uniform Relocation Assistance Act of 1987", as amended. Broadens certain rule-making authority of the department of local affairs. Makes conforming amendments.

6 Be it enacted by the General Assembly of the State of Colorado:
 7 SECTION 1. 24-56-101, Colorado Revised Statutes, 1988

1 Repl. Vol., is REPEALED AND REENACTED, WITH AMENDMENTS, to
 2 read:
 3 24-56-101. Legislative declaration - relocation
 4 assistance. The general assembly finds and declares that the
 5 purpose of sections 24-56-102 to 24-56-113 is to establish a
 6 uniform policy for the fair and equitable treatment of persons
 7 displaced by the acquisition of real property by state
 8 agencies and political subdivisions of the state for federally
 9 assisted programs and projects and to comply with the federal
 10 "Uniform Relocation Assistance and Real Property Acquisition
 11 Policies Act of 1970", as amended, and the federal "Surface
 12 Transportation and Uniform Relocation Assistance Act of 1987",
 13 as amended. The general assembly also recognizes that the
 14 federally assisted acquisition of real property by the state
 15 department of highways and by municipalities and counties for
 16 highway programs and projects is requiring citizens to
 17 relocate their residences, farms, and businesses. The general
 18 assembly finds and declares that the authority of the state
 19 department of highways concerning the equitable relocation and
 20 implementation of relocation payments and advisory assistance
 21 for highway projects on the state highway system contained in
 22 part 3 of article 1 of title 43, C.R.S., prior to the
 23 effective date of this section, as amended, are included in
 24 this article to assure the consistent and uniform application
 25 of relocation policy for all federally assisted programs, to
 26 promote the efficient operation of the highway right-of-way
 27 acquisition program, and to define the authority and

1 responsibility of the state department of highways and of
2 municipalities and counties for all acquisitions and
3 relocation for federally assisted highway programs and
4 projects within their respective jurisdictions. Such policy
5 shall be uniform as to relocation payments, advisory
6 assistance, assurance of availability of standard housing, and
7 state reimbursement for local relocation payments where state
8 assistance may be authorized by law.

9 SECTION 2. 24-56-102 (1) (a), (1) (d), and (6), Colorado
10 Revised Statutes, 1988 Repl. Vol., are amended, and the said
11 24-56-102 is further amended BY THE ADDITION OF THE FOLLOWING
12 NEW SUBSECTIONS, to read:

13 24-56-102. Definitions. (1) (a) For the purchase,
14 sale, lease, ~~or~~ AND rental of personal and real property ~~or~~
15 AND for the manufacture, processing, or marketing of products,
16 commodities, or any other personal property;

17 (d) Solely for the purposes of section 24-56-103 (1),
18 for assisting in the purchase, sale, resale, manufacture,
19 processing, or marketing of products, commodities, personal
20 property, or services by the erection and maintenance of an
21 outdoor advertising display OR DISPLAYS, whether or not such
22 display ~~is~~ OR DISPLAYS ARE located on the premises on which
23 any of the ~~above~~ activities DESCRIBED IN THIS PARAGRAPH (d)
24 are conducted.

25 (1.2) "Comparable replacement dwelling" means any
26 dwelling that is:

27 (a) Decent, safe, and sanitary;

- 1 (b) Adequate in size to accommodate the occupants;
- 2 (c) Within the financial means of the displaced person;
- 3 (d) Functionally equivalent;
- 4 (e) In an area not subject to unreasonably adverse
5 environmental conditions; and
- 6 (f) In a location generally not less desirable than the
7 location of the displaced person's ~~dwelling~~ with respect to
8 public utilities, facilities, and services and the displaced
9 person's place of employment.

10 (2.3) "Displacing agency" means the state or a state
11 agency carrying out a program or project or any person
12 carrying out a program or project with federal financial
13 assistance which causes a person to be a displaced person.

14 (6) "State agency" means any department, agency, or
15 instrumentality of the state or of a political subdivision of
16 the state or any department, agency, or instrumentality of two
17 or more STATES, OR TWO OR MORE political subdivisions of the
18 state OR STATES AND ALSO MEANS ANY PERSON WHO HAS AUTHORITY TO
19 ACQUIRE PROPERTY BY EMINENT DOMAIN UNDER STATE LAW.

20 SECTION 3. 24-56-102 (2), Colorado Revised Statutes,
21 1988 Repl. Vol., is REPEALED AND REENACTED, WITH AMENDMENTS,
22 to read:

23 (2) (a) "Displaced person" means, except as provided in
24 paragraph (b) of this subsection (2):

25 (I) Any person who moves from real property or moves his
26 personal property from real property:

27 (A) As a direct result of a written notice of intent to

1 acquire or the acquisition of such real property in whole or
2 in part for a program or project undertaken by a displacing
3 agency; or

4 (B) On which such person is a residential tenant or
5 conducts a small business, a farm operation, as defined in
6 subsection (3) of this section, or a business, as defined in
7 subsection (1) of this section, as a direct result of
8 rehabilitation, demolition, or such other displacing activity
9 as the department of local affairs may prescribe under a
10 program or project undertaken by a displacing agency in any
11 case in which the displacing agency determines that such
12 displacement is permanent; and

13 (II) Solely for the purposes of section 24-56-103 (1)
14 and (2) and 24-56-106, any person who moves from real property
15 or moves his personal property from real property:

16 (A) As a direct result of a written notice of intent to
17 acquire or the acquisition of other real property, in whole or
18 in part, on which such person conducts a business or farm
19 operation, for a program or project undertaken by a displacing
20 agency; or

21 (B) As a direct result of rehabilitation, demolition, or
22 such other displacing activity as the department of local
23 affairs may prescribe, of other real property on which such
24 person conducts a business or a farm operation, under a
25 program or project undertaken by a displacing agency where the
26 displacing agency determines that such displacement is
27 permanent.

1 (b) "Displaced person" does not include:

2 (I) A person who has been determined, according to
3 criteria established by the department of local affairs, to be
4 either unlawfully occupying the displacement dwelling or to
5 have occupied such dwelling for the purpose of obtaining
6 assistance under this article.

7 (II) In any case in which the displacing agency acquires
8 property for a program or project, any person (other than a
9 person who was an occupant of such property at the time it was
10 acquired) who occupies such property on a rental basis for a
11 short term or a period subject to termination when the
12 property is needed for the program or project.

13 SECTION 4. The introductory portion to 24-56-103 (1) and
14 24-56-103 (3), Colorado Revised Statutes, 1988 Repl. Vol., are
15 REPEALED AND REENACTED, WITH AMENDMENTS, to read:

16 24-56-103. Moving and related expenses. (1) Whenever a
17 program or project to be undertaken by a displacing agency
18 will result in the displacement of any person, the displacing
19 agency shall provide for the payment of:

20 (3) Any displaced person eligible for payments under
21 subsection (1) of this section who is displaced from the
22 person's place of business or farm operation and who is
23 eligible under regulations established by the department of
24 local affairs may elect to accept the payment authorized by
25 this subsection (3) in lieu of the payment authorized by
26 subsection (1) of this section. Such payment shall consist of
27 a fixed payment in an amount to be determined according to

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1 regulations established by the department of local affairs;
2 except that such payment shall not be less than one thousand
3 dollars nor more than twenty thousand dollars. A person whose
4 sole business at the displacement dwelling is the rental of
5 such property to others shall not qualify for a payment under
6 this subsection (3).

7 SECTION 5. 24-56-103 (1) (b), (1) (c), and (2), Colorado
8 Revised Statutes, 1988 Repl. Vol., are amended, and the said
9 24-56-103 (1) is further amended BY THE ADDITION OF A NEW
10 PARAGRAPH, to read:

11 24-56-103. Moving and related expenses. (1) (b) Actual
12 direct losses of tangible personal property as a result of
13 moving or discontinuing a business or farm operation, but not
14 to exceed an amount equal to the reasonable expenses that
15 would have been required to relocate such property, as
16 determined by the acquiring DISPLACING agency; and

17 (c) Actual reasonable expenses in searching for a
18 replacement business or farm; AND
19 (d) Actual reasonable expenses necessary to reestablish
20 a displaced farm, nonprofit organization, or small business at
21 its new site in accordance with criteria to be established by
22 the department of local affairs, but no more than ten thousand
23 dollars.

24 (2) Any displaced person eligible for payments under
25 subsection (1) of this section who is displaced from a
26 dwelling and who elects to accept the payments authorized by
27 this subsection (2) in lieu of the payments authorized by

1 subsection (1) of this section may receive a moving expense
2 allowance determined according to a schedule established by
3 the acquiring DISPLACING agency. ~~Not to exceed three hundred~~
4 ~~dollars and a relocation allowance of two hundred dollars.~~
5 SECTION 6. The introductory portion to 24-56-104 (1),
6 and 24-56-104 (1) (a), (1) (b), and (2), Colorado Revised
7 Statutes, 1988 Repl. Vol., are amended to read:

8 24-56-104. Replacement housing for homeowners. (1) In
9 addition to payments otherwise authorized by this article, the
10 state DISPLACING agency or political subdivision of the state
11 shall make an additional payment not in excess of fifteen
12 thousand TWENTY-TWO THOUSAND FIVE HUNDRED dollars to any
13 displaced person who is displaced from a dwelling actually
14 owned and occupied by such displaced person for not less than
15 one hundred eighty days prior to the initiation of
16 negotiations for the acquisition of the property. Such
17 additional payment shall include the following elements:

18 (a) The amount, if any, which when added to the
19 acquisition cost of the dwelling acquired equals the
20 reasonable cost of a comparable replacement dwelling, which is
21 a decent, safe, and sanitary dwelling adequate to accommodate
22 such displaced person, reasonably accessible to the public
23 services and places of employment and available on the private
24 market. All determinations required to carry out this
25 paragraph (a) shall be determined by regulations issued
26 pursuant to section 24-56-108.

27 (b) The amount, if any, which will compensate such

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1 displaced person for any increased interest costs AND OTHER
 2 DEBT SERVICE COSTS which such person is required to pay for
 3 financing the acquisition of any such comparable replacement
 4 dwelling. Such amount shall be paid only if the dwelling
 5 acquired BY THE DISPLACING AGENCY was encumbered by a bona
 6 fide mortgage or deed of trust which was a valid lien on such
 7 dwelling for not less than one hundred eighty days IMMEDIATELY
 8 prior to the initiation of negotiations for the acquisition of
 9 such dwelling. ~~Such amount shall be equal to the excess in~~
 10 ~~the aggregate interest and other debt service costs of that~~
 11 ~~amount of the principal of the mortgage or deed of trust on~~
 12 ~~the replacement dwelling which is equal to the unpaid balance~~
 13 ~~of the mortgage or deed of trust on the acquired dwelling,~~
 14 ~~over the remainder term of the mortgage or deed of trust on~~
 15 ~~the acquired dwelling, reduced to discounted present value.~~
 16 ~~The discount rate shall be determined by regulations issued~~
 17 ~~pursuant to section 24-56-108.~~

18 (2) The additional payment authorized by this section
 19 shall be made only to such a displaced person who purchases
 20 and occupies a replacement dwelling which is decent, safe, and
 21 sanitary not later than the end of the one-year period
 22 beginning on the date on which he receives final payment of
 23 all costs of the acquired dwelling or on the date on which he
 24 moves from the acquired dwelling, whichever is the later date;
 25 EXCEPT THAT THE DISPLACING AGENCY MAY EXTEND SUCH PERIOD FOR
 26 GOOD CAUSE. IF SUCH PERIOD IS EXTENDED, THE PAYMENT UNDER
 27 THIS SECTION SHALL BE BASED ON THE COSTS OF RELOCATING THE

1 PERSON TO A COMPARABLE REPLACEMENT DWELLING WITHIN ONE YEAR OF
 2 SUCH DATE.

3 SECTION 7. 24-56-105, Colorado Revised Statutes, 1988
 4 Repl. Vol., is REPEALED AND REENACTED, WITH AMENDMENTS, to
 5 read:

6 24-56-105. Replacement housing for tenants and certain
 7 others. (1) In addition to amounts otherwise authorized by
 8 this article, a displacing agency shall make a payment to or
 9 for any displaced person displaced from any dwelling who is
 10 not eligible to receive a payment under section 24-56-104,
 11 which dwelling was actually and lawfully occupied by such
 12 displaced person for not less than ninety days prior to the
 13 initiation of negotiations for acquisition of such dwelling,
 14 or, in any case in which displacement is not a direct result
 15 of acquisition, such other event as the department of local
 16 affairs may, within the purpose of this article, prescribe.
 17 Payment authorized by this section shall be made only to such
 18 a displaced person who leases and occupies a decent, safe, and
 19 sanitary replacement dwelling within one year after the date
 20 that such displaced person vacates the acquired dwelling. The
 21 payment shall consist of the amount necessary to enable the
 22 person to lease or rent, for a period of no longer than
 23 forty-two months, a comparable replacement dwelling, but no
 24 more than five thousand two hundred fifty dollars. At the
 25 discretion of the displacing agency, a payment under this
 26 subsection (1) may be made in periodic installments.
 27 Computation of a payment under this subsection (1) to or for a

1 low-income displaced person for a comparable replacement
2 dwelling shall take into account the person's income.

