

2022

Colorado's Transportation System: Infrastructure, Organization, Planning, and Funding



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Introduction

Colorado's transportation system consists of the state highway system, county and municipal roads, mass transit, airports, railroads, and bicycle and pedestrian routes. The system is primarily managed by the Colorado Department of Transportation (CDOT). Cities, counties, transit authorities, regional transportation authorities, public highway authorities, and other state agencies are also involved in managing portions of the system. The Colorado Transportation Commission provides direction to CDOT, a role authorized by the General Assembly in state law. Both state and local governments administer the transportation system using federal, state, and local funding.

This memorandum is divided into five sections, as follows:

- **Section 1** provides an overview of the state's transportation infrastructure.
- **Section 2** describes the entities involved in transportation planning, including the Transportation Planning Regions and Metropolitan Planning Organizations, the Statewide Transportation Advisory Committee, the Transportation Commission, state agencies, and the General Assembly.
- **Section 3** provides an overview of the transportation planning process in Colorado, including short- and long-term planning and project prioritization.
- **Section 4** discusses the state's transportation funding system, which is primarily supported through the Highway Users Tax Fund and federal funds.
- **Section 5** lists transportation-related reporting requirements to the General Assembly.

For information specific to motor vehicles, see the [Colorado Legislative Council Staff's Motor Vehicle Law Resource Book](#).

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Section 1: Colorado's Transportation Infrastructure

This section describes Colorado's transportation infrastructure, which consists of:

- the state highway system;
- county and municipal roads;
- public highway authorities;
- Express Lanes;
- the Regional Transportation District;
- regional transportation authorities;
- aviation;
- railroads; and
- bicycle and pedestrian routes.

State Highway System

Colorado's highway system includes interstate highways, U.S. highways, toll roads, and state highways. County and city roads are not part of the state highway system. As of 2022, the state highway system has 9,074 centerline miles and 22,996 total lane miles. Lane miles are calculated by measuring the centerline length of a road, and multiplying that number by the total number of lanes on the road. Over 33 billion annual vehicle miles traveled (AVMT) are logged on the Colorado state highway system annually.¹ The system also includes over 3,460 bridges.²

County and Municipal Roads

The [Colorado Department of Transportation](#), which is discussed further in Section 3, is primarily responsible for the state highway system, while counties and municipalities maintain their own network of roadways within their jurisdictions.

County roads. There are 64 counties in Colorado. County commissioners have the authority to design, alter, or discontinue any road running through their county. There are currently over 58,000 miles of county roads and over 3,000 county bridges in Colorado. A majority of counties have a road and bridge supervisor or engineer who oversees the county road department. However, commissioners in some rural counties may manage their own road departments. Counties may levy taxes and receive loans to build and repair county roads and bridges; any loans for this purpose must be approved by county voters.

Municipal roads. Colorado's 271 incorporated municipalities include 196 towns, 73 cities, and 2 consolidated city and county governments (Denver and Broomfield). The governing body of each municipality is responsible for the construction and maintenance of a city street system that includes all arterial and local service streets. Municipalities are also responsible for the maintenance of underground facilities in the street system, street illumination, and street cleaning at their own expense.³

¹ AVMT is a measurement that multiplies a daily traffic data count (collected through permanent automatic traffic recorders) by the length of a road segment and sums all segments in a geographical area of concern.

² CDOT Performance Plan, FY 2022-23: <https://www.codot.gov/performance/performance-plan>.

³ Section 43-2-135, C.R.S.

Intergovernmental agreements. CDOT is responsible for constructing and maintaining the state highway system that runs through a city or incorporated town. However, CDOT may enter into a contract with a city or incorporated town for the maintenance or construction of sections of the state highway system that run through it. Any municipality, county, or political subdivision can enter into an intergovernmental agreement with CDOT to contribute necessary funds to the department to accelerate the completion of state highway projects. Both the Transportation Commission and the governing body of the municipality, county, or political subdivision must approve intergovernmental agreements for state highway maintenance.⁴

Public Highway Authorities

Public highway authorities, authorized by the General Assembly in 1987, are political subdivisions that plan, design, and construct public highways.⁵ Authorities may establish, collect, and increase or decrease fees, tolls, rates, and charges on any public highway it finances, constructs, operates, or maintains. There are currently three public highway authorities organized in Colorado, two of which currently operate toll roads.

E-470. [E-470](#) is primarily a 75 mile-per-hour (mph), four-lane toll highway that runs about 47 miles along the eastern perimeter of the Denver metropolitan area, connecting I-25 North to I-25 South. E-470 was formed in 1985, opened its first segment in 1991, and was completed in 2003.

- **Members.** E-470's board of directors is composed of eight voting member jurisdictions, including: Adams, Arapahoe, and Douglas Counties, and the municipalities of Aurora, Brighton, Commerce City, Parker, and Thornton. Ex officio members include Weld County; the City and County of Broomfield; the cities of Arvada, Greeley, and Lone Tree; CDOT; the Denver Regional Council of Governments (DRCOG); and the RTD.
- **Cost of original construction.** The original construction cost of E-470 was \$416 million.
- **Infrastructure.** E-470 includes 101 bridge structures, 16 interchanges, 4 maintenance yards, 1 administrative building, 22 solar sites, and 44 toll points.
- **Funding.** E-470 is financed from bonds, toll revenues, investment income, and other non-toll revenues.
- **Operator.** The E-470 Public Highway Authority operates E-470.
- **Rates.** Toll rates for two-axle vehicles begin at \$1.25 and vary depending on distance traveled and whether ExpressToll or license plate tolling is used. Toll rates increase for vehicles with three to six axles and depending on the time of day.

Northwest Parkway. The [Northwest Parkway](#) is a 75 mph, four-lane toll highway that runs about nine miles through the northwest Denver metropolitan area, connecting E-470 at I-25 with US 36 at State Highway 128 in Broomfield. The Northwest Parkway was established in July 1999, opened to traffic in November 2003, and began tolling in January 2004.

- **Members.** The Northwest Parkway's board of directors includes the City and County of Broomfield and the City of Lafayette. Ex-officio members include Jefferson County, the City of Arvada, CDOT, RTD, and the Interlocken Metropolitan District.

⁴ Section 43-2-144, C.R.S.

⁵ Section 43-4-501, *et seq.*, C.R.S.

- **Cost of original construction.** The original construction cost of the Northwest Parkway was \$191 million.
- **Infrastructure.** The Northwest Parkway includes 23 bridge structures, 3 interchanges, 4 toll ramp plazas, 1 mainline toll plaza, 1 maintenance yard, 1 administrative building, and 7 solar sites.
- **Funding.** The Northwest Parkway is financed with revenue bonds and investment income. However, with traffic volumes less than forecast, the Northwest Parkway was leased to a private operator in 2007.
- **Operator.** The Northwest Parkway originally signed a 99-year [concession and lease agreement](#) with Northwest Parkway LLC — a joint venture between Brisa-AutoEstradas de Portugal, S.A., and Companhia de Concessões Rodoviárias — in November 2007. In 2017, a new ownership group assumed ownership of Northwest Parkway LLC. The new ownership is a joint venture between three companies: HICL Infrastructure Company Limited, based in Guernsey; DIF Infrastructure IV CooperatiefUA, a Dutch company; and Northleaf Infrastructure Capital Partners LP/Northleaf Infrastructure Capital Partners II LP, a Canadian company. The Northwest Parkway will still assume ownership at the end of the lease term.
- **Rates.** The [toll rate](#) is \$4.80 for the length of the road for a two-axle vehicle, and an additional \$4.80 per additional axle. In addition to accepting ExpressToll, the Northwest Parkway uses its own Go-Pass transponder system.

Jefferson Parkway. The Jefferson Parkway was established in May 2008 to complete the last unbuilt portion of the 470 beltway in the northwest quadrant of the Denver metropolitan area, connecting State Highway 128 to State Highway 93, through a public-private partnership. The right-of-way for the proposed toll road has been assembled, either through direct conveyance to Jefferson Parkway or to its member jurisdictions. The board of directors includes Jefferson County and the City of Arvada. RTD and the Regional Air Quality Council are ex officio members.