3 (2) Any person eligible for a payment under subsection
4 (1) of this section may elect to apply such payment to a down
5 payment on, and other incidental expenses for, the purchase of
6 a decent, safe, and sanitary replacement dwelling. Any such
7 person may, at the discretion of the displacing agency, be
8 eligible under this subsection (2) for the maximum amount
9 allowed under subsection (1) of this section; except that, in
10 the case of a displaced homeowner who has owned and occupied
11 the displacement dwelling for at least ninety days but not
12 more than one hundred eighty days immediately prior to the
13 initiation of negotiations for the acquisition of such
14 dwelling, such payment shall not be greater than the payment
15 such person would otherwise have received under section
16 24-56-104 (1) had the person owned and occupied the
17 displacement dwelling one hundred eighty days immediately
18 prior to the initiation of such negotiations.

19 SECTION 8. 24-56-106, Colorado Revised Statutes, 1988
20 Repl. Vol., is REPEALED AND REENACTED, WITH AMENDMENTS, to
21 read:

22 24-56-106. Relocation assistance advisory programs.

23 (1) Whenever a displacing agency acquires real property for a
24 program or project for which federal financial assistance will
25 be available to pay all or any part of the cost of the program
26 or project and such acquisition will result in the
27 displacement of any person, the acquiring agency shall provide

1 a relocation assistance advisory program for displaced persons
2 which offers the services prescribed in this section. If the
3 acquiring agency determines that any person occupying property
4 immediately adjacent to the real property acquired is caused
5 substantial economic injury because of the acquisition, it may
6 offer such person relocation advisory services under such
7 program.

8 (2) Each relocation assistance program required by
9 subsection (1) of this section shall include such measures,
10 facilities, or services as may be necessary or appropriate in
11 order to determine, and make timely recommendations on, the
12 needs and preferences, if any, of displaced persons, business
13 concerns, and nonprofit organizations for relocation
14 assistance; to assist owners of displaced businesses and farm
15 operations in obtaining and becoming established in suitable
16 business locations or replacement farms; to supply information
17 concerning programs of the federal, state, and local
18 governments offering assistance to displaced persons and
19 business concerns and technical assistance to such persons in
20 applying for assistance under such programs; to provide
21 current and continuing information on the availability, sales
22 prices, and rental charges of comparable replacement dwellings
23 for displaced homeowners and tenants and suitable locations
24 for businesses and farm operations; to assist in minimizing
25 hardships to displaced persons in adjusting to relocation; and
26 to secure, to the greatest extent practicable, the
27 coordination of relocation activities with other project

1 activities and other planned or proposed governmental actions
2 in the community or nearby areas which may affect the carrying
3 out of the relocation program.

4 (3) Notwithstanding the provisions of section 24-56-102
5 (2)(b)(II), in any case in which a displacing agency acquires
6 property for a program or project, any person who occupies
7 such property on a rental basis for a short term or a period
8 subject to termination when the property is needed for the
9 program or project shall be eligible for advisory services to
10 the extent determined by the displacing agency.

11 SECTION 9. 24-56-107, Colorado Revised Statutes, 1988
12 Repl. Vol., is amended to read:

13 24-56-107. Assurance of availability of standard
14 housing. (1) Whenever a state DISPLACING agency or a
15 political-subdivision-of-the-state acquires real property for
16 a program or project for which federal financial assistance
17 will be available to pay all or any part of the cost of the
18 program or project and such acquisition will result in the
19 displacement of any person, on or after May 6, 1971, upon
20 recommendation or approval of the division of housing, the
21 acquiring agency shall assure that within a reasonable period
22 of time prior to displacement, there will be available, in
23 areas not generally less desirable in regard to public
24 utilities and public and commercial facilities and at rents or
25 prices within the financial means of the families and
26 individuals displaced, decent, safe, and sanitary dwellings
27 equal in number to the number of and available to such

1 displaced persons who require such dwellings and reasonably
2 accessible to their places of employment A PERSON SHALL NOT BE
3 REQUIRED TO MOVE FROM A DWELLING UNLESS THE PERSON HAS HAD A
4 REASONABLE OPPORTUNITY TO RELOCATE TO A COMPARABLE REPLACEMENT
5 DWELLING; except that regulations issued pursuant to section
6 24-56-108 may prescribe situations when these assurances may
7 be waived.

8 (2) If a program or project for which federal financial
9 assistance is available cannot proceed to actual construction
10 because comparable replacement sale or rental housing is not
11 available and the state agency determines that such housing
12 cannot otherwise be made available, upon recommendation or
13 approval of the division of housing DISPLACING AGENCY, the
14 state agency may take such action as is necessary or
15 appropriate to provide such housing by use of funds authorized
16 for such project. THE DISPLACING AGENCY MAY USE THIS SECTION
17 TO EXCEED THE MAXIMUM AMOUNTS WHICH CAN BE PAID BY A
18 DISPLACING AGENCY UNDER SECTIONS 24-56-104 AND 24-56-105 ON A
19 CASE-BY-CASE BASIS FOR GOOD CAUSE SHOWN AS DETERMINED IN
20 ACCORDANCE WITH REGULATIONS ISSUED PURSUANT TO SECTION
21 24-56-108.

22 SECTION 10. The introductory portion to 24-56-108 (1),
23 Colorado Revised Statutes, 1988 Repl. Vol., is amended, and
24 the said 24-56-108 is further amended BY THE ADDITION OF THE
25 FOLLOWING NEW SUBSECTIONS, to read:

26 24-56-108. Authority of the department of local affairs.
27 (1) THE DEPARTMENT OF LOCAL AFFAIRS SHALL COORDINATE AND

1 IMPLEMENT THE UNIFORM POLICY FOR ALL RELOCATION ASSISTANCE FOR
2 FEDERALLY ASSISTED PROGRAMS AND PROJECTS, EXCEPT AS PROVIDED
3 IN THIS SECTION. The executive director of the department of
4 local affairs shall adopt such rules and regulations as may be
5 necessary to assure:

6 (3) The executive director of the department of local
7 affairs may prescribe such other regulations and procedures as
8 he deems necessary or appropriate to implement any amendments
9 to or requirements of federal statutes concerning federally
10 assisted relocation programs and projects.

11 (4) (a) Notwithstanding any provision of this article to
12 the contrary, the state department of highways has the primary
13 authority to provide acquisition and relocation assistance for
14 all highway and highway-related programs or projects on the
15 state highway system. The state department of highways also
16 has authority to coordinate and provide acquisition and
17 relocation assistance for all highway and highway-related
18 programs or projects which are not on the state highway
19 system, to the extent provided in paragraph (b) of this
20 subsection (4).

21 (b) Each state agency has the primary authority to
22 perform acquisition and relocation assistance within its
23 jurisdiction for federally assisted highway and
24 highway-related programs and projects for streets and roads
25 which are not on the state highway system. In the event that
26 the state department of highways, as the state agency
27 responsible for monitoring and administering the use of

1 federal highways funds, determines that such performance by
2 another state agency will jeopardize distribution of federal
3 highway assistance funds to the state or that such action is
4 necessary to comply with federal highway administration policy
5 or procedures, then the state department of highways has the
6 authority to perform the acquisition and relocation assistance
7 for any federally assisted highway or highway-related program
8 or project for streets and roads which are not on the state
9 highway system or to require that the state agency with
10 jurisdiction for that highway program or project perform such
11 acquisition and relocation assistance under the supervision
12 and direction of the state department of highways. Prior to
13 exercising the authority in this paragraph (b), the state
14 department of highways will comply with procedures previously
15 agreed to with the affected state agency, including, but not
16 limited to, setting a contact person for the project,
17 providing written notice of the basis of such determination or
18 action, and meeting with the affected agency to discuss
19 possible remedial measures.

20 (5) The state department of highways may use the
21 provisions of this article for programs or projects on the
22 state highway system funded from the state highway fund.

23 SECTION 11. The introductory portion to 24-56-117 (1)
24 and 24-56-117 (1) (b), Colorado Revised Statutes, 1988 Repl.
25 Vol., are amended, and the said 24-56-117 (1) is further
26 amended BY THE ADDITION OF THE FOLLOWING NEW PARAGRAPHS, to
27 read:

1 24-56-117. Real property acquisition policies. (1) Any
 2 state ACQUIRING agency or political subdivision of the state
 3 which acquires real property for a program or project for
 4 which federal financial assistance will be available to pay
 5 all or any part of the cost of such program or project shall
 6 comply with the following policies:

7 (b) Real property shall be appraised before the
 8 initiation of negotiations, and the owner or his designated
 9 representative shall be given an opportunity to accompany the
 10 appraiser during his inspection of the property; EXCEPT THAT
 11 THE DEPARTMENT OF LOCAL AFFAIRS MAY PRESCRIBE A PROCEDURE TO
 12 WAIVE THE APPRAISAL IN CASES INVOLVING THE ACQUISITION BY SALE
 13 OR DONATION OF PROPERTY WITH A LOW FAIR MARKET VALUE.

14 (j) A person whose real property is being acquired in
 15 accordance with this article may, after the person has been
 16 fully informed of his right to receive just compensation for
 17 such property, donate such property, any part thereof, any
 18 interest therein, or any compensation paid therefor to an
 19 agency, as such person shall determine.

20 (k) As used in this section, "appraisal" means a written
 21 statement independently and impartially prepared by a
 22 qualified appraiser setting forth an opinion of defined value
 23 of an adequately described property as of a specific date,
 24 supported by the presentation and analysis of relevant market
 25 information.

26 SECTION 12. 24-56-117, Colorado Revised Statutes, 1988
 27 Repl. Vol., is amended BY THE ADDITION OF A NEW SUBSECTION to

1 read:

2 24-56-117. Real property acquisition policies. (2) For
 3 the purposes of this section, "acquiring agency" means a state
 4 agency which has the authority to acquire property by eminent
 5 domain under state law and a state agency or person which does
 6 not have such authority to the extent provided by the
 7 department of local affairs by regulation.

8 SECTION 13. Repeal. Part 3 of article 1 of title 43,
 9 Colorado Revised Statutes, 1984 Repl. Vol., as amended, is
 10 repealed.

11 SECTION 14. Safety clause. The general assembly hereby
 12 finds, determines, and declares that this act is necessary
 13 for the immediate preservation of the public peace, health,
 14 and safety.

Highway Legislation Review Committee

A BILL FOR AN ACT

1 CONCERNING THE AUTHORITY OF THE STATE DEPARTMENT OF HIGHWAYS
 2 TO ADMINISTER FUNDS MADE AVAILABLE UNDER THE FEDERAL
 3 "URBAN MASS TRANSPORTATION ACT OF 1964", AS AMENDED.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Authorizes and designates the state department of highways and the executive director to take all steps necessary for the state application and administration of any funds made available under the federal "Urban Mass Transportation Act of 1964".

4 Be it enacted by the General Assembly of the State of Colorado:

5 SECTION 1. Article 1 of title 43, as amended, is amended
 6 BY THE ADDITION OF A NEW PART to read:

PART 10

ADMINISTRATION OF FUNDS UNDER THE FEDERAL

"URBAN MASS TRANSPORTATION ACT OF 1964", AS AMENDED

10 43-1-1001. Urban mass transportation grants. (1) The
 11 state department of highways and the executive director

1 thereof are hereby designated and authorized to take all steps
 2 and adopt all procedures necessary to make and enter into such
 3 contracts or agreements as are necessary for the state
 4 application and administration of any funds made available
 5 under the federal "Urban Mass Transportation Act of 1964", as
 6 amended, 49 U.S.C.A. 1601 et seq., or any federal legislation
 7 successor thereto.

8 (2) The authority contained in subsection (1) of this
 9 section shall not apply to federal grant funds where there
 10 exists a designated recipient for such funds.

11 SECTION 2. Safety clause. The general assembly hereby
 12 finds, determines, and declares that this act is necessary
 13 for the immediate preservation of the public peace, health,
 14 and safety.

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BILL 4

Highway Legislation Review Committee

A BILL FOR AN ACT

1 CONCERNING THE REPEAL OF THE REQUIREMENT THAT RULES PERTAINING
 2 TO SPECIAL PERMITS FOR THE MOVEMENT OF OVERSIZE LOADS BE
 3 REVIEWED BY THE APPROPRIATE STANDING COMMITTEE OF THE
 4 GENERAL ASSEMBLY PRIOR TO ADOPTION BY THE STATE HIGHWAY
 5 COMMISSION.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Repeals the statutory provision which requires that the rules and regulations pertaining to special permits for the movement of overweight and oversize loads be reviewed by the appropriate standing committee of the general assembly by April 1, 1984, and prior to adoption by the state highway commission.

6 Be it enacted by the General Assembly of the State of Colorado:

7 SECTION 1. Repeal. 42-4-409.1 (1) (b), Colorado Revised
 8 Statutes, 1984 Repl. Vol., is repealed.

9 SECTION 2. Safety clause. The general assembly hereby
 10 finds, determines, and declares that this act is necessary
 11 for the immediate preservation of the public peace, health,
 12 and safety.

Highway Legislation Review Committee.

A BILL FOR AN ACT

1 CONCERNING THE DISCHARGE OF PASSENGERS FROM SCHOOL BUSES.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Provides that school boards, in conjunction with local traffic regulatory authorities, may determine that there are certain locations where passengers who are discharged from school buses may safely cross major thoroughfares.

2 Be it enacted by the General Assembly of the State of Colorado:

3 SECTION 1. 42-4-613 (1), Colorado Revised Statutes, 1984
4 Repl. Vol., as amended, is amended to read:

5 42-4-613. Regulations for school buses - regulations on
6 discharge of passengers - penalty - exception. (1) The state
7 board of education, by and with the advice of the executive
8 director of the department, shall adopt and enforce
9 regulations not inconsistent with this article to govern the
10 operation of all school buses used for the transportation of
11 schoolchildren and to govern the discharge of passengers from
12 such school buses. Such regulations shall prohibit the driver

1 of any school bus used for the transportation of
2 schoolchildren from discharging any passenger from the school
3 bus which will result in the passenger's immediately crossing
4 a major thoroughfare, and UNLESS THE LOCAL SCHOOL BOARD, IN
5 CONJUNCTION WITH THE LOCAL TRAFFIC REGULATORY AUTHORITY,
6 DETERMINES THAT AT CERTAIN LOCATIONS SUCH A CROSSING CAN BE
7 MADE SAFELY. SUCH REGULATIONS shall ALSO prohibit the
8 discharging or loading of passengers from the school bus onto
9 the side of any major thoroughfare whenever access to the
10 destination of the passenger is possible by the use of a road
11 or street which is adjacent to the major thoroughfare. For
12 the purposes of this section, a "major thoroughfare" means a
13 freeway, any U.S. highway outside any incorporated limit,
14 interstate highway, or highway with four or more lanes, or a
15 highway or road with a median separating multiple lanes of
16 traffic. Every person operating a school bus or responsible
17 for or in control of the operation of school buses shall be
18 subject to said regulations.

19 SECTION 2. Safety clause. The general assembly hereby
20 finds, determines, and declares that this act is necessary
21 for the immediate preservation of the public peace, health,
22 and safety.

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BILL 6

HIGHWAY LEGISLATION REVIEW COMMITTEE

A BILL FOR AN ACT

1 CONCERNING THE USE OF COLORED LIGHTS BY OFFICIAL VEHICLES.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Authorizes use of flashing green lights by authorized emergency vehicles at designated command posts at emergency locations. Allows authorized service vehicle snowplows to use one or two flashing, oscillating, or rotating blue lights as warning lamps.

2 Be it enacted by the General Assembly of the State of Colorado:

3 SECTION 1. 42-4-212, Colorado Revised Statutes, 1984
4 Repl. Vol., is amended BY THE ADDITION OF A NEW SUBSECTION to
5 read:

6 42-4-212. Audible and visual signals on emergency
7 vehicles. (3.5) Any authorized emergency vehicle, including
8 those authorized by section 42-4-219, may be equipped with
9 green flashing lights, mounted at sufficient height and having
10 sufficient intensity to be visible at five hundred feet in all
11 directions in normal daylight. Such lights may only be used
12 at the single designated command post at any emergency

1 location or incident, and only when such command post is
2 stationary. The single command post shall be designated by
3 the on-scene incident commander in accordance with local or
4 state government emergency plans. Any other use of a green
5 light by a vehicle shall constitute a violation of this
6 section.

7 SECTION 2. 42-4-212.5 (1), Colorado Revised Statutes,
8 1984 Repl. Vol., is amended to read:

9 42-4-212.5. Visual signals on service vehicles.
10 (1) Except as otherwise provided in this section, on or after
11 January 1, 1978, every authorized service vehicle shall, in
12 addition to any other equipment required by this article, be
13 equipped with one or more warning lamps mounted as high as
14 practicable, which shall be capable of displaying in all
15 directions one or more flashing, oscillating, or rotating
16 yellow lights. EVERY AUTHORIZED SERVICE VEHICLE SNOWPLOW
17 OPERATED BY A GENERAL PURPOSE GOVERNMENT MAY ALSO BE EQUIPPED
18 WITH AND USE NO MORE THAN TWO FLASHING, OSCILLATING, OR
19 ROTATING BLUE LIGHTS AS WARNING LAMPS. Lighted directional
20 signs used by police and highway departments to direct traffic
21 need not be visible except to the front and rear. Such lights
22 shall have sufficient intensity to be visible at five hundred
23 feet in normal sunlight.

24 SECTION 3. Safety clause. The general assembly hereby
25 finds, determines, and declares that this act is necessary
26 for the immediate preservation of the public peace, health,
27 and safety.

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BILL 7

Highway Legislation Review Committee

A BILL FOR AN ACT

1 CONCERNING THE FAREBOX RECOVERY RATIO OF THE REGIONAL
2 TRANSPORTATION DISTRICT.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Requires the regional transportation district to annually recover certain percentages of its operating costs through farebox collections until a farebox recovery ratio of thirty percent is achieved. Further requires the RTD to annually report to the general assembly concerning the progress being made toward the thirty percent goal. Defines "farebox recovery ratio" and "operating costs".

3 Be it enacted by the General Assembly of the State of Colorado:

4 SECTION 1. Article 9 of title 32, Colorado Revised
5 Statutes, as amended, is amended BY THE ADDITION OF A NEW
6 SECTION to read:

7 32-9-119.7. Farebox recovery ratios - reports. (1) The
8 district shall take whatever measures it deems necessary to
9 insure that, for the fiscal year 1989-90, twenty percent of
10 the operating costs of the district are paid for by farebox

1 collections. For the fiscal year 1990-91, the district shall
2 increase the farebox recovery ratio to twenty-five percent,
3 and, for the fiscal year 1991-92 and each fiscal year
4 thereafter, the farebox recovery ratio shall be thirty
5 percent. The district shall prepare annual budgets based on
6 the farebox collections required by this section. In the
7 event that the farebox recovery ratios required by this
8 subsection (1) are not achieved by the district, the district
9 shall not use any of the revenues attributable to the sales
10 tax imposed by section 32-9-119 (2) (a) for the purpose of
11 paying the operating costs of the district; however, such
12 revenues may be used for capital costs.

13 (2) For the purposes of this section, "farebox recovery
14 ratio" means the percentage of operating costs which are
15 recovered by farebox revenues, and "operating costs" means the
16 sum of all costs that can be associated with the operation and
17 maintenance of the system, including depreciation on plant and
18 equipment, interest paid for loans on capital equipment, and
19 property taxes on capital items.

20 SECTION 2. Safety clause. The general assembly hereby
21 finds, determines, and declares that this act is necessary
22 for the immediate preservation of the public peace, health,
23 and safety.

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BILL 8

Highway Legislation Review Committee

A BILL FOR AN ACT

1 CONCERNING ELECTIONS REGARDING THE AUTHORITY OF THE REGIONAL
2 TRANSPORTATION DISTRICT TO LEVY ADDITIONAL SALES TAXES.

Bill Summary

(Note: This summary applies to this bill as introduced
and does not necessarily reflect any amendments which may be
subsequently adopted.)

Removes the requirement that public hearings concerning
fixed guideway mass transit fees and tax increment areas be
held before the regional transportation district board may
submit at an election the question of granting the district
the authority to levy an additional sales tax. Removes the
deadline restricting when the regional transportation district
board may submit at an election the question of granting the
district the authority to levy an additional sales tax.
Allows such elections to be held in the month of November.

3 Be it enacted by the General Assembly of the State of Colorado:

4 SECTION 1. 32-9-119 (2) (b) (III) (A), Colorado Revised

5 Statutes, as amended, is amended to read:

6 32-9-119. Additional powers of district.

7 (2) (b) (III) (A) Unless there is pending in any court an

8 action questioning the validity of this section or any part

9 thereof or the power of the district to proceed under this

1 article, the board shall submit at a special or a general
2 election or elections to be held, as determined by the board,
3 notwithstanding the provisions of section 32-9-149 (1), the
4 question or questions of granting the district the authority
5 to levy an additional sales tax pursuant to, and for the
6 purposes specified in, this paragraph (b). No such election
7 shall be held unless the hearings required by subsections (5)
8 and (6) of this section have been held. The election shall be
9 conducted in the manner provided in this article; except that
10 those voting must be registered electors. Any such election
11 shall be held on the first Tuesday after the first Monday in
12 February, May, October, NOVEMBER, or December. except that no
13 such election or elections shall be held prior to January 1,
14 1988 or later than January 1, 1991.

15 SECTION 2. Safety clause. The general assembly hereby
16 finds, determines, and declares that this act is necessary
17 for the immediate preservation of the public peace, health,
18 and safety.

Highway Legislation Review Committee

A BILL FOR AN ACT

1 CONCERNING COLORADO DRIVERS' LICENSES.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Allows the department of revenue to certify certain organizations to train and examine applicants for drivers' licenses if such training and examination is equal to that of the department. Reduces the age at which minors may obtain a temporary driver instruction permit. Eliminates the ability of minors enrolled in driver education courses to obtain a temporary driver instruction permit before other minors. Permits the department of revenue to issue an identification card to a Colorado resident who also has a Colorado driver's license.

2 Be it enacted by the General Assembly of the State of Colorado:

3 SECTION 1. 42-2-110 (1), Colorado Revised Statutes, 1984
4 Repl. Vol., is amended to read:

5 42-2-110. Examination of applicants and drivers - when
6 required. (1) (a) The department shall examine every
7 applicant for a driver's, minor driver's, or provisional
8 driver's license. The executive director of the department,
9 in his discretion, may conduct the examination in any county

1 convenient for the applicant. The examination shall include a
2 test of the applicant's eyesight, his ability to read and
3 understand highway signs which regulate, warn, and direct
4 traffic, and his knowledge of the traffic laws of this state,
5 an actual demonstration of his ability to exercise ordinary
6 and reasonable care and control in the operation of a motor
7 vehicle, and such further physical and mental examination as
8 the department finds necessary to determine the applicant's
9 fitness to operate a motor vehicle safely upon the highways.

10 (b) THE DEPARTMENT, IN ISSUING THE DRIVERS' LICENSES FOR
11 CERTAIN TYPES OR GENERAL CLASSES OF VEHICLES, MAY WAIVE ANY
12 EXAMINATION REQUIRED BY PARAGRAPH (a) OF THIS SUBSECTION (1)
13 FOR APPLICANTS AND MAY CERTIFY CERTAIN EMPLOYERS, GOVERNMENTAL
14 AGENCIES, OR OTHER APPROPRIATE ORGANIZATIONS TO TRAIN AND
15 EXAMINE ALL APPLICANTS FOR SUCH CERTAIN TYPES OR GENERAL
16 CLASSES OF LICENSES, IF SUCH TRAINING AND EXAMINATION IS EQUAL
17 TO THE TRAINING AND EXAMINATION OF THE DEPARTMENT.

18 SECTION 2. 42-2-105 (1) (a), Colorado Revised Statutes,
19 1984 Repl. Vol., is amended to read:

20 42-2-105. Instruction permits and temporary licenses.
21 (1) (a) Any minor of the age of fifteen years, within ~~three~~
22 SIX months prior to his sixteenth birthday, or any person who,
23 except for his lack of instruction in operating a motor
24 vehicle, a motorcycle, or a motor-driven cycle, would
25 otherwise be qualified to obtain a license under this article
26 may apply for a temporary instruction permit, in accordance
27 with sections 42-2-106 and 42-2-107. The department shall

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BILL 10

1 issue such permit entitling the applicant, while having such
 2 permit in his immediate possession, to drive a motor vehicle,
 3 a motorcycle, or a motor-driven cycle upon the highways for a
 4 period of one hundred ~~twenty~~ EIGHTY days when accompanied by a
 5 licensed driver, twenty-one years of age or over, who is
 6 actually occupying the seat beside the driver or, in the case
 7 of a motorcycle or a motor-driven cycle, under the immediate
 8 supervision of a licensed driver, twenty-one years of age or
 9 over, authorized under this article to drive a motorcycle or a
 10 motor-driven cycle. Any such instruction permit may be
 11 extended for an additional period of sixty days.