Express Lanes

CDOT, the Colorado Transportation Investment Office (CTIO), and its partners manage several high-occupancy vehicle and/or toll (HOV/HOT) lanes in the Denver metropolitan area and on I-70 in the mountains. These [Express Lanes](#) permit only vehicles carrying a specified number of persons (HOV) or that pay a toll (HOT). The CTIO currently contracts with Plenary Roads, primarily for the operation and maintenance of Express Lanes on US 36. The CTIO and CDOT also manage certain lanes.

ExpressToll. State law requires CDOT to standardize automatic vehicle identification system use on HOV/HOT lanes to ensure that drivers can purchase and install one electronic identification device, such as a transponder, to use on all toll facilities. As a result, the CTIO entered into a tolling services agreement with E-470 to provide tolling services through ExpressToll. Switchable transponders cost \$15, and a \$20 balance is required to open an online account. Free transponders are available for HOV-only travelers. Any driver using the Express Lanes without an ExpressToll transponder receives a license plate toll bill sent to the registered owner of the vehicle.

Toll rates. Express Lane toll rates vary depending on the time of day, and whether the vehicle owner uses an ExpressToll transponder or relies on license plate tolling. ExpressToll transponders also have an HOV setting that allows vehicles to travel toll-free. Any traveler may use Express Lanes for free with a motorcycle or if the vehicle has at least three passengers ([HOV3s](#)); through transit on either priority buses or bus rapid transit; or by paying a toll.

Regional Transportation District

The General Assembly created the RTD in 1969 to create, operate, and maintain a transit system in the RTD's service area.⁶ The RTD service area currently serves 3.08 million people in 2,342 square miles of service area, including all or part of the following eight counties: Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, Jefferson, and Weld. RTD has a governing board of directors with 15 elected members. Each director serves a four-year term representing districts of approximately 175,000 residents. For up-to-date facts and figures, visit [RTD by the Numbers](#) on RTD's website.

FasTracks. Voters in the district approved RTD's multi-billion dollar [FasTracks](#) program in 2004 to expand transit across the Denver metro region. This plan included 122 miles of new light and commuter rail and 18 miles of rapid transit bus service. FasTracks is funded through a combination of a voter-approved sales tax of 0.4 percent, public-private partnerships, and federal funding. As a result, [RTD's light and commuter rail system](#) is comprised of 12 rail lines and over 50 stations.

Fares. RTD fares depend on several factors, including zone of travel, discounts, and type of ticket package purchased. In addition, rides are free for children under five riding with a fare-paying adult and active duty members of the U.S. military. Fares and fare payment options are discussed in detail on the RTD website's [Fares](#) page.

Regional Transportation Authorities

Municipalities and counties may join together to create regional transportation authorities to finance, construct, operate, or maintain regional transportation systems, if the proposal is approved by registered electors within the boundaries of the proposed authority.⁷ Transportation planning organizations may also adopt a resolution to act as a regional transportation authority with authorization from the Division of Local Government in the Department of Local Affairs. Through a board, regional transportation authorities' finance, construct, operate, or maintain regional transportation systems within or outside of their established boundaries. If an authority's proposed transportation system affects, alters, or negatively affects the road systems controlled by CDOT, RTD, or any bordering entities, the impacted entity may enter into an intergovernmental agreement with the authority to address the identified services before submitting a proposal to registered electors. Regional transportation authority boards may also create local improvement districts (LIDs) within their boundaries to facilitate the financing, construction, operation, or maintenance of regional transportation system improvements.

State law authorizes regional transportation authorities to establish, collect, and increase or decrease tolls, rates, and charges to finance a transportation system. Authorities may levy sales taxes, impose an annual motor vehicle registration fee, levy a visitor benefit tax, impose a property tax, establish regional transportation activity enterprises, and issue bonds. Authority taxation questions and multi-year debt questions must be submitted to the registered electors residing within the authority's boundaries for approval. The Colorado Department of Revenue collects and administers the sales tax on behalf of the authorities.

⁶ Section 32-9-101, *et seq.*, C.R.S.

⁷ Section 43-4-601, *et seq.*, C.R.S.

Five regional transportation authorities currently exist in the state. Table 1 provides an outline of current and past authorities, with a description of their membership and current tax rates.

Table 1
Regional Transportation Authority Sales, Use, and Property Tax Rates
 2022

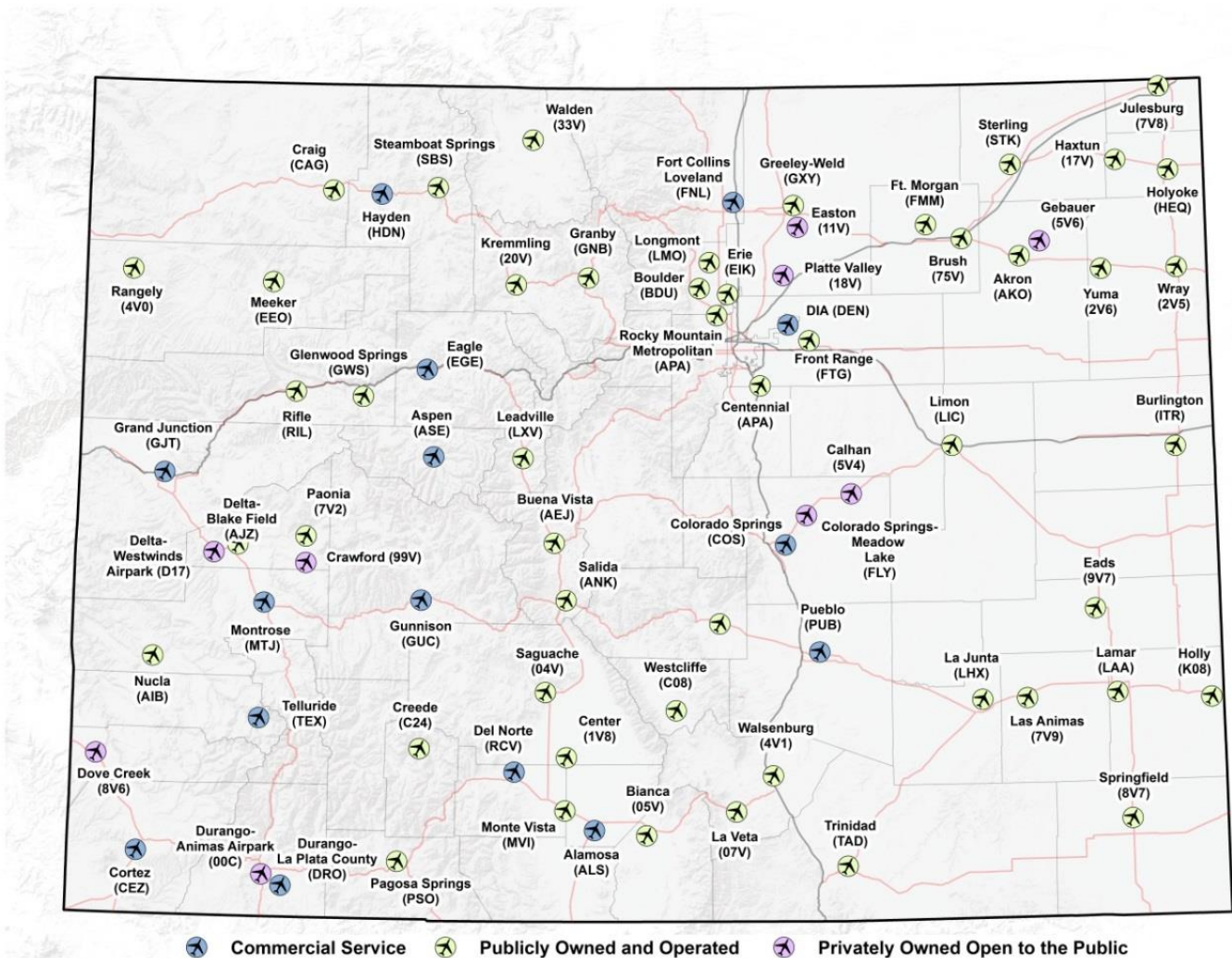
Active Regional Transportation Authorities				
Authority	Member Municipalities and Counties	Sales Tax Rate	Use Tax Rate	Property Tax Rate
Aerotropolis	Adams County	None	None	5.00 mills
Eagle Valley	Eagle County, Beaver Creek, Vail, Avon, Minturn, Red Cliff and Eagle	0.5%	None	None
Gunnison Valley	Gunnison County, excluding the municipalities of Marble, Ohio, Pitkin, and Somerset	1.0%	None	None
Pikes Peak	El Paso County, excluding the municipalities of Calhan, Fountain, Monument, and Palmer Lake	1.0%	1.0%	None
Roaring Fork	Cities of Basalt and New Castle	0.8%	0.8%	2.65 mills
	Cities of Carbondale and Glenwood Springs	1.0%	1.0%	2.65 mills
	Cities of Aspen and Snowmass Village, and unincorporated Pitkin County	0.4%	0.4%	2.65 mills
	Areas of unincorporated Eagle County in the El Jebel area and outside the city limits of Carbondale	0.6%	0.6%	2.65 mills
San Miguel	Dolores County	0.25%	None	0.750 mills
	San Miguel County			0.775 mills
South Platte Valley	City of Sterling	0.1%	0.1%	None
Former Regional Transportation Authorities				
Authority	Member Municipalities and Counties	Sales Tax Rate	Use Tax Rate	Property Tax Rate
Baptist Road*	A portion of the city of Monument. It stopped collecting sales and use tax on July 1, 2016, and dissolved in December 2016.	1.0%	1.0%	None