12 SECTION 3. 42-2-401 (2), Colorado Revised Statutes, 1984
 13 Repl. Vol., is amended to read:

14 42-2-401. Definitions. (2) "Identification card" means
 15 the IDENTIFICATION card issued under this article. ~~to a person~~
 16 ~~who has no valid Colorado driver's license.~~

17 SECTION 4. 42-2-402, Colorado Revised Statutes, 1984
 18 Repl. Vol., is amended to read:

19 42-2-402. Department may issue - limitations. (1) Any
 20 person, which for purposes of this part 4 means a resident of
 21 this state, ~~who does not have a valid Colorado driver's~~
 22 ~~license~~ may be issued an identification card by the department
 23 certified by the registrant and attested by the department as
 24 to true name, date of birth, current address, social security
 25 number, if any, and any other identifying data the department
 26 may require. Every application for an identification card
 27 shall be signed and verified by the applicant before a person

1 authorized to administer oaths or by an employee of the
 2 department.

3 (2) The department shall issue an identification card
 4 ~~only to a person who does not have a valid Colorado driver's~~
 5 ~~license,~~ and only upon the furnishing of a birth certificate
 6 or other documentary evidence of identity which the department
 7 may require.

8 SECTION 5. Repeal. 42-2-105. (1) (b) and 42-2-404 (1)
 9 (b), Colorado Revised Statutes, 1984 Repl. Vol., are repealed.

10 SECTION 6. Safety clause. The general assembly hereby
 11 finds, determines, and declares that this act is necessary
 12 for the immediate preservation of the public peace, health,
 13 and safety.

BY Highway Legislation Review Committee

A BILL FOR AN ACT

1 CONCERNING COMMERCIAL MOTOR VEHICLE DRIVERS' LICENSES.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Authorizes the department of revenue to develop, adopt, and administer a procedure for licensing drivers of commercial motor vehicles in accordance with federal law. Provides for commercial driver's license disciplinary actions, including revocation based on driving a commercial motor vehicle with a specified blood alcohol content.

2 Be it enacted by the General Assembly of the State of Colorado:

3 SECTION 1. Article 2 of title 42, Colorado Revised
4 Statutes, 1984 Repl. Vol., as amended, is amended BY THE
5 ADDITION OF A NEW PART to read:

PART 5

COMMERCIAL DRIVERS' LICENSES

8 42-2-501. Short title. This part 5 shall be known and
9 may be cited as the "Commercial Driver's License Act".

10 42-2-502. Definitions. As used in this part 5, unless
11 the context otherwise requires:

1 (1) "Commercial driver's license" means a license issued
2 to an individual in accordance with the requirements of the
3 federal "Commercial Motor Vehicle Safety Act of 1986", 49 App.
4 U.S.C. section 2701 et seq., and any rules or regulations
5 promulgated thereunder, that authorizes such individual to
6 drive a commercial motor vehicle.

7 (2) (a) "Commercial motor vehicle" means a motor vehicle
8 designed or used to transport passengers or property, if the
9 vehicle:

10 (I) Has a gross vehicle weight rating of 26,001 or more
11 pounds or such lesser rating determined by federal regulation;
12 or

13 (II) Is designed to transport sixteen or more
14 passengers, including the driver; or

15 (III) Is transporting hazardous materials and is
16 required to be placarded in accordance with 49 C.F.R. part
17 172, sub-part F.

18 (b) "Commercial motor vehicle" does not include:

19 (I) Recreational vehicles;

20 (II) Military vehicles that are driven by military
21 personnel;

22 (III) Farm vehicles;

23 (IV) Firefighting equipment.

24 (3) "Department" means the department of revenue.

25 (4) "Disqualification" means the withdrawal of the
26 privilege to drive a commercial motor vehicle.

27 (5) "Gross vehicle weight rating" or "GVWR" means the

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1 value specified by the manufacturer as the maximum loaded
2 weight of a single or a combination (articulated) vehicle, or
3 registered gross weight, whichever is greater. The GVWR of a
4 combination (articulated) vehicle, commonly referred to as the
5 "gross combination weight rating" or "GCWR" is the GVWR of the
6 power unit plus the GVWR of any towed unit.

7 (6) "Hazardous materials" means materials as defined
8 under section 103 of the federal "Hazardous Materials
9 Transportation Act of 1987", 49 App. U.S.C. section 1801, as
10 may be amended from time to time.

11 (7) "Out-of-service order" means a twenty-four hour
12 prohibition against driving a commercial motor vehicle.

13 42-2-503. Department authority - rules and regulations -
14 federal requirements. (1) The department shall develop,
15 adopt, and administer a procedure for licensing drivers of
16 commercial motor vehicles in accordance with the federal
17 "Commercial Motor Vehicle Safety Act of 1986" and any rules or
18 regulations promulgated thereunder.

19 (2) The department shall promulgate such rules and
20 regulations as are necessary for the implementation of this
21 part 5. Such rules and regulations shall govern all aspects
22 of licensing commercial drivers, including, but not limited
23 to, testing procedures, license issuance procedures,
24 out-of-service regulations, disqualification procedures,
25 including suspensions, revocations, and denial of licensure,
26 records maintenance, reporting requirements, and cooperation
27 with the commercial driver's license information system.

1 (3) Nothing in this part 5 shall be construed to prevent
2 the state of Colorado from complying with federal requirements
3 in order to qualify for funds under the federal "Commercial
4 Motor Vehicle Safety Act of 1986".

5 42-2-504. License for drivers - limitations. (1) No
6 person shall operate a commercial motor vehicle upon the
7 highways in this state on or after April 1, 1992, unless such
8 person has attained the age of ~~twenty-one years and has been~~
9 issued and is in immediate possession of a commercial driver's
10 license.

11 (2) No person who drives a commercial motor vehicle may
12 have more than one driver's license.

13 (3) In addition to any applicable federal penalty
14 concerning commercial motor vehicle operators, any person who
15 violates subsection (1) or (2) of this section, or any rule or
16 regulation promulgated by the department pursuant to this part
17 5, is guilty of a misdemeanor and, upon conviction thereof,
18 shall be punished by a fine of not less than twenty-five
19 dollars nor more than one thousand dollars, or by imprisonment
20 in the county jail for not more than one year, or both such
21 fine and imprisonment.

22 42-2-505. Driver's license disciplinary actions -
23 disqualifications. (1) A person who holds a commercial
24 driver's license, as defined under this part 5, shall be
25 subject to disciplinary actions, penalties, and the general
26 provisions under sections 42-2-122 to 42-2-130.

27 (2) In addition to applicable penalties imposed under

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1 the sections listed in subsection (1) of this section, a
2 person who drives, operates, or is in physical control of a
3 commercial motor vehicle while having any alcohol in his
4 system, or who refuses to submit to a test to determine the
5 alcoholic content of the driver's blood or breath while
6 driving a commercial motor vehicle, shall be placed out of
7 service as defined in section 42-2-502 (7).

8 (3) A commercial driver shall be disqualified from
9 obtaining a commercial driver's license, and from driving a
10 commercial motor vehicle in this state for an indefinite
11 period, unless otherwise reduced by a period of not less than
12 ten years by the secretary of the United States department of
13 transportation:

14 (a) If such driver is convicted of the commission of a
15 felony involving the manufacturing, distributing, or
16 dispensing of a controlled substance, as defined under section
17 102 (6) of the federal "Controlled Substance Act", as may be
18 amended from time to time, and the commission of such felony
19 involved the use of a commercial motor vehicle; or

20 (b) If such driver commits two or more violations, or
21 any combination arising from two incidents, of:

22 (I) Driving a commercial motor vehicle while under the
23 influence of alcohol or a controlled substance;

24 (II) Driving a commercial motor vehicle in this state
25 when the amount of alcohol, as shown by analysis of such
26 person's blood or breath, in such person's blood was 0.04 or
27 more grams of alcohol per hundred milliliters of blood or 0.04

1 grams of alcohol per two hundred ten liters of breath at the
2 time of driving, or any time thereafter;

3 (III) Knowingly and willfully leaving the scene of an
4 accident involving a commercial motor vehicle driven by the
5 person;

6 (IV) Using a commercial motor vehicle in the commission
7 of any felony, except felonies described in paragraph (a) of
8 this subsection (3);

9 (V) Refusing to submit to a test to determine the
10 driver's alcohol concentration while driving a commercial
11 motor vehicle.

12 (4) If there is no other statutory reason for denying a
13 driver's license, any person who is ineligible for a
14 commercial driver's license under this section may apply for
15 another type or class of driver's license as provided by law.

16 42-2-506. Fees. (1) The fee for the issuance of a
17 commercial driver's license shall be fifteen dollars. Such
18 license will expire on the birthday of the applicant in the
19 fourth year after the issuance thereof. When issuing a
20 commercial driver's license, the office of the county clerk
21 and recorder shall collect and retain the sum of three
22 dollars, and twelve dollars shall be forwarded to the
23 department for transmission to the state treasurer, who shall
24 credit the same to the highway users tax fund. The general
25 assembly shall make annual appropriations therefrom for the
26 expenses of the administration of parts 1 to 3 of this article
27 and this part 5.

1 (2) The combined total fee for the administration of the
2 written test and the driving test for licensing commercial
3 drivers shall not exceed the sum of forty dollars, which shall
4 be used to offset the direct and indirect costs of
5 administering such tests.

6 SECTION 2. 42-2-101 (1), Colorado Revised Statutes, 1984
7 Repl. Vol., as amended, is amended to read:

8 42-2-101. Licenses for drivers required. (1) EXCEPT AS
9 OTHERWISE PROVIDED IN PART 5 OF THIS ARTICLE FOR COMMERCIAL
10 DRIVERS, no person shall drive any motor vehicle upon a
11 highway in this state unless such person has been issued a
12 currently valid driver's, minor driver's, or provisional
13 driver's license or an instruction permit by the department
14 under this article.

15 SECTION 3. 42-2-104, Colorado Revised Statutes, 1984
16 Repl. Vol., is amended to read:

17 42-2-104. Special restrictions on certain drivers. IN
18 ADDITION TO APPLICABLE RESTRICTIONS PROVIDED UNDER PART 5 OF
19 THIS ARTICLE, no person under the age of eighteen years shall
20 drive any motor vehicle used to transport explosives or
21 inflammable material or as a school bus for the transportation
22 of pupils to or from school; nor shall any person under the
23 age of eighteen years drive a motor vehicle used as a
24 commercial, private, or common carrier of persons or property
25 unless he has experience in operating motor vehicles and has
26 been examined on his qualifications in operating such
27 vehicles. The examination shall include safety regulations of

1 commodity hauling, and the driver shall be licensed as a
2 driver or provisional driver.

3 SECTION 4. 42-2-122 (1), Colorado Revised Statutes, 1984
4 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW
5 PARAGRAPH to read:

6 42-2-122. Mandatory revocation of license.
7 (1) (1) Been found to have knowingly and willfully left the
8 scene of an accident involving a commercial motor vehicle
9 driven by the person.

10 SECTION 5. 42-2-122, Colorado Revised Statutes, 1984
11 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW
12 SUBSECTION to read:

13 42-2-122. Mandatory revocation of license. (1.5) The
14 period of revocation based on paragraphs (b), (c), and (1) of
15 subsection (1) of this section shall be one year; except that
16 any violation involving a commercial motor vehicle
17 transporting hazardous materials as defined under section
18 42-2-502 (6) shall result in a revocation period of three
19 years.

20 SECTION 6. 42-2-122.1 (1.5) (a), Colorado Revised
21 Statutes, 1984 Repl. Vol., as amended, is amended BY THE
22 ADDITION OF A NEW SUBPARAGRAPH to read:

23 42-2-122.1. Revocation of license based on
24 administrative determination. (1.5) (a) (III) Drove a
25 commercial motor vehicle in this state when the amount of
26 alcohol, as shown by analysis of such person's blood or
27 breath, in such person's blood was 0.04 or more grams of

1 alcohol per hundred milliliters of blood or 0.04 grams of
2 alcohol per two hundred ten liters of breath at the time of
3 driving or any time thereafter.

4 SECTION 7. 42-2-122.1 (5) (b), Colorado Revised
5 Statutes, 1984 Repl. Vol., as amended, is REPEALED AND
6 REENACTED, WITH AMENDMENTS, to read:

7 42-2-122.1. Revocation of license based on
8 administrative determination. (5) (b) (I) The period of
9 license revocation under subsection (1.5) (a) (I) of this
10 section for a first offense shall be three months.

11 (II) The period of license revocation under subsection
12 (1.5) (a) (I) of this section for a second or subsequent
13 revocation shall be one year.

14 (III) The period of license revocation under subsection
15 (1.5) (a) (II) of this section or for a first offense under
16 subsection (1.5) (a) (III) of this section shall be one year.

17 (IV) The period of license revocation under subsection
18 (1.5) (a) (II) or subsection (1.5) (a) (III) of this section
19 involving a commercial motor vehicle that was transporting
20 hazardous materials as defined in section 42-2-502 (6) shall
21 be no less than three years.

22 (V) A second or subsequent revocation under subsection
23 (1.5) (a) (II) or subsection (1.5) (a) (III) of this section
24 involving a commercial motor vehicle shall result in a
25 disqualification as defined and provided for under section
26 42-2-505.

27 SECTION 8. 42-2-122.1 (5) (c) (I) and (8) (c), Colorado

1 Revised Statutes, 1984 Repl. Vol., as amended, are amended to
2 read:

3 42-2-122.1. Revocation of license based on
4 administrative determination. (5) (c) (I) Where a license is
5 revoked under subsection (1.5) (a) (I) OR SUBSECTION (1.5) (a)
6 (III) of this section and the person is also convicted on
7 criminal charges arising out of the same occurrence for a
8 violation of section 42-4-1202 (1) (a) or (1.5), both the
9 revocation under this section and any suspension, revocation,
10 cancellation, or denial which results from such conviction
11 shall be imposed, but the periods shall run concurrently, and
12 the total period of revocation, suspension, cancellation, or
13 denial shall not exceed the longer of the two periods.

14 (8) (c) (I) WHERE A LICENSE IS REVOKED UNDER SUBSECTION
15 (1.5) (a) (I) OF THIS SECTION, the sole issue at the hearing
16 shall be whether by a preponderance of the evidence the person
17 drove a vehicle in this state when the amount of alcohol, as
18 shown by analysis of the person's blood or breath, in such
19 person's blood was 0.10 or more grams of alcohol per hundred
20 milliliters of blood or 0.10 or more grams of alcohol per two
21 hundred ten liters of breath at the time of driving or within
22 two hours after driving if the preponderance of the evidence
23 establishes that such person did not consume any alcohol
24 between the time of driving and the time of testing or WHERE A
25 LICENSE IS REVOKED UNDER SUBSECTION (1.5) (a) (II) OF THIS
26 SECTION whether the person refused to submit to an analysis of
27 his blood, breath, saliva, or urine as required by section

1 42-4-1202 (3). If the presiding hearing officer finds the
 2 affirmative of the issue, the revocation order shall be
 3 sustained. If the presiding hearing officer finds the
 4 negative of the issue, the revocation order shall be
 5 rescinded. ~~Under no circumstances shall the presiding hearing~~
 6 ~~officer consider any issue not specified in this paragraph~~
 7 (e).

8 (II) WHERE A LICENSE IS REVOKED UNDER SUBSECTION (1.5)
 9 (a) (III) OF THIS SECTION, THE SOLE ISSUE AT THE HEARING SHALL
 10 BE WHETHER BY A PREPONDERANCE OF THE EVIDENCE THE PERSON DROVE
 11 A COMMERCIAL MOTOR VEHICLE IN THIS STATE WHEN THE AMOUNT OF
 12 ALCOHOL, AS SHOWN BY ANALYSIS OF THE PERSON'S BLOOD OR BREATH,
 13 IN SUCH PERSON'S BLOOD WAS 0.04 OR MORE GRAMS OF ALCOHOL PER
 14 HUNDRED MILLILITERS OF BLOOD OR 0.04 OR MORE GRAMS OF ALCOHOL
 15 PER TWO HUNDRED TEN LITERS OF BREATH AT THE TIME OF DRIVING OR
 16 ANYTIME THEREAFTER IF THE PREPONDERANCE OF THE EVIDENCE
 17 ESTABLISHES THAT SUCH PERSON DID NOT CONSUME ANY ALCOHOL
 18 BETWEEN THE TIME OF DRIVING AND THE TIME OF TESTING. IF THE
 19 PRESIDING HEARING OFFICER FINDS THE AFFIRMATIVE OF THE ISSUE,
 20 THE REVOCATION ORDER SHALL BE SUSTAINED. IF THE PRESIDING
 21 HEARING OFFICER FINDS THE NEGATIVE OF THE ISSUE, THE
 22 REVOCATION ORDER SHALL BE RESCINDED.

23 (III) UNDER NO CIRCUMSTANCES SHALL THE PRESIDING HEARING
 24 OFFICER CONSIDER ANY ISSUE NOT SPECIFIED IN THIS PARAGRAPH
 25 (c).

26 SECTION 9. 42-2-124 (2), Colorado Revised Statutes, 1984
 27 Repl. Vol., is amended to read:

1 42-2-124. Period of suspension or revocation.
 2 (2) (a) EXCEPT AS PROVIDED UNDER PARAGRAPH (b) OF THIS
 3 SUBSECTION (2), any person whose license or privilege to drive
 4 a motor vehicle on the public highways has been revoked is not
 5 entitled to make application for a new license until the
 6 expiration of one year from the date on which the revoked
 7 license was surrendered to and received by the department;
 8 then such person may make application for a new license as
 9 provided by law, and any such person making false application
 10 for a new license before the expiration of the period of
 11 suspension or revocation is guilty of a misdemeanor and, upon
 12 conviction thereof, shall be punished by a fine of not more
 13 than three hundred dollars, or by imprisonment in the county
 14 jail for not more than thirty days, or by both such fine and
 15 imprisonment. Following the period of revocation set forth in
 16 subsection (1) of this section, the department shall not issue
 17 a new license unless and until it is satisfied that such
 18 person has demonstrated his knowledge of the laws and driving
 19 ability through the appropriate motor vehicle testing process
 20 and that such person whose license was revoked pursuant to
 21 section 42-2-122 for an alcohol- or drug-related offense has
 22 completed not less than a level II alcohol and drug education
 23 and treatment program certified by the division of alcohol and
 24 drug abuse pursuant to section 42-4-1202 (5). In the case of
 25 a minor driver whose license has been revoked as a result of
 26 one conviction for driving under the influence, the minor
 27 driver, unless otherwise required after an evaluation made by

1 an alcohol and drug evaluation specialist certified by the
2 division of alcohol and drug abuse, must complete a level I
3 alcohol and drug education program certified by the division
4 of alcohol and drug abuse pursuant to section 42-4-1202 (5).
5 The department shall take into consideration any probationary
6 terms imposed on such person by any court in determining
7 whether any suspension or revocation shall be continued.

8 (b) IF THERE IS NO OTHER STATUTORY REASON FOR DENYING A
9 DRIVER'S LICENSE, ANY PERSON WHOSE COMMERCIAL DRIVER'S LICENSE
10 IS REVOKED PURSUANT TO SECTION 42-2-122.1 (1.5) MAY APPLY FOR
11 ANOTHER TYPE OR CLASS OF DRIVER'S LICENSE AS PROVIDED BY LAW.

12 SECTION 10. 42-4-1202 (3) (a), Colorado Revised
13 Statutes, 1984 Repl. Vol., as amended, is amended BY THE
14 ADDITION OF A NEW SUBPARAGRAPH to read:

15 42-4-1202. Driving under the influence - driving while
16 impaired - driving with excessive alcoholic content - tests -
17 penalties - useful public service program - alcohol and drug
18 driving safety program. (3) (a) (V) Any driver of a
19 commercial motor vehicle requested to submit to a test as
20 provided in subparagraph (II) of this paragraph (a) shall be
21 warned by the law enforcement officer requesting the test that
22 a refusal to submit to the test shall result in an
23 out-of-service order as defined under section 42-2-502 (7) for
24 a period of twenty-four hours and a revocation of the
25 privilege to operate a commercial motor vehicle for one year
26 as provided under section 42-2-122.1.

27 SECTION 11. Effective date - applicability. This act

1 shall take effect April 1, 1992, and shall apply to offenses
2 committed on or after said date.

3 SECTION 12. Safety clause. The general assembly hereby
4 finds, determines, and declares that this act is necessary
5 for the immediate preservation of the public peace, health,
6 and safety.

Highway Legislation Review Committee

A BILL FOR AN ACT

1 CONCERNING THE PROVISION OF CERTIFICATES OF TITLE FOR MOTOR
2 VEHICLE DEALERS ON THE SAME DAY OF APPLICATION.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Allows motor vehicle dealers to apply for and receive, on the same day of application, new certificates of title for motor vehicles sold by such dealers. Requires a twenty-five dollar fee for such titles. Provides for the disposition of such fees.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. 42-6-110, Colorado Revised Statutes, 1984 Repl. Vol., is amended to read:

42-6-110. Sale to dealers - certificate need not issue.

(1) Upon the sale or transfer to a dealer of a motor vehicle for which a Colorado certificate of title has been issued, formal transfer and delivery of the certificate of title thereto shall be made as in other cases; except that, so long as the vehicle so sold or transferred remains in the dealer's

1 possession and at his place of business for sale and for no
2 other purpose, such dealer shall not be required to procure
3 the issuance of a new certificate of title thereto as is
4 otherwise required in this part 1.

(2) IN THE EVENT A MOTOR VEHICLE DEALER WISHES TO OBTAIN A NEW CERTIFICATE OF TITLE, SUCH DEALER MAY PRESENT THE OLD CERTIFICATE OF TITLE IN ACCORDANCE WITH SECTIONS 42-6-108 AND 42-6-109, WITH AN ADDITIONAL FEE OF TWENTY-FIVE DOLLARS AS PROVIDED UNDER SECTION 42-6-135, WHEREUPON, A NEW CERTIFICATE OF TITLE SHALL BE ISSUED TO SUCH DEALER ON THE SAME DAY OF APPLICATION.

SECTION 2. 42-6-135, Colorado Revised Statutes, 1984 Repl. Vol., is amended BY THE ADDITION OF A NEW SUBSECTION to read:

42-6-135. Fees. (6) Upon filing with the director or his authorized agent any application for a certificate of title, a motor vehicle dealer who applies to receive a certificate of title on the same day of application shall pay to the agent, in addition to the fees listed in subsection (1) of this section, a fee of twenty-five dollars.

SECTION 3. 42-6-136, Colorado Revised Statutes, 1984 Repl. Vol., is amended BY THE ADDITION OF A NEW SUBSECTION to read:

42-6-136. Disposition of fees. (4) The twenty-five dollar fee paid by a motor vehicle dealer to the authorized agent under section 42-6-135 (6) for a certificate of title issued on the same day of application, shall be kept and

1 retained by said agent to defray the costs thereof and shall
2 be disposed of by him as provided by law.

3 SECTION 4. Safety clause. The general assembly hereby
4 finds, determines, and declares that this act is necessary
5 for the immediate preservation of the public peace, health,
6 and safety.

A BILL FOR AN ACT

1 CONCERNING CHANGES IN ADMINISTRATIVE PRACTICES RELATING TO
 2 VEHICLES SUBJECT TO STATE REGULATION, AND IN CONNECTION
 3 THEREWITH INCREASING THE LETTER POSITIONS ON PERSONALIZED
 4 LICENSE PLATES, CHANGING THE MANNER OF CALCULATING
 5 SPECIFIC OWNERSHIP TAX ON MOBILE MACHINERY AND
 6 CONSTRUCTION EQUIPMENT, APPLYING PERJURY PENALTIES TO
 7 FALSE STATEMENTS ON CERTAIN TITLE DOCUMENTS, AND
 8 PROVIDING FOR COLLECTION OF EMISSIONS PROGRAM FEES FROM
 9 NONRESIDENT VEHICLE OWNERS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Increases the number of number and letter positions which may be displayed on personalized license plates.

Allows the department of revenue to take into account the time mobile machinery and self-propelled construction equipment is operated in Colorado in computing the specific ownership tax payable on such property. Requires county clerk and recorders to include the value of all equipment attached to mobile machinery in the calculation of annual specific ownership tax of such property.

Eliminates the requirement that certain documents dealing with motor vehicle and mobile home titles be notarized and provides for perjury penalties for false statements on such

documents. Authorizes the department of revenue to adopt rules and regulations for the collection of fees from nonresident owners of vehicles which are subject to emissions inspection and readjustment.

1 Be it enacted by the General Assembly of the State of Colorado:

2 SECTION 1. 42-3-112.1 (3), Colorado Revised Statutes,
 3 1984 Repl. Vol., is amended to read:

4 42-3-112.1. Issuance of personalized plates authorized.

5 (3) The personalized license plates shall be the same color
 6 and design as regular motor vehicle license plates, shall
 7 consist of numbers or letters, or any combination thereof, not
 8 exceeding six SEVEN positions and not less than two positions,
 9 and shall not conflict with existing passenger, commercial,
 10 trailer, motorcycle, or other special license plates series;
 11 except that personalized license plates bearing the words
 12 "street rod" shall be of a design determined by the executive
 13 director of the department which design shall be different
 14 from those used by the state for regular motor vehicle license
 15 plates.