Sources: Colorado Department of Revenue; Department of Local Affairs, Property Tax Division.

Aviation

Colorado currently has [76 public-use airports](#). Of these, 14 are commercial service airports, 60 are general aviation airports, and 2 are seaplane bases. The map in Figure 1 shows where commercial service and general aviation airports are located.

Figure 1
Colorado's Aviation System



Sources: ESRI, USGS, NOAA. Prepared by Legislative Council Staff.

Division of Aeronautics. The state's Division of Aeronautics' mission is to develop an effective air transportation system and enhance aviation safety and education. It does this through the administration of the Colorado Aviation Fund under the direction of the Colorado Aeronautical Board.⁸ See the transportation funding section later in this memorandum for more information about the aviation fund. The division's [annual report](#) provides an overview of current statewide aviation initiatives.

⁸ Section 43-10-101, *et seq.*, C.R.S.

Colorado Aeronautical Board. The Colorado Aeronautical Board is the policymaking body that oversees the operation of the Division of Aeronautics and has responsibility for the Colorado Discretionary Aviation Grant program. It is comprised of seven Governor-appointedees representing defined constituencies in the aviation community. Board members are limited to no more than two, three-year terms.

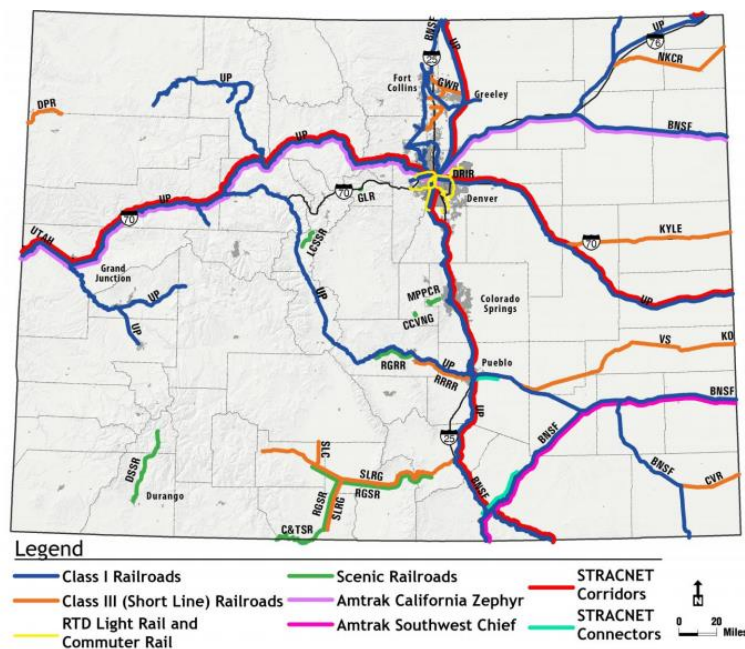
Denver International Airport. Denver City and County owns and operates Denver International Airport (DIA). Under Denver's municipal code, Denver's Department of Aviation is responsible for the management, operation, and control of the airport, which is managed by a mayoral appointee. DIA is an enterprise for the purposes of the Taxpayer's Bill of Rights (TABOR) and has the authority to issue its own revenue bonds. Beginning in 2014, an Airport Management Advisory Committee, composed of industry, business, and government members, advises DIA and the mayor about management, policy, and strategic planning. Committee members serve voluntary one-year terms. More information can be found [here](#).

Railroads

Colorado's rail system consists of a freight rail network and a limited passenger rail network. The 2018 Colorado Freight and Passenger Rail Plan may be found on CDOT's website, [rail plan](#).

Freight rail system. Fourteen privately owned freight railroads operate in Colorado. These freight railroads collectively own more than 2,600 miles of track. BNSF Railway and Union Pacific Railroad carry a majority of the rail freight in the state and operate over 80 percent of the miles of track. The other 12 freight railroads are short line railroads that provide localized connections between BNSF and Union Pacific, and primarily serve the agricultural industry. The freight rail network currently serves 48 out of 64 Colorado counties. Figure 2 provides an overview of Colorado's rail system.

**Figure 2
Colorado's Rail System**



Source: [Colorado Freight and Passenger Rail Plan, 2018, CDOT](#).

Passenger railroads. Amtrak is currently the only provider of long-distance passenger rail service in Colorado. The two Amtrak lines that provide service in Colorado are the California Zephyr, which runs between Chicago and San Francisco, and the Southwest Chief, which operates between Chicago and Los Angeles.

Front Range Passenger Rail District. In 2021, following several studies on the feasibility of passenger rail along the Front Range, [Senate Bill 21-238](#) created the [Front Range Passenger Rail District](#) to plan, design, develop, finance, construct, operate, and maintain a new interconnected passenger rail system along the Interstate 25 corridor. This authority will include the power to exercise taxing authority, levy a sales and use tax of up to 0.8 percent, collect fares and fees, and issue bonds. It may also exercise eminent domain; create station improvement districts near existing and proposed passenger rail stations; enter into public-private partnerships; provide retail and commercial goods and services at passenger rail stations; and employ its own personnel or contract with other entities for operation and maintenance of the system.

Scenic railroads. Colorado has eight scenic railroads that operate on standard or narrow gauge tracks (with one operating on a cog rail system), as shown in Table 2 below.

Table 2
Colorado's Scenic Railroads

Scenic Railroad	Route Miles Operated	Period of Operation
Cripple Creek and Victor Narrow Gauge Railroad	4	Mid-May through Mid-October
Cumbres and Toltec Railroad	63	Late-May through Mid-October
Durango and Silverton Narrow Gauge Railroad	45	Year-round
Georgetown Loop Railroad	4	Late April through December
Leadville Colorado and Southern Railroad	22	Late May through Early October
Manitou and Pikes Peak Railway Company	9	Year-round
Rio Grande Scenic Railroad	62	Late May through October
Royal Gorge Route Railroad	12	Late May through December

Source: Colorado Department of Transportation.

Bicycle and Pedestrian Routes

The Transportation Commission routinely considers the needs of bicyclists and pedestrians when planning, designing, and operating transportation facilities in the state, and integrates existing and potential bicycle and pedestrian use into the overall statewide transportation planning process. CDOT also administers federal bicycle and pedestrian programs, like [Safe Routes to School](#).