16 SECTION 2. 42-3-106 (4) and (19) (e), Colorado Revised
 17 Statutes, 1984 Repl. Vol., are amended to read:

18 42-3-106. Taxable value of classes of property - rate of
 19 tax - when and where payable - department duties -

20 apportionment of tax collections. (4) In computing the
 21 amount of annual specific ownership tax payable on any item of
 22 Class A, or Class B, OR CLASS F personal property, the
 23 department may take into account the length of time such item

1 may be operated in intrastate or interstate commerce within
2 the state of Colorado, giving due consideration to any
3 reciprocal agreements relative to general property taxation of
4 such item as may exist between Colorado and other states and
5 also to the number of miles traveled by such item in each
6 state.

7 (19) (e) The county clerk and recorder shall ~~make a list~~
8 INCLUDE THE VALUE of all equipment which has been mounted on
9 or attached to Class F personal property ~~and included~~ in the
10 calculation of the annual specific ownership tax. ~~Such list~~
11 ~~shall be made available to the county assessor.~~

12 SECTION 3. 38-29-107, Colorado Revised Statutes, 1982
13 Repl. Vol., as amended, is amended to read:

14 38-29-107. Applications for certificates of title. In
15 any case under the provisions of this article wherein a person
16 who desires or who is entitled to a certificate of title to a
17 manufactured home is required to make formal application to
18 the director therefor, such applicant shall make application
19 upon a form provided by the director in which appears a
20 description of the manufactured home including the
21 manufacturer and model thereof, the manufacturer's number, the
22 date on which said manufactured home was first sold by the
23 dealer or manufacturer thereof to the initial user thereof,
24 and a description of any other distinguishing mark, number, or
25 symbol placed on said home by the manufacturer thereof for
26 identification purposes, as may by rule be required by the
27 director. Such application shall also show the applicant's

1 source of title and shall include a description of all known
2 mortgages and liens upon said manufactured home, each
3 including the name of the legal holder thereof, the amount
4 originally secured, the amount outstanding on the obligation
5 secured at the time such application is made, the name of the
6 county or city and county and state in which such mortgage or
7 lien instrument is recorded or filed, and proof of the fact
8 that no property taxes for previous years are due on such
9 manufactured home. Such proof shall be a certificate of taxes
10 issued by the county treasurer of the county in which the
11 manufactured home is located. Such application shall be
12 ~~verified~~ AFFIRMED BY AN AFFIDAVIT SIGNED by the applicant
13 ~~before a notary public~~ AND SHALL CONTAIN OR BE ACCOMPANIED BY
14 A WRITTEN DECLARATION THAT IT IS MADE UNDER THE PENALTIES OF
15 PERJURY IN THE SECOND DEGREE, AS DEFINED IN SECTION 18-8-503,
16 C.R.S.

17 SECTION 4. 38-29-112 (1), Colorado Revised Statutes,
18 1982 Repl. Vol., as amended, is amended to read:

19 38-29-112. Certificate of title - transfer. (1) Upon
20 the sale or transfer of a manufactured home for which a
21 certificate of title has been issued, the person in whose name
22 said certificate of title is registered, if he is other than a
23 dealer, shall, in his own person or by his duly authorized
24 agent or attorney, execute a formal transfer of the home
25 described in the certificate, which transfer shall be
26 ~~notarized~~ AFFIRMED BY AN AFFIDAVIT SIGNED BY THE PERSON IN
27 WHOSE NAME SAID CERTIFICATE OF TITLE IS REGISTERED OR BY HIS

1 DULY AUTHORIZED AGENT OR ATTORNEY AND SHALL CONTAIN OR BE
 2 ACCOMPANIED BY A WRITTEN DECLARATION THAT IT IS MADE UNDER THE
 3 PENALTIES OF PERJURY IN THE SECOND DEGREE, AS DEFINED IN
 4 SECTION 18-8-503, C.R.S. The purchaser or transferee, within
 5 thirty days thereafter, shall present such certificate, duly
 6 transferred, together with his application for a new
 7 certificate of title to the director or one of his authorized
 8 agents, accompanied by the fee required in section 38-29-138
 9 to be paid for the issuance of a new certificate of title;
 10 whereupon, a new certificate of title shall be issued and
 11 disposition thereof made as required in this article.

12 SECTION 5. 38-29-114, Colorado Revised Statutes, 1982
 13 Repl. Vol., as amended, is amended to read:

14 38-29-114. New manufactured homes - bill of sale -
 15 certificate of title. Upon the sale or transfer by a dealer
 16 of a new manufactured home, such dealer shall, upon the
 17 delivery thereof, make, execute, and deliver to the purchaser
 18 or transferee a good and sufficient bill of sale therefor,
 19 together with the manufacturer's certificate of origin. Said
 20 bill of sale shall be ~~notarized~~ AFFIRMED BY AN AFFIDAVIT
 21 SIGNED BY SUCH DEALER, SHALL CONTAIN OR BE ACCOMPANIED BY A
 22 WRITTEN DECLARATION THAT IT IS MADE UNDER THE PENALTIES OF
 23 PERJURY IN THE SECOND DEGREE, AS DEFINED IN SECTION 18-8-503,
 24 C.R.S., shall be in such form as the director may prescribe,
 25 and shall contain, in addition to other information which he
 26 may by rule from time to time require, the manufacturer and
 27 model of the manufactured home so sold or transferred, the

1 identification number placed upon the home by the manufacturer
 2 for identification purposes, the manufacturer's suggested
 3 retail price, and the date of the sale or transfer thereof,
 4 together with a description of any mortgage thereon given to
 5 secure the purchase price or any part thereof. Upon
 6 presentation of such a bill of sale to the director or one of
 7 his authorized agents, a new certificate of title for the home
 8 therein described shall be issued and disposition thereof made
 9 as in other cases. The transfer of a manufactured home which
 10 has been used by a dealer for the purpose of demonstration to
 11 prospective customers shall be made in accordance with the
 12 provisions of this section.

13 SECTION 6. The introductory portion to 38-29-117 (3),
 14 Colorado Revised Statutes, 1982 Repl. Vol., as amended, is
 15 amended to read:

16 38-29-117. Certificates for manufactured homes
 17 registered in other states. (3) Upon the sale by a dealer of
 18 a manufactured home, the certificate of title to which was
 19 issued in a state other than Colorado, the dealer shall
 20 immediately deliver to the purchaser or transferee such
 21 certificate of title from a state other than Colorado duly and
 22 properly endorsed or assigned to the purchaser or transferee,
 23 together with the dealer's ~~notarized~~ affidavit setting, WHICH
 24 SHALL CONTAIN OR BE ACCOMPANIED BY A WRITTEN DECLARATION THAT
 25 IT IS MADE UNDER THE PENALTIES OF PERJURY IN THE SECOND
 26 DEGREE, AS DEFINED IN SECTION 18-8-503, C.R.S., AND WHICH
 27 SHALL SET forth the following:

1 SECTION 7. 38-29-119 (1), Colorado Revised Statutes,
 2 1982 Repl. Vol., as amended, is amended to read:
 3 38-29-119. Furnishing bond for certificates. (1) In
 4 cases where the applicant for a certificate of title to a
 5 manufactured home is unable to provide the director or his
 6 authorized agent with a certificate of title thereto, duly
 7 transferred to such applicant, a bill of sale therefor, or
 8 other evidence of the ownership thereof which satisfies the
 9 director of the right of the applicant to have a certificate
 10 of title issued to him, as provided in section 38-29-110, a
 11 certificate of title for such home may, nevertheless, be
 12 issued by the director upon the applicant therefor furnishing
 13 the director with his affidavit, in such form as the director
 14 may prescribe. There shall appear a recital of the facts and
 15 circumstances by which the applicant acquired the ownership
 16 and possession of such home, the source of his title thereto,
 17 and such other information as the director may require to
 18 enable him to determine what liens and encumbrances are
 19 outstanding against such manufactured home, if any, the date
 20 thereof, the amount secured thereby, where said liens or
 21 encumbrances are of public record, if they are of public
 22 record, and the right of the applicant to have a certificate
 23 of title issued to him. The affidavit shall ~~be notarized~~
 24 CONTAIN OR BE ACCOMPANIED BY A WRITTEN DECLARATION THAT IT IS
 25 MADE UNDER THE PENALTIES OF PERJURY IN THE SECOND DEGREE, AS
 26 DEFINED IN SECTION 18-8-503, C.R.S., and shall accompany the
 27 formal application for the certificate as required in section

1 38-29-107.
 2 SECTION 8. The introductory portion to 38-29-131 (1),
 3 Colorado Revised Statutes, 1982 Repl. Vol., as amended, is
 4 amended to read:
 5 38-29-131. Release of mortgages. (1) Upon the payment
 6 or discharge of the undertaking secured by any mortgage on a
 7 manufactured home which has been filed for record and noted on
 8 the certificate of title in the manner prescribed in section
 9 38-29-128, the legal holder of the certificate of title, in a
 10 place to be provided therefor, shall make and execute such
 11 notation of the discharge of the obligation and release of the
 12 mortgage securing the same and set forth therein such facts
 13 concerning the right of the holder to so release said mortgage
 14 as the director may require by appropriate rule, which
 15 satisfaction and release shall be ~~notarized~~ AFFIRMED BY AN
 16 AFFIDAVIT SIGNED BY THE LEGAL HOLDER OF THE CERTIFICATE OF
 17 TITLE AND SHALL CONTAIN OR BE ACCOMPANIED BY A WRITTEN
 18 DECLARATION THAT IT IS MADE UNDER THE PENALTIES OF PERJURY IN
 19 THE SECOND DEGREE, AS DEFINED IN SECTION 18-8-503, C.R.S.
 20 Thereupon, the holder of the mortgage so released shall
 21 dispose of the certificate of title as follows:
 22 SECTION 9. 38-29-141, Colorado Revised Statutes, 1982
 23 Repl. Vol., as amended, is amended to read:
 24 38-29-141. Penalties. (1) No person may:
 25 (a) Sell, transfer, or in any manner dispose of a
 26 manufactured home in this state without complying with the
 27 requirements of this article.

1 (b) Knowingly-make-any-false--statement--of--a--material
 2 fact--in--his--application--for-a-certificate-of-title,-in-any
 3 written-transfer-thereof,-in-any--affidavit--required--to--be
 4 furnished--upon-an-application-for-a-title,-in-connection-with
 5 the-secured-financing-of-a--manufactured--home,-or--upon--the
 6 release-of-a-security-interest-in-a-manufactured-home.

7 (2) Any person who violates any of the provisions of
 8 subsection (1) of this section FOR WHICH NO OTHER PENALTY IS
 9 EXPRESSLY PROVIDED is guilty of a misdemeanor and, upon
 10 conviction thereof, shall be punished by a fine of not less
 11 than one hundred dollars nor more than five hundred dollars,
 12 or by imprisonment in the county jail for not less than ten
 13 days nor more than six months, or by both such fine and
 14 imprisonment.

15 SECTION 10. Article 29 of title 38, Colorado Revised
 16 Statutes, 1982 Repl. Vol., as amended, is amended BY THE
 17 ADDITION OF A NEW SECTION to read:

18 38-29-141.5. False oath. Any person who makes any
 19 application for a certificate of title, written transfer
 20 thereof, satisfaction and release, oath, affirmation,
 21 affidavit, report, or deposition required to be made or taken
 22 under any of the provisions of this article, and who, upon
 23 such application, transfer, satisfaction and release, oath,
 24 affirmation, affidavit, report, or deposition, swears or
 25 affirms willfully and falsely in a matter material to any
 26 issue, point, or subject matter in question, in addition to
 27 any other penalties provided in this article, is guilty of

1 perjury in the second degree, as defined in section 18-8-503,
 2 C.R.S.

3 SECTION 11. 42-6-109 (1), Colorado Revised Statutes,
 4 1984 Repl. Vol., as amended, is amended to read:

5 42-6-109. Certificate of title - transfer. (1) Upon
 6 the sale or transfer of a motor vehicle for which a
 7 certificate of title has been issued, the person in whose name
 8 said certificate of title is registered, if he is other than a
 9 dealer, shall, in his own person or by his agent or attorney
 10 thereunto duly authorized, execute a formal transfer of the
 11 vehicle described in the certificate, which transfer shall be
 12 subscribed--and--sworn--to--before--an--officer--authorized-to
 13 administer-oaths-in-the-state AFFIRMED BY AN AFFIDAVIT SIGNED
 14 BY THE PERSON IN WHOSE NAME SAID CERTIFICATE OF TITLE IS
 15 REGISTERED OR BY HIS DULY AUTHORIZED AGENT OR ATTORNEY AND
 16 SHALL CONTAIN OR BE ACCOMPANIED BY A WRITTEN DECLARATION THAT
 17 IT IS MADE UNDER THE PENALTIES OF PERJURY IN THE SECOND
 18 DEGREE, AS DEFINED IN SECTION 18-8-503, C.R.S. The purchaser
 19 or transferee, within forty-five days thereafter, shall
 20 present such certificate, duly transferred, together with his
 21 application for a new certificate of title to the director or
 22 one of his authorized agents, accompanied by the fee required
 23 in section 42-6-135 to be paid for the issuance of a new
 24 certificate of title; whereupon, a new certificate of title
 25 shall be issued and disposition thereof made as required in
 26 this part 1.