CDOT has committed to spend a small portion of the state's construction budget on bike and pedestrian programs, including infrastructure. [CDOT's Bicycle and Pedestrian program](#) manages public awareness campaigns, such as [Share the Road](#), and maintains a variety of publications, including the [Colorado Bicycling Manual](#) and an interactive and printed [Bicycling and Scenic Byways map](#). In addition, a portion of Great Outdoors Colorado's lottery revenue is used for trails.

State law classifies bicycles as vehicles and details the rules for operating a bicycle.⁹ The law does not require the licensing of bicycles, but when operating bicycles on streets and highways within incorporated cities and towns, cyclists are subject to local ordinances regulating the operation of bicycles.¹⁰

⁹ Section 42-4-1412, C.R.S.

¹⁰ Section 42-4-1412 (1), C.R.S.

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Section 2: Entities Involved in Transportation Planning

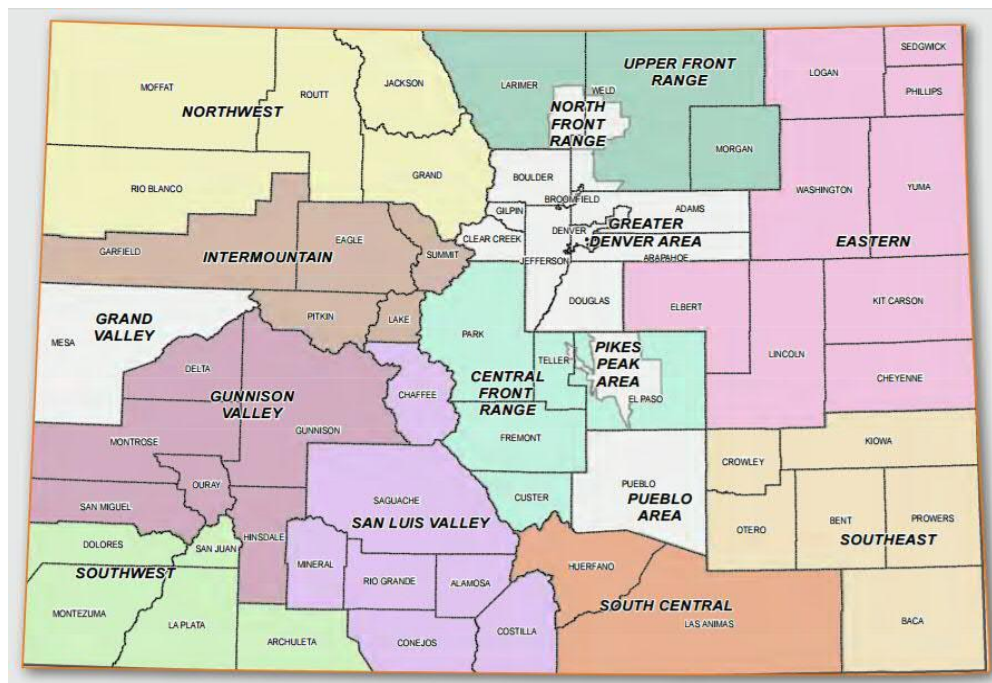
This section highlights the entities involved in transportation planning, including:

- Transportation Planning Regions and Metropolitan Planning Organizations;
- the Statewide Transportation Advisory Committee;
- the Colorado Transportation Commission;
- the Colorado Department of Transportation;
- the Colorado Energy Office;
- the Colorado Department of Public Health and Environment;
- the Colorado Public Utilities Commission; and
- the General Assembly.

Transportation Planning Regions and Metropolitan Planning Organizations

There are ten Transportation Planning Regions (TPRs) and five Metropolitan Planning Organizations (MPOs) in Colorado. These planning regions identify transportation priorities within their region, which are incorporated into the Statewide Transportation Plan. Figure 3 provides a map of these regions.

Figure 3
Colorado's Transportation Planning Area Regions



Source: Colorado Department of Transportation.

For the regions identified below, a government organization represents the planning region:

- **Central Front Range TPR** – Upper Arkansas Area Council of Governments
- **Greater Denver Area MPO** – Denver Regional Council of Governments
- **Gunnison Valley TPR** – Region 10 League for Economic Assistance and Planning

- **Pikes Peak Region MPO** – Pikes Peak Area Council of Governments
- **Pueblo Area MPO** – Pueblo Area Council of Governments
- **South Central TPR** –South Central Council of Governments
- **Southeast TPR** – Southeast Colorado Enterprise Development
- **Southwest TPR** – Southwest Regional Council of Governments

One member of each region serves on the Statewide Transportation Advisory Committee.

Statewide Transportation Advisory Committee

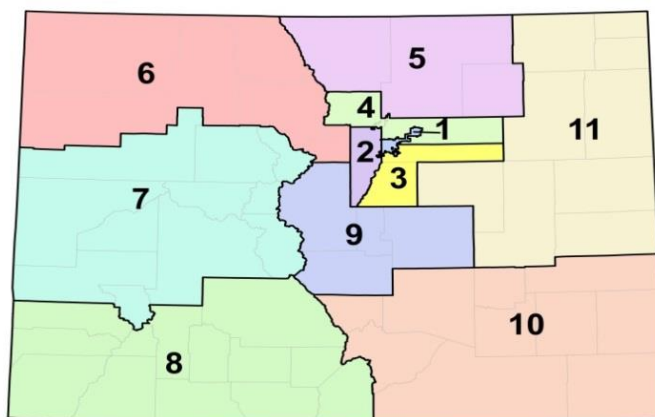
The 17-member [Statewide Transportation Advisory Committee \(STAC\)](#) advises CDOT on statewide transportation needs and offers review and comments on all regional transportation plans, as well as the Statewide Transportation Plan. In addition to a representative from each of the state's planning regions, a representative from both the Southern Ute Indian Tribe and the Ute Mountain Ute Indian Tribe in southwest Colorado serve on the committee. The committee meets monthly in Denver.

Colorado Transportation Commission

The decision-making authority for the majority of state transportation revenue rests with the Transportation Commission, created in state law in 1913.¹¹ The commission sets budgetary priorities for and gives policy direction to CDOT.

The [Transportation Commission](#) consists of 11 nonpartisan commissioners, appointed by the Governor and confirmed by the Senate, each representing a corresponding district whose boundaries are defined in state law and shown in Figure 4.

Figure 4
Transportation Commission Districts



Source: Colorado Department of Transportation.

Commission members serve four-year terms and must reside in the districts they represent. The commission must meet at least eight times per year. The Governor, CDOT's executive director, the commission chair, or a majority of the commission's members may call special meetings. Commission members receive \$75 per meeting, along with expenses.

¹¹ Section 43-1-106, C.R.S.

The Transportation Commission has the following powers and duties, listed below by category.

- **General powers and duties.** The Transportation Commission is responsible for formulating the general policy related to the management, construction, and maintenance of the state highway system. The commission promulgates and adopts CDOT's budgets and programs. It has the authority to set and change short-term and long-term budget priorities, allowing it to shift funding among projects and regions within the state.
- **CDOT oversight.** The Transportation Commission prescribes the administrative policies for the executive director and chief engineer of CDOT. These officials are required to provide the commission information it requests for studying transportation problems or regarding departmental operations. The commission is also responsible for:
 - preparing an inventory of property held by CDOT, determining the benefits of disposing of properties, and directing CDOT to dispose of properties that are unlikely to be used;
 - cooperating with CDOT in complying with capital construction long-range planning;
 - defining the succession process for CDOT administrative officers; and
 - maintaining two CDOT oversight committees, including the Audit Review Committee and the Efficiency and Accountability Committee.
- **Interagency and intergovernmental cooperation.** The Transportation Commission is responsible for working with agencies and local government entities as follows:
 - providing services, information, and consultation with boards of county commissioners;
 - cooperating with Colorado Parks and Wildlife and its associated commission in the construction, maintenance, and improvement of roads serving state parks and recreation areas, and recreational trails along the state highway system;
 - cooperating with other states or independent entities to develop transportation studies and new transportation technology; and
 - seeking intergovernmental agreements between CDOT and local governments to maximize the efficiency of state transportation systems.
- **Rulemaking.** The Transportation Commission is responsible for general rulemaking to carry out its duties. The General Assembly has also tasked the commission with creating the following programs and policies by rule:
 - creating the Emerging Small Business Program to promote the participation of such businesses in highway construction;
 - designating certain lanes on state highways as diamond lanes for use by buses, vanpools, and carpools;
 - promulgating rules for the administration of the Transportation Infrastructure Revolving Fund; and
 - creating and disseminating policies requiring CDOT to notify the public and affected neighborhoods and businesses about transportation projects, including notification requirements for contractors and impact mitigation.

- **Studies.** Pursuant to state law, the Transportation Commission is responsible for developing studies to guide CDOT policy. In addition, several specific studies have been required over time, including studies related to: toll feasibility; the construction of a highway beltway in the Denver metropolitan area; bus regulation; existing and future state transportation systems; the application of traffic systems management and intelligent vehicle highway systems; increasing speed limits; transportation network companies; and hazardous materials transportation near Loveland Pass.

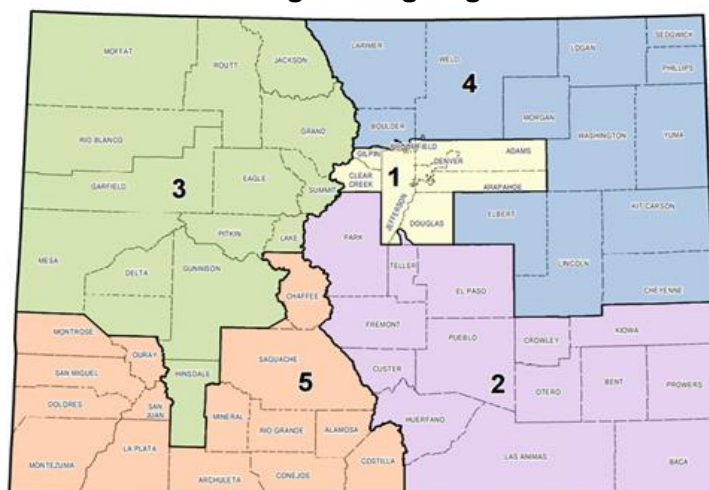
Colorado Department of Transportation

The [Colorado Department of Transportation](#) provides the strategic planning for the statewide transportation system and is tasked with promoting coordination between different modes of transportation.¹² CDOT is responsible for the construction and maintenance of the state highway system, which includes federal interstate highways, U.S. highways, state highways, and bridges. The department also supports statewide aviation and operates Bustang, Pegasus, and Snowstang, which are regional express bus services.

Structure. CDOT is led by an executive director who is tasked with planning, developing, constructing, and coordinating an integrated transportation system in cooperation with federal, regional, local, and private organizations. The executive director leads the executive management team, which includes the deputy executive director, division and office directors, the regional transportation director, and the chief engineer.

Regions. CDOT is divided into five engineering regions. Regional transportation directors report to the chief engineer, and each director is responsible for implementing and managing CDOT's activities within his or her geographic area. These activities include the design, construction, inspection and management of all construction projects in a region. Figure 5 shows the five engineering regions in Colorado.

Figure 5
CDOT Engineering Regions



Source: Colorado Department of Transportation.

¹² Section 43-1-101, et seq., C.R.S.

Enterprises. CDOT oversees four enterprises. The state constitution defines an enterprise as a government-owned business that has authority to issue revenue bonds and receives less than 10 percent of its revenue from state and local government sources.¹³ Revenue to an enterprise is exempt from the state's constitutional spending (TABOR) limit.

- **Statewide Bridge and Tunnel Enterprise.** The Statewide Bridge and Tunnel Enterprise finances, repairs, reconstructs, and replaces designated bridges and completes tunnel projects in the state.¹⁴ The enterprise is authorized to impose a bridge safety surcharge, bridge and tunnel impact fee, and bridge and tunnel retail delivery fee at rates reasonably calculated to defray the costs of completing bridge and tunnel projects. Members of the Transportation Commission serve as the board of directors of this enterprise.
- **Colorado Transportation Investment Office.** The Colorado Transportation Investment Office (CTIO), which replaced the High Performance Transportation Enterprise, pursues innovative means of transportation finance through public-private partnerships, operation of concession agreements, and fee-based projects.¹⁵ The CTIO may impose user fees on a highway segment or highway lanes that have previously served vehicular traffic on a fee-free basis. The CTIO must follow a public outreach process, which includes collaboration with local governments, the public, and the planning regions.
- **Clean Transit Enterprise.** The Clean Transit Enterprise (CTE) reduces and mitigates the adverse environmental and health impacts of air pollution and greenhouse gas (GHG) emissions from motor vehicles making retail deliveries.¹⁶ CTE may impose a retail delivery fee; issue grants and provide rebates; and issue revenue bonds to accomplish its business. The enterprise supports the electrification of public transit through the award of grants, loans, or rebates.
- **Nonattainment Area Air Pollution Mitigation Enterprise.** The Nonattainment Area Air Pollution Mitigation Enterprise (NAAPME) mitigates the environmental and health impacts of increased air pollution in areas that are not meeting air quality goals due to growing retail deliveries and prearranged rides.¹⁷ Enterprise funding is for eligible projects that reduce traffic, including demand management projects that encourage alternatives to driving alone or that directly reduce air pollution, such as retrofitting of construction equipment, construction of roadside vegetation barriers, and planting trees in medians. The enterprise may impose a per ride and retail delivery fee; issue grants, loans, and rebates; and issue revenue bonds.

Environmental goals. Starting July 1, 2022, CDOT and metropolitan planning organizations must consider the environmental and health impacts of large regional projects on low income, minority, or housing cost-burdened communities or other identified areas. Additional planning rules and regulations for projects include considering air quality and reducing greenhouse gas emissions and vehicle miles traveled.

The [Colorado Clean Truck Strategy](#) is a multi-agency partnership that transitions medium- and heavy-duty trucks to low- and zero-emissions alternatives to fight climate change, improve air quality, and help low income, minority, or housing cost-burdened communities. Transitioning to alternatives

¹³ Colo. Const. art X, § 20 (2)(d).

¹⁴ Section 43-4-805 (1)(b)(I), C.R.S.

¹⁵ Section 43-4-806, C.R.S.

¹⁶ Section 43-4-1203, C.R.S.

¹⁷ Section 43-4-1303, C.R.S.

involves investing in charging infrastructure; creating incentives for truck fleets to transition to zero emission vehicles; and helping school districts and transit agencies switch to electric buses. Stakeholders, the public, and the department created a strategy to accelerate clean truck adoption that recognizes the increasing importance of freight to the economy.

Colorado Energy Office

The Colorado Energy Office focuses on reducing greenhouse gas emissions and consumer energy costs by advancing clean energy, energy efficiency, and zero emission vehicles.

Community Access Enterprise. The Community Access Enterprise supports the widespread adoption of electric motor vehicles.¹⁸ The enterprise will fund electric vehicle charging and hydrogen fueling station infrastructure and the adoption of electric motor vehicles and bikes in low income, minority, or housing cost-burdened communities. The enterprise may charge a community access retail delivery fee and issue bonds to fund enterprise work. Loans, rebates, or grants may be provided by the enterprise for electric motor vehicle charging infrastructure; electric bikes or scooters; the adoption of electric motor vehicles; and to increase the overnight charging capability of electric motor vehicles rented to drivers working for transportation network companies.

Colorado Department of Public Health and Environment

The Colorado Department of Public Health and Environment (CDPHE) provides public health and environmental protection services. Programs relevant to transportation are administered by the Air Pollution Control Division. The Air Quality Control Commission and Motor Vehicle Emissions Division are responsible for motor vehicle emissions programs, which are discussed in the Motor Vehicle Law Resource Book referenced in the Introduction section of this handbook.