27 SECTION 12. 42-6-111, Colorado Revised Statutes, 1984

1 Repl. Vol., is amended to read:
2 42-6-111. New vehicles - bill of sale - certificate of
3 title. Upon the sale or transfer by a dealer of a new motor
4 vehicle, such dealer shall, upon the delivery thereof, make,
5 execute, and deliver unto the purchaser or transferee a good
6 and sufficient bill of sale therefor, together with the
7 manufacturer's certificate of origin. Said bill of sale shall
8 ~~be acknowledged before an officer--authorized--to--acknowledge~~
9 ~~deeds-to-real-property~~ AFFIRMED BY AN AFFIDAVIT SIGNED BY SUCH
10 DEALER, SHALL CONTAIN OR BE ACCOMPANIED BY A WRITTEN
11 DECLARATION THAT IT IS MADE UNDER THE PENALTIES OF PERJURY IN
12 THE SECOND DEGREE, AS DEFINED IN SECTION 18-8-503, C.R.S.,
13 shall be in such form as the director may prescribe, and shall
14 contain, in addition to other information which he may by rule
15 or regulation from time to time require, the make and model of
16 the motor vehicle so sold or transferred, the identification
17 number placed upon the vehicle by the manufacturer for
18 identification purposes, the manufacturer's suggested retail
19 price, and the date of the sale or transfer thereof, together
20 with a description of any mortgage thereon given to secure the
21 purchase price or any part thereof. Upon presentation of such
22 a bill of sale to the director or one of his authorized
23 agents, a new certificate of title for the vehicle therein
24 described shall be issued and disposition thereof made as in
25 other cases. The transfer of a motor vehicle which has been
26 used by a dealer for the purpose of demonstration to
27 prospective customers, if such motor vehicle is a new vehicle

1 as defined in section 42-6-102 (8), shall be made in
2 accordance with the provisions of this section.
3 SECTION 13. 42-6-113 (1), Colorado Revised Statutes,
4 1984 Repl. Vol., is amended to read:
5 42-6-113. Furnishing bond for certificates. (1) In
6 cases where the applicant for a certificate of title to a
7 motor vehicle is unable to provide the director or his
8 authorized agent with a certificate of title thereto, duly
9 transferred to such applicant, a bill of sale therefor, or
10 other evidence of the ownership thereof which satisfies the
11 director of the right of the applicant to have a certificate
12 of title issued to him, as provided in section 42-6-107, a
13 certificate of title for such vehicle may, nevertheless, be
14 issued by the director upon the applicant therefor furnishing
15 the director with his affidavit, in such form as the director
16 may prescribe. There shall appear a recital of the facts and
17 circumstances by which the applicant acquired the ownership
18 and possession of such vehicle, the source of his title
19 thereto, and such other information as the director may
20 require to enable him to determine what liens and encumbrances
21 are outstanding against such motor vehicle, if any, the date
22 thereof, the amount secured thereby, where said liens or
23 encumbrances are of public record, if they are of public
24 record, and the right of the applicant to have a certificate
25 of title issued to him. The affidavit shall ~~be subscribed and~~
26 ~~sworn--to--before--an--officer--authorized--to--administer--oaths--and~~
27 ~~affirmations--in--the--state~~ CONTAIN OR BE ACCOMPANIED BY A

1 WRITTEN DECLARATION THAT IT IS MADE UNDER THE PENALTIES OF
 2 PERJURY IN THE SECOND DEGREE, AS DEFINED IN SECTION 18-8-503,
 3 C.R.S., and shall accompany the formal application for the
 4 certificate as required in section 42-6-114.

5 SECTION 14. 42-6-114, Colorado Revised Statutes, 1984
 6 Repl. Vol., as amended, is amended to read:

7 42-6-114. Applications for certificates of title. In
 8 any case under the provisions of this part 1 wherein a person
 9 who desires or who is entitled to a certificate of title to a
 10 motor vehicle is required to make formal application to the
 11 director therefor, such applicant shall make application upon
 12 a form provided by the director in which appears a description
 13 of the motor vehicle including the make and model thereof, the
 14 manufacturer's number, the motor number, the date on which
 15 said motor vehicle was first sold by the dealer or
 16 manufacturer thereof to the initial user thereof, and a
 17 description of any other distinguishing mark, number, or
 18 symbol placed on said vehicle by the manufacturer thereof for
 19 identification purposes, as may by rule or regulation be
 20 required by the director. Such application shall also show
 21 the name and correct address of the owner determined pursuant
 22 to section 42-6-137 and the applicant's source of title and
 23 shall include a description of all known mortgages and liens
 24 upon said motor vehicle, each including the name of the legal
 25 holder thereof, the amount originally secured, the amount
 26 outstanding on the obligation secured at the time such
 27 application is made, and the name of the county, city or

1 county, and state in which such mortgage or lien instrument is
 2 recorded or filed. Such application shall be verified by AN
 3 AFFIDAVIT SIGNED BY the applicant ~~before an officer authorized~~
 4 ~~to administer oaths and affirmations in the state~~ AND SHALL
 5 CONTAIN OR BE ACCOMPANIED BY A WRITTEN DECLARATION THAT IT IS
 6 MADE UNDER THE PENALTIES OF PERJURY IN THE SECOND DEGREE, AS
 7 DEFINED IN SECTION 18-8-503, C.R.S.

8 SECTION 15. The introductory portion to 42-6-118 (3),
 9 Colorado Revised Statutes, 1984 Repl. Vol., is amended to
 10 read:

11 42-6-118. Certificates for vehicles registered in other
 12 states. (3) Upon the sale by a dealer of any motor vehicle,
 13 the certificate of title to which was issued in a state other
 14 than Colorado, the dealer shall immediately deliver to the
 15 purchaser or transferee such certificate of title from a state
 16 other than Colorado duly and properly endorsed or assigned to
 17 the purchaser or transferee, together with an affidavit by the
 18 dealer ~~subscribed and sworn to before an officer authorized to~~
 19 ~~administer oaths setting,~~ WHICH SHALL CONTAIN OR BE
 20 ACCOMPANIED BY A WRITTEN DECLARATION THAT IT IS MADE UNDER THE
 21 PENALTIES OF PERJURY IN THE SECOND DEGREE, AS DEFINED IN
 22 SECTION 18-8-503, C.R.S., AND WHICH SHALL SET forth therein
 23 THE FOLLOWING:

24 SECTION 16. The introductory portion to 42-6-124 (1),
 25 Colorado Revised Statutes, 1984 Repl. Vol., is amended to
 26 read:

27 42-6-124. Release of mortgages. (1) Upon the payment or

1 discharge of the undertaking secured by any mortgage on a
 2 motor vehicle which has been filed for record and noted on the
 3 certificate of title in the manner prescribed in section
 4 42-6-120, the legal holder thereof, in a place to be provided
 5 therefor, shall make and execute such notation of the
 6 discharge of the obligation and release of the mortgage
 7 securing the same and set forth therein such facts concerning
 8 the right of the holder to so release said mortgage as the
 9 director by appropriate rule or regulation from time to time
 10 may require, which satisfaction and release shall be
 11 ~~subscribed--and--sworn--to--by--such--holder--before--an--officer~~
 12 ~~authorized--by--law--to--administer--oaths~~ AFFIRMED BY AN AFFIDAVIT
 13 SIGNED BY THE LEGAL HOLDER OF THE CERTIFICATE OF TITLE AND
 14 WHICH SHALL CONTAIN OR BE ACCOMPANIED BY A WRITTEN DECLARATION
 15 THAT IT IS MADE UNDER THE PENALTIES OF PERJURY IN THE SECOND
 16 DEGREE, AS DEFINED IN SECTION 18-8-503, C.R.S. Thereupon, the
 17 holder of the mortgage so released shall dispose of the
 18 certificate of title as follows:

19 SECTION 17. 42-6-140, Colorado Revised Statutes, 1984
 20 Repl. Vol., is amended to read:

21 42-6-140. Penalties. (1) No person may:

22 (a) Sell, transfer, or in any manner dispose of a motor
 23 vehicle in this state without complying with the requirements
 24 of this part 1.

25 (b) ~~Knowingly--make--any--false--statement--of--a--material~~
 26 ~~fact--in--his--application--for--a--certificate--of--title,--in--any~~
 27 ~~written-transfer--thereof,--in--any--affidavit--required--to--be~~

1 ~~furnished--upon--an--application--for--a--title,--in--connection--with~~
 2 ~~the--secured--financing--of--a--motor--vehicle,--or--upon--the--release~~
 3 ~~of--a--security--interest--in--a--motor--vehicle.~~

4 (2) Any person who violates any of the provisions of
 5 subsection (1) of this section FOR WHICH NO OTHER PENALTY IS
 6 EXPRESSLY PROVIDED is guilty of a misdemeanor and, upon
 7 conviction thereof, shall be punished by a fine of not less
 8 than one hundred dollars nor more than five hundred dollars,
 9 or by imprisonment in the county jail for not less than ten
 10 days nor more than six months, or by both such fine and
 11 imprisonment.

12 SECTION 18. Part 1 of article 6 of title 42, Colorado
 13 Revised Statutes, 1984 Repl. Vol., as amended, is amended BY
 14 THE ADDITION OF A NEW SECTION to read:

15 42-6-141.5. False oath. Any person who makes any
 16 application for a certificate of title, written transfer
 17 thereof, satisfaction and release, oath, affirmation,
 18 affidavit, report, or deposition required to be made or taken
 19 under any of the provisions of this article, and who, upon
 20 such application, transfer, satisfaction and release, oath,
 21 affirmation, affidavit, report, or deposition, swears or
 22 affirms willfully and falsely in a matter material to any
 23 issue, point, or subject matter in question, in addition to
 24 any other penalties provided in this article, is guilty of
 25 perjury in the second degree, as defined in section 18-8-503,
 26 C.R.S.

27 SECTION 19. 42-4-313 (5), Colorado Revised Statutes,

1 1984 Repl. Vol., as amended, is amended to read:

2 42-4-313. Operation of inspection and readjustment
3 stations - fees. (5) ~~The fee charged in paragraph (a) of~~
4 ~~subsection (4) of this section will be charged to all~~
5 ~~nonresident vehicle owners subject to the inspection~~
6 ~~requirement of section 42-4-312 (1) (b.5).~~ THE DEPARTMENT OF
7 REVENUE SHALL PROMULGATE RULES AND REGULATIONS TO PROVIDE FOR
8 THE COLLECTION OF A FEE EQUAL TO THAT ESTABLISHED IN SECTION
9 42-3-123 (23) FROM THE NONRESIDENT OWNER OF EACH VEHICLE
10 SUBJECT TO THE INSPECTION REQUIREMENT OF SECTION 42-4-312 (1)
11 (b.5). Such fee shall be collected by the executive director
12 of the department of revenue and shall be transmitted to the
13 highway users tax fund in accordance with the provisions of
14 section 42-3-123 (23) (b).

15 SECTION 20. Repeal. 42-3-106 (20) (b) and (23),
16 Colorado Revised Statutes, 1984 Repl. Vol., are repealed.

17 SECTION 21. Safety clause. The general assembly hereby
18 finds, determines, and declares that this act is necessary
19 for the immediate preservation of the public peace, health,
20 and safety.

Highway Legislation Review Committee

A BILL FOR AN ACT

1 CONCERNING PORT OF ENTRY WEIGH STATIONS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Provides for the closure of port of entry weigh stations for certain federal holidays designated by the executive director of the department of revenue. Requires mobile port of entry weigh stations to be equipped with weighing equipment.

2 Be it enacted by the General Assembly of the State of Colorado:

3 SECTION 1. 42-8-104 (1), Colorado Revised Statutes, 1984
4 Repl. Vol., is amended to read:

5 42-8-104. Powers and duties. (1) The executive
6 director of the department of revenue shall issue such rules
7 and regulations as are deemed by him to be necessary to
8 implement this article and carry out its purposes. Said
9 executive director shall, to the fullest extent possible,
10 house department field offices at such places as port of entry
11 weigh stations are established. All permanent port of entry

1 weigh stations established under the authority of this article
2 shall be operated ~~continuously~~ and on a twenty-four-hour-a-day
3 basis, EXCEPT FOR CERTAIN FEDERAL HOLIDAYS AS DESIGNATED BY
4 THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE, and in
5 such manner as to reasonably allow owners and operators of
6 motor vehicles subject to fees, licenses, or taxes or to
7 regulations imposed by the state of Colorado to comply with
8 all such laws and regulations issued pursuant thereto by
9 clearance at a port of entry weigh station. All permanent
10 port of entry weigh stations, EITHER PERMANENT OR MOBILE,
11 shall be equipped with weighing equipment approved as to
12 accuracy by the division of inspection and consumer services
13 of the department of agriculture.

14 SECTION 2. Safety clause. The general assembly hereby
15 finds, determines, and declares that this act is necessary
16 for the immediate preservation of the public peace, health,
17 and safety.

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BILL 14

BY Highway Legislation Review Committee

A BILL FOR AN ACT

1 CONCERNING THE CHANGE OF DATES BY WHICH CERTAIN TAX RETURNS
2 RELATING TO MOTOR VEHICLES MUST BE FILED FROM A MONTHLY
3 BASIS TO A QUARTERLY BASIS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Changes the deadlines for filing gross ton-mile, passenger mile, and special fuel tax returns from the twenty-fifth day of each month to the last day of the month following each quarter of a year for the preceding quarter's taxes.

4 Be it enacted by the General Assembly of the State of Colorado:

5 SECTION 1. 39-27-205 (2) (a), Colorado Revised Statutes,
6 1982 Repl. Vol., is amended to read:

7 39-27-205. Tax collection. (2) (a) ~~Except as provided~~
8 ~~in paragraph (d) of this subsection (2),~~ Every person
9 authorized by the executive director to purchase special fuel
10 ex-tax under the provisions of section 39-27-202 (3) (b),
11 except such persons who qualify for ex-tax purchases under

1 section 39-27-202 (2) (a) or (2) (b), and every person who has
2 obtained a ton-mile or passenger-mile tax permit pursuant to
3 section 42-3-126, C.R.S., ~~1973,~~ where such permit relates to a
4 motor vehicle which is powered by special fuel, shall, on or
5 before the ~~twenty-fifth~~ LAST day of each ~~month~~ JANUARY, APRIL,
6 JULY, AND OCTOBER OF EACH YEAR, file with the executive
7 director a report stating the amount of special fuel, subject
8 to the tax imposed by this part 2, consumed by such person
9 during the prior THREE calendar ~~month~~ MONTHS, and such other
10 information relating to the use of special fuel for the
11 propulsion of a motor vehicle on the highways of this state as
12 the executive director may require. The executive director,
13 under rules and procedures established by him, may exempt from
14 the reporting requirement of this subsection (2) any motor
15 vehicle used exclusively within this state. Failure to receive
16 the authorized report form does not relieve such person from
17 the obligation of submitting a report to the executive
18 director setting forth all information required on the
19 prescribed report form. The report shall contain or be
20 accompanied by a written declaration that it is made under the
21 penalties of perjury in the second degree, as defined in
22 section 18-8-503, C.R.S. ~~1973.~~

23 SECTION 2. 42-3-125 (1) (a) and (1) (c) (I), Colorado
24 Revised Statutes, 1984 Repl. Vol., as amended, are amended to
25 read:

26 42-3-125. Taxpayer statements - payment of tax -
27 estimates - penalties - deposits - delinquency proceedings.

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BILL 15

1 (1) (a) Except as provided in paragraph (c) of this
 2 subsection (1), every owner or operator of a motor vehicle
 3 operated over any public highway of this state and required to
 4 pay the ton-mile or passenger-mile tax imposed by the
 5 provisions of section 42-3-123 shall, on or before the
 6 ~~twenty-fifth~~ LAST day of each ~~month~~ JANUARY, APRIL, JULY, AND
 7 OCTOBER OF EACH YEAR, file with the department, on forms
 8 prescribed by said department and the public utilities
 9 commission, a statement, subject to the penalties for perjury
 10 in the second degree, showing the name and address of the
 11 owner of the motor vehicles so operated, total miles traveled,
 12 and total tons of cargo and total number of passengers carried
 13 in this state during the preceding ~~month~~ THREE MONTHS and such
 14 other information as required by the department and the
 15 commission and shall compute and pay such tax; except that the
 16 executive director of the department may, in his discretion,
 17 authorize the filing of statements and the payment of tax
 18 computed thereon for periods in excess of ~~one--month~~ THREE
 19 MONTHS but not to exceed a period of twelve months.

20 (c) (1) Notwithstanding any other provision of this
 21 section to the contrary, any owner or operator of a motor
 22 vehicle required to pay the ton-mile tax imposed by the
 23 provisions of section 42-3-123 and required to file the
 24 statement required by paragraph (a) of this subsection (1)
 25 shall be required to pay annually, as a minimum, a gross
 26 ton-mile tax of one hundred fifty dollars with the ~~first~~
 27 ~~month's~~ return DUE ON OR BEFORE THE LAST DAY OF APRIL. If the

1 taxpayer is applying for a new gross ton-mile tax permit, such
 2 minimum payment shall be payable at the time of application
 3 and, if for less than a full calendar year, shall be prorated
 4 for the remainder of the year for which such permit is
 5 secured. Such minimum payment shall be nonrefundable. A
 6 taxpayer will not be required to pay any additional tax until
 7 such time as his accumulated unpaid tax exceeds such
 8 one-hundred-fifty-dollar minimum tax. ~~Returns may be filed on~~
 9 ~~a quarterly basis.~~ Accumulated information relative to the
 10 gross ton-mile tax, required to be kept by section 42-3-126,
 11 for those accounts not exceeding the minimum tax shall be
 12 submitted with the taxpayer's ~~first-month's~~ return DUE TO BE
 13 FILED ON OR BEFORE THE LAST DAY OF APRIL OF the following
 14 year.

15 SECTION 3. Repeal. 39-27-205 (2) (d), Colorado Revised
 16 Statutes, 1982 Repl. Vol., and 42-3-125 (1) (d), Colorado
 17 Revised Statutes, 1984 Repl. Vol., as amended, are repealed.

18 SECTION 4. Effective date. This act shall take effect
 19 _____.

20 SECTION 5. Safety clause. The general assembly hereby
 21 finds, determines, and declares that this act is necessary
 22 for the immediate preservation of the public peace, health,
 23 and safety.

BY Highway Legislation Review Committee

A BILL FOR AN ACT

1 CONCERNING PROCEDURES FOR REVOCATION AND SUSPENSION OF
2 DRIVER'S LICENSES.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments which may be subsequently adopted.)

Eliminates the provision that notice of revocation of a driver's license shall not be deemed to be received if the notice is returned by the postal authorities. Provides that where a driver's license is administratively revoked as a result of a person driving under the influence and where the same license is suspended or revoked as a result of a conviction for driving while ability impaired which conviction relates to the same occurrence, the revocation periods shall run concurrently. Provides that a hearing to determine whether a licensee's license should be suspended due to the number of points accumulated will be held only if the licensee desires such a hearing. Describes the hearing procedure for license revocations of habitual offenders.

3 Be it enacted by the General Assembly of the State of Colorado:

4 SECTION 1. 42-2-122.1 (3) (b) and (5) (c) (I), Colorado
5 Revised Statutes, 1984 Repl. Vol., as amended, are amended to
6 read:

7 42-2-122.1. Revocation of license based on

1 administrative determination. (3) (b) The notice of
2 revocation shall be mailed to the person at the last-known
3 address shown on the department's records, if any, and to the
4 address provided by the enforcement officer's report if that
5 address differs from the address of record. The notice is
6 deemed received three days after mailing. ~~unless returned by~~
7 ~~postal authorities.~~

8 (5) (c) (I) Where a license is revoked under subsection
9 (1.5) (a) (I) of this section and the person is also convicted
10 on criminal charges arising out of the same occurrence for a
11 violation of section 42-4-1202 (1) (a), (1)(b), or (1.5), both
12 the revocation under this section and any suspension,
13 revocation, cancellation, or denial which results from such
14 conviction shall be imposed, but the periods shall run
15 concurrently, and the total period of revocation, suspension,
16 cancellation, or denial shall not exceed the longer of the two
17 periods.

18 SECTION 2. 42-2-123 (8), Colorado Revised Statutes, 1984
19 Repl. Vol., is REPEALED AND REENACTED, WITH AMENDMENTS, to
20 read:

21 42-2-123. Authority to suspend license - to deny license
22 - type of conviction - points. (8) Except as otherwise
23 provided in subsection (8.5) of this section, whenever the
24 department's records show that a licensee has accumulated a
25 sufficient number of points to be subject to license
26 suspension, the department shall immediately suspend the
27 license of such driver, but such suspension shall not be

1 effective until twenty days after notification of such action
 2 has been mailed to such licensee by registered or certified
 3 mail, return receipt requested, at his last known address as
 4 shown by the records of the department. Proof of such mailing
 5 is sufficient notice under this section and shall be
 6 admissible in any court of record for prosecution under
 7 section 42-2-130. The notification of suspension shall recite
 8 therein that the licensee may apply for a hearing at any time
 9 within twenty days after the date of mailing of the order of
 10 suspension, and the licensee shall be advised that, if a
 11 hearing is applied for, the effective date of the order will
 12 be extended until after the hearing is held. Such notification
 13 shall also state therein the penalties for driving on a
 14 suspended license and the notification shall also inform the
 15 licensee that the period of suspension may be modified from
 16 the maximum period only at a hearing conducted by the
 17 department. If the driver fails to appear at such hearing
 18 without good cause, the department shall suspend the driver's
 19 license. Neither the licensee's failure to request a hearing
 20 prior to the effective date of the suspension nor his failure
 21 to appear at a hearing requested by him constitutes a waiver
 22 of his right to a hearing on the matter if the licensee
 23 subsequently request such a hearing.

24 SECTION 3. 42-2-203, Colorado Revised Statutes, 1984
 25 Repl. Vol., is REPEALED AND REENACTED, WITH AMENDMENTS, to
 26 read:

27 42-2-203. Authority to revoke license of habitual

1 offender. (1) The department has the authority to revoke the
 2 license of any person whose record brings him within the
 3 definition of an habitual offender in section 42-2-202; except
 4 that the hearing procedure shall be as specified in
 5 subsections (2) through (6) of this section prior to any such
 6 revocation.

7 (2) If a licensee is determined to be an habitual
 8 offender pursuant to subsection (1) of this section, the
 9 department shall notify such licensee that a hearing will be
 10 held not less than twenty days after the date of such notice
 11 to determine whether his driver's license should be revoked.
 12 Such notification shall be given to the licensee in writing by
 13 regular mail, addressed to the address of the licensee as
 14 shown by the records of the department.

15 (3) Revocation hearings ordered by the department shall
 16 be held at the district office of the department closest to
 17 the residence of the licensee. A hearing delay shall be
 18 granted by the department only if the licensee presents the
 19 department with good cause for such delay. Good cause shall
 20 include absence from the state or county of residence,
 21 personal illness, or any other circumstance which, in the
 22 department's discretion, constitutes sufficient reason for
 23 delay. In the event that a revocation hearing is delayed, the
 24 department shall set a new date for such hearing no later than
 25 sixty days after the date of the original hearing.

26 (4) Upon such hearing the department or its authorized
 27 agent may administer oaths, issue subpoenas for the attendance

1 of witnesses and the production of books and papers, and apply
2 to the district court for the enforcement thereof by contempt
3 proceedings.

4 (5) If at the hearing held pursuant to subsection (2) of
5 this section it appears that the record of the driver sustains
6 revocation as provided in this section, the department shall
7 immediately revoke such driver's license, and such license
8 shall then be surrendered to the department. If at such
9 hearing it appears that the record of the driver does not
10 sustain revocation, the department shall not revoke such
11 license.

12 (6) If the driver fails to appear at such hearing after
13 proper notification as provided in subsection (2) of this
14 section and a delay or continuance has not been requested and
15 granted as provided in subsection (3) of this section, the
16 department shall immediately revoke the license of such
17 driver, but such revocation shall not be effective until
18 twenty days after notification of such action has been mailed
19 to such licensee by registered or certified mail, return
20 receipt requested, at his last-known address as shown by the
21 records of the department. Proof of such mailing is sufficient
22 notice under this section and shall be admissible in any court
23 of record for prosecution under section 42-2-205. The
24 notification of revocation shall recite therein that the
25 licensee may apply for a hearing at any time within twenty
26 days after the date of mailing of the order of revocation, and
27 the licensee shall be advised that, if a hearing is applied

1 for, the effective date of the order will be extended until
2 after the hearing is held. Such hearing shall be held within
3 sixty days after application is made, and at said hearing it
4 shall be determined whether the order of revocation shall be
5 entered in the same manner as if the licensee had originally
6 appeared after first notice.

7 SECTION 4. Effective date - applicability. This act
8 shall take effect July 1, 1989, and shall apply to revocation
9 and suspension proceedings commenced on or after that date.

10 SECTION 5. Safety clause. The general assembly hereby
11 finds, determines, and declares that this act is necessary
12 for the immediate preservation of the public peace, health,
13 and safety.