Clean Air Transit Options. The Clean Air Transit Options program provides state employees with transportation choices to reduce traffic congestion and promote clean air.¹⁹ Options include passes for bus or light rail or carpooling. State agencies finance transit options using their existing appropriations.

Electrifying School Buses Grant Program. The Electrifying School Buses Grant Program provides funds to schools to develop plans to convert internal combustion engine fleets to electric buses; to purchase electric buses; and to pay for infrastructure to support electric buses, such as charging stations or upgrades to electrical to allow charging.²⁰ Funding priorities include low income, minority, or housing cost-burdened communities. Additional priorities include schools in nonattainment areas or students receiving free or reduced lunch through a school lunch program.

Enterprises. CDPHE oversees two enterprises, the Clean Fleet Enterprise and Air Quality Enterprise.

- **Clean Fleet Enterprise.** The Clean Fleet Enterprise incentivizes and supports electric motor vehicles and other technologies for owners and operators of government and business motor vehicle fleets, including fleets of contractors that provide retail delivery or rides.²¹ The enterprise

¹⁸ Section 24-38.5-303, C.R.S.

¹⁹ Section 25-7-901 *et seq.*, C.R.S.

²⁰ Section 25-7-1401 *et seq.*, C.R.S.

²¹ Section 25-7.5-101 *et seq.*, C.R.S.

may impose a per ride and retail delivery fee and receive appropriations; donations; grants; and gifts. The enterprise provides funds through grants, rebates, or loans to incentivize, support, and accelerate the adoption of electric motor vehicles into fleets. Additional work includes assessing and implementing cleaner technology to support electrification; developing strategies for electrification; researching and assessing innovative and emerging emission strategies for vehicles and engines to modernize and improve testing and inspection services; and reducing exposure to emissions for low income, minority, or housing cost-burdened communities.

- **Air Quality Enterprise.** The Air Quality Enterprise conducts science-based air quality modeling, monitoring, assessment, data analysis, and research related to the emission of air pollutants.²² The enterprise may establish fees and issue revenue bonds to conduct enterprise programs. Enterprise fees may be related to air pollution emission; air quality modeling, monitoring, assessment or research; and emission mitigation project services.

Colorado Public Utilities Commission

The Colorado Public Utilities Commission (PUC) within the Department of Regulatory Agencies regulates passenger carriers, such as taxis, shuttles, charter buses, and transportation network companies, vehicle towing and booting companies, and the state's railroad infrastructure.²³

The PUC regulates the following types of vehicular passenger carriers:

- **Common carriers.** Common carriers provide a means of transportation or related service in a vehicle that indiscriminately carries passengers for compensation, with the exception of large-market taxicab services.
- **Contract carriers.** Contract carriers provide a means of passenger transportation over any public highway in the state with a special contract (i.e., hotel shuttles).
- **Limited regulation carriers.** Limited regulation carriers include charter scenic buses, luxury limousines, children's activity buses, fire-crew transport, Medicaid client transport, off-road scenic charters, and large-market taxicab services.
- **Transportation network companies (TNCs).** TNCs provide ride-hailing services that rely upon a mobile application to pair drivers with riders. Uber, Lyft, and HopSkipDrive are currently permitted to operate as TNCs in Colorado. TNCs that provide services to students under a contract with schools or government entities must meet additional requirements.

Levels of PUC oversight. Common and contract carriers are subject to the regulation of rates, routes, services, and market entry, in addition to insurance and safety requirements. Limited regulation carriers and TNCs are not subject to regulation of their rates, routes, services, or market entry. Table 3 shows the level of PUC oversight for each type of carrier.

²² Section 25-7-103.5, C.R.S.

²³ Section 40-2-101, *et seq.*, C.R.S.

Table 3
Level of PUC Oversight by Carrier Type

Carrier Type	Safety	Insurance	Operational Standards	Rates	Routes	Services	Market Entry
Common	✓	✓	✓	✓	✓	✓	✓
Contract	✓	✓	✓	✓	✓	✓	✓
Limited Regulation	✓	✓	✓				
TNCs	✓	✓	✓				

Source: Public Utilities Commission.

See the Legislative Council Staff memorandum on [State Regulation of Passenger Carrier Services, Taxis, and Transportation Network Companies](#) for more information.

Vehicle Towing and Booting. Towing Carriers are subject to permit, rate, insurance, and bonding requirements.²⁴ Additionally, a 14-member Towing Task Force provides recommendations and advice to the PUC and legislature on various aspects related to the regulation of towing carriers. More information is available in this [LCS issue brief](#).

Railroads. The [Federal Railroad Administration](#) is responsible for compliance and enforcement in operating practices, track, signal and train control, equipment, and hazardous materials. The federal [Surface Transportation Board](#) maintains economic jurisdiction over railroads that are part of the national railroad system, and this board is charged with resolving railroad service disputes and reviewing proposed railroad mergers.-

While the federal government has preempted most areas of railroad safety, the PUC currently has primary jurisdiction over all public highway-rail crossings. Additionally, the PUC is responsible for the oversight of the safety and security of rail fixed guideway systems within the state, which includes any light, heavy, and rapid rail systems, monorail, inclined plane, funicular, trolley, or automated guideway system used to transport passengers that are not regulated by the federal government.

General Assembly

Subject to certain constitutional limitations,²⁵ the General Assembly has determined the methods of administering and financing Colorado's transportation system in state law by:

- outlining the state transportation planning process;
- establishing and determining the roles and responsibilities of CDOT and the Transportation Commission;
- identifying revenue sources and financing for state highway construction and maintenance; and
- determining the distribution of state funding to CDOT and Colorado's local governments.

While the Transportation Commission serves a fiduciary role by declaring and adopting transportation construction and program budgets, it does not have the authority to raise tax revenue; this power is retained by the General Assembly and the voters.

²⁴ Section 40-10.1-401 *et seq.*, C.R.S.

²⁵ Colo. Const. art. X, §18.

Section 3: Transportation Planning in Colorado

This section describes how regional and statewide transportation plans are created and how transportation projects are prioritized. Specifically, these plans include:

- regional transportation plans;
- the Statewide Transportation Plan; and
- the Statewide Transportation Improvement Program.

Regional Transportation Plans

The state's transportation planning process begins at the regional level. CDOT gathers input from the 15 planning regions to develop [regional transportation plans](#) for each region. The plans typically establish a region's long-term transportation investment priorities, and are incorporated in the Statewide Transportation Plan.

Statewide Transportation Plan

State law requires CDOT to produce a 20-year plan, updated every five years. The current [Statewide Transportation Plan \(2045\)](#) was updated in 2020 and estimates needs and revenue through 2045. The plan outlines CDOT's overall funding plan, identifies the future needs of Colorado's transportation system, establishes CDOT's vision and goals for the state, and outlines strategies to achieve these goals. In addition, in the spring of 2022, CDOT updated its priority projects in the [ten-year strategic project pipeline](#).

Statewide Transportation Improvement Program

Federal regulations require CDOT to develop a [Statewide Transportation Improvement Program \(STIP\)](#), which is a four-year planning document for state transportation projects. CDOT updates this plan annually. Projects included in the annual plan come from the 20-year statewide transportation plan.

The Transportation Commission takes various factors into account when prioritizing projects, such as funding interplay, highway safety issues, regional priorities, and the balance of long- and short-term benefits of specific projects. Federal regulations also require Colorado's five Metropolitan Planning Organizations (MPOs) to create their own transportation improvement programs. Each individual MPO creates its own formal process for improvement plan development, and these are integrated into CDOT's annual improvement plan without modification.

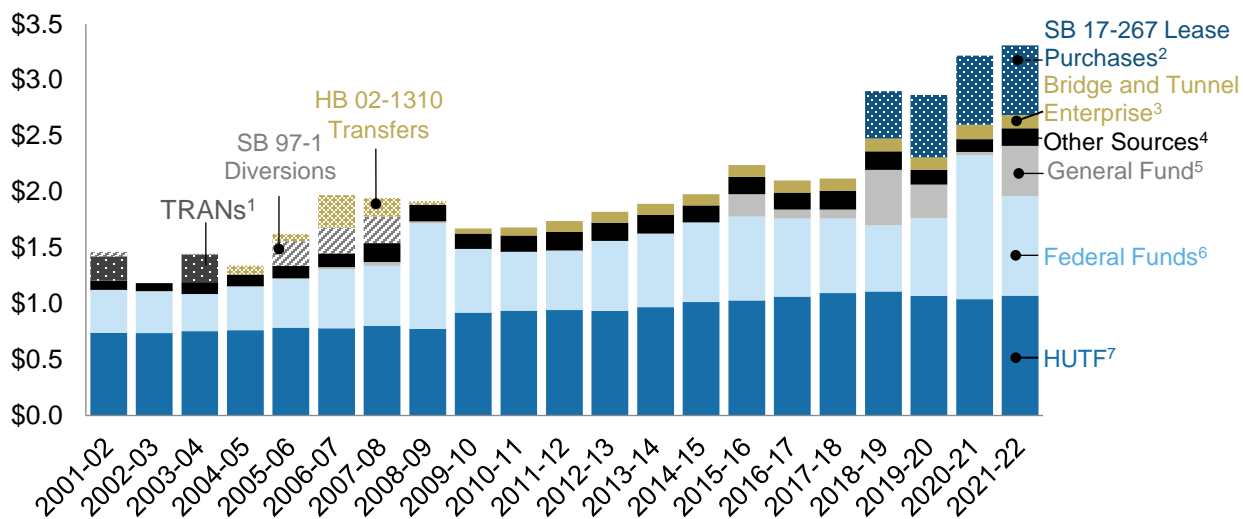
Before the Transportation Commission adopts the annual improvement plan, it releases a draft document for public review and comment, which includes a public hearing. The Transportation Commission receives and incorporates comments prior to final adoption of this plan. After adoption, the improvement plan is sent to the Federal Highway Administration and the Federal Transit Administration for final approval. Subsequent to its approval, the plan may be amended. Any major change requires public review and federal approval.

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Section 4: State Transportation Funding

This section provides an overview of state transportation funding, which primarily comes from the Highway Users Tax Fund (HUTF) and federal funds. The Colorado Constitution requires that all vehicle registration fees, fines related to the operation of a motor vehicle on Colorado's public highways, or any motor fuel taxes be used for the construction, maintenance, and supervision of the state highway system. Any taxes charged on aviation fuel must be used exclusively for aviation purposes.²⁶ Within these constitutional limitations, the General Assembly may determine the sources of transportation revenue²⁷ and the distribution of this revenue for statewide and local programs. Figure 6 shows a 20-year history of the major state sources of funding for Colorado's transportation system. Each funding source is described in greater detail below.

Figure 6
Major Sources of Funding for the Colorado Transportation System
Dollars in Billions



Sources: Office of the State Controller and Colorado Department of Transportation.

Note: Funding sources exclude revenue collected by regional transit authorities and local governments.

¹CDOT sold Transportation Revenue Anticipation Notes (TRANS) as a means of generating revenue between FY 1999-00 and FY 2003-04. All TRANS revenue has been spent. Debt service on TRANS was paid with money from the federal government and state matching funds; the final debt service payment occurred in FY 2016-17.

²SB 17-267 requires the execution of lease-purchase agreements on state buildings over four fiscal years beginning in FY 2018-19 and ending in FY 2021-22. The fourth tranche of agreements was executed during FY 2021-22 and generated \$624.4 million for transportation projects.

³Includes revenue from the Statewide Bridge and Tunnel Enterprise (formerly the Statewide Bridge Enterprise). The Colorado Bridge Enterprise Fund was created pursuant to Senate Bill 09-108 (FASTER) and expanded in Senate Bill 21-260.

⁴Revenue directly credited to the State Highway Fund, as well as other non-HUTF sources of revenue.

⁵Includes transfers authorized in HB 16-1416, SB 17-262, SB 17-267, SB 18-001, SB 19-262, SB 19-263, HB 20-1376, and SB 21-260 (excluding American Rescue Plan Act funds).

⁶Federal funds include \$404.2 million in American Recovery and Reinvestment Act (ARRA) funds in FY 2008-09 and \$380 million in American Rescue Plan Act (ARPA) funds in FY 2020-21 transferred in SB 21-260. This also includes \$39.8 million from the Coronavirus Aid, Relief, & Economic Security (CARES) Act in FY 2019-20 and \$212.6 million from the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) in FY 2020-21.

⁷HUTF revenue includes additional registration fees paid pursuant to Senate Bill 09-108 (FASTER) beginning in FY 2009-10.

²⁶ Colo. Const. art. X, § 18.

²⁷ Colo. Const. art. X, § 20 (4)(a) requires that the state obtain voter approval to create a new tax, increase a tax rate, extend an expiring tax, or change tax policy in a way that causes a net tax revenue gain.

Highway Users Tax Fund

The Highway Users Tax Fund (HUTF) is the primary source of state highway system funding in Colorado. Preliminary, unaudited revenue to the fund totaled \$1.1 billion in FY 2021-22. Revenue to the fund comes from the following sources:

- **Motor fuel taxes.** State motor fuel excise taxes make up the largest share of fund revenue. Excise taxes are levied on a per-gallon basis at 22 cents per gallon for gasoline and 20.5 cents per gallon for diesel fuel. In FY 2021-22, revenue from these taxes totaled \$633.3 million. The Colorado Constitution requires that any motor fuel taxes be used for the construction, maintenance, and supervision of the state highway system.²⁸
- **Registration fees.** Motor vehicle registration fees make up the second largest share of fund revenue. Registration fees are based on the age and weight of the vehicle registered. Notably, registration fees differ from the specific ownership tax, revenues from which are credited to local governments. Registration fees include the apportionment of interstate motor carrier fee revenue under the International Registration Plan, a reciprocal agreement among states. In FY 2021-22, registration fee revenue totaled \$387.8 million, including additional registration fees passed in 2009.²⁹
- **Road usage fee.** Beginning in April 2023, a new fee of 2 cents per gallon is assessed on all motor fuel. The fee will increase by one cent on July 1 each year until reaching 8 cents per gallon in FY 2028-29. Beginning in FY 2032-33, the road usage fee level will be adjusted for inflation.
- **HUTF retail delivery fee.** Beginning on July 1, 2022, a 27 cent fee is assessed on retail deliveries for any items that are subject to the state sales tax. Of this 27 cents, 5.97 cents of each delivery is credited to the HUTF. The fees will be adjusted for inflation in future years.
- **Other HUTF receipts.** Other fund revenue comes from driver license fees, court fines, and interest earnings. In FY 2021-22, revenue from these sources totaled \$51.5 million.

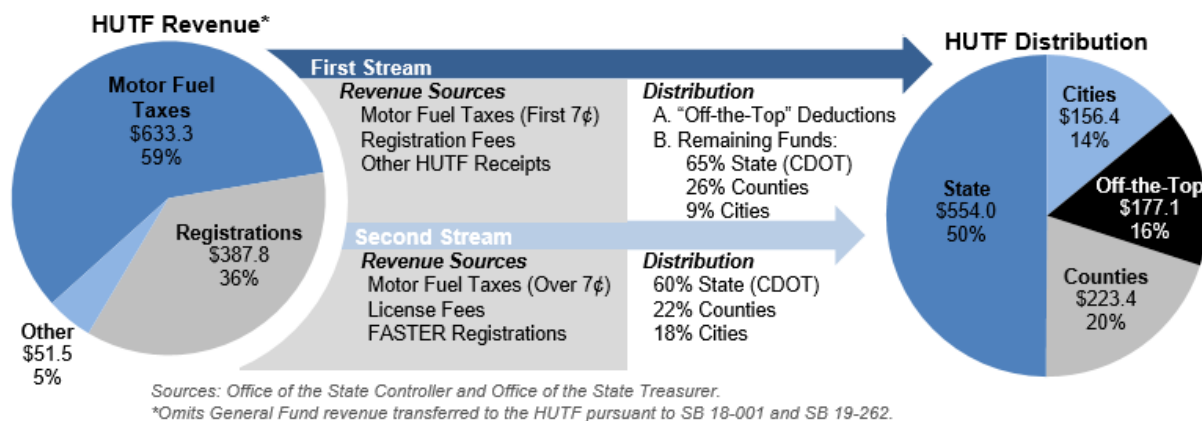
HUTF revenue is allocated to CDOT, the Department of Public Safety, the Department of Revenue, the Department of Natural Resources, counties, and municipalities based on statutory formulas.³⁰ Figure 7 shows the sources and distribution of revenue in the fund.

²⁸ Colo. Const. art. X, § 18.

²⁹ Senate Bill 09-108.

³⁰ Sections 43-4-205 to 208, C.R.S.

Figure 7
HUTF Revenue and Distributions, FY 2021-22
Dollars in Millions



Funding streams. Revenue to the HUTF is separated into “first stream” and “second stream” depending on the source of the revenue, as shown in Figure 7. The revenue from the two streams is distributed based on different formulas. Prior to the first stream distribution, appropriations are made “off-the-top” to the Department of Revenue for highway-related functions and to the Department of Public Safety for the Colorado State Patrol.

Remaining first stream revenue is distributed to CDOT (65 percent), counties (26 percent), and municipalities (9 percent). Second stream revenue is distributed to CDOT (60 percent), counties (22 percent), and municipalities (18 percent).

- **State Highway Fund.** The State Highway Fund (SHF) is administered by CDOT and receives the state's share of HUTF distributions and federal funds. The fund also generates its own revenue, primarily from interest earnings on the fund balance and local government matching funds to federal transportation funding programs. The SHF is the primary account used for maintenance of the state's highway system.
- **County distribution.** Counties received 20 percent of total HUTF revenue in FY 2021-22. The revenue is distributed to counties based on the number of motor vehicle registrations in each city or town (80 percent weight) and the number of road miles in each city or town (20 percent weight).
- **City distribution.** Cities received 14 percent of HUTF revenue in FY 2021-22. The revenue is distributed to cities as outlined below.

The first \$86.7 million is distributed as follows:

- \$69.7 million based on the FY 1987-88 county allocation, and
- \$17.0 million to 17 specific counties.

The remaining funds are allocated based on:

- the number of unincorporated road miles in each county (60 percent weight),
- number of motor vehicle registrations in unincorporated areas (15 percent weight),
- number of motor vehicle registrations in the entire county (15 percent weight), and
- square footage of deck on bridges longer than 20 feet (10 percent weight).

Federal Funds

Congress authorizes the expenditure of federal funds by state and local governments through multi-year transportation funding acts. The most recent authorization, the Infrastructure Investment and Jobs Act (IIJA), was signed into law on November 15, 2021. The IIJA is expected to increase funding for existing programs by 20 to 30 percent per year compared to FY 2020-21 levels, resulting in approximately \$585.0 million in new transportation revenue to Colorado from existing programs over five years. The act also creates four new formula-based transportation programs that are expected to provide \$465.0 million in total over five years to Colorado. In FY 2021-22, Colorado received \$886.8 million from federal sources. The IIJA distributes money for the following purposes described below.

- **National Highway Performance Program.** The National Highway Performance Program is the largest federal aid highway program and is used to support the national highway system. Funding is formula-based and can be used to maintain and construct the national highway system.
- **Surface Transportation Block Grant Program.** Surface transportation block grants are the most flexible federal funding source. Grants can be used for projects including highways, transit, bridges, tunnels, and pedestrian infrastructure. The funds are allocated between states and local governments.
- **Congestion mitigation and air quality.** Congestion mitigation and air quality funding is directed to programs and projects that reduce emissions and help meet Clean Air Act requirements. This includes signal improvements, HOV lanes, and turning lanes.
- **Bridge Formula Program.** This is a new program established by IIJA to replace, rehabilitate, preserve, protect, and construct highway bridges on federal highways or public roads. Fifteen percent of each states' apportionment is set aside for "off-system" bridges (highway bridges located on public roads, other than bridges located on federal-aid highways).
- **Highway Safety Improvement Program.** Safety improvement funds are aimed at reducing traffic fatalities and injuries on public roads. Some of these funds are formula-based and aimed at improving driver behavior. Other safety funds are competitively awarded in a number of areas, including impaired driving, occupant protection, and distracted driving.

Additional ongoing federal transportation funds. Colorado also receives federal money for various other purposes, including:

- maintaining a highway freight network;
- reducing transportation emissions;
- financing innovative transportation infrastructure;
- improving resiliency of transportation infrastructure;
- deploying electric vehicle charging stations;
- public transportation; and
- accelerating project construction.

Federal funds are distributed to states from the federal Highway Trust Fund, which collects motor fuel taxes and truck-related taxes (truck and trailer sales, truck tires, and heavy vehicle use). Highway Trust Fund disbursements are paid to states based on formulas in federal law.

Pandemic relief federal funds. In addition to the ongoing federal funding described above, Colorado also received one-time funds for transportation from the Coronavirus Aid, Relief, and Economic Security (CARES) Act; Coronavirus Response and Relief Supplemental Appropriations Acts (CRRSAA); and the American Rescue Plan Act of 2021 (ARPA).

- **CARES Act.** The CARES Act was signed into law on March 27, 2020, and authorized \$25.0 billion in transit funding for the nation. The funds were allocated primarily to urbanized areas, rural areas (the funding for which comes through the state), and tribes through existing formula programs. CDOT received \$39.8 million from the CARES act, and an additional \$285.5 million was provided to local governments, Metropolitan Planning Organizations (MPOs), and tribes.³¹
- **CRRSAA.** CRRSAA was signed into law on December 27, 2020, and provided an additional \$14.0 billion for transit and \$9.8 billion for flexible highway spending for the nation. Of the transit revenue, CDOT will receive \$78.4 million, and an additional \$205.7 million will be provided to urban transit agencies such as RTD. The majority of CDOT's portion of these funds are to be used for transit outside of urbanized areas. Of the highway revenue, CDOT received \$134.2 million, which may be used for maintenance, operations, and personnel.³¹
- **ARPA.** Colorado Senate Bill 21-260 allocated \$380.0 million for transportation. Of this amount, \$161.4 million went to the Multimodal Transportation and Mitigation Options Fund for multimodal projects; \$159.5 million went to the SHF for shovel-ready highway projects; \$36.5 million went to the HUTF to be distributed to local governments; \$22.2 million went to the SHF for the Revitalizing Main Streets program; and \$0.5 million was earmarked for the Burnham Yard rail property.

Other Sources of State Transportation Revenue

Smaller sources of transportation revenue include the aviation fuel tax, highway safety-related fees and fines, other registration fees, enterprise fees, and transportation bonds.

Aviation Fund. The state's aviation fund is comprised solely of excise and sales tax revenue on aviation fuels sold at Colorado airports, collected by the Colorado Department of Revenue. The fund is administered by the Division of Aeronautics within CDOT. Tax revenue includes a 6 cent per gallon fuel excise tax on fuel used by smaller propeller-driven aircraft, a 4 cent per gallon jet fuel excise tax, and a 2.9 percent sales tax on the retail cost of jet fuel. Any taxes charged on aviation fuel must be used exclusively for aviation purposes.³² Aviation Fund revenue is shared between the local governments that own airports and CDOT. Local governments use their share of aviation fuel tax revenue to maintain and operate 76 airports across the state. CDOT uses its share of this revenue to provide discretionary grants to airports and fund the operation of the CDOT aeronautics division. In FY 2021-22, \$46.4 million in revenue was generated to this fund.

³¹ Colorado Department of Transportation. "FY 2023-24 Proposed Budget Allocation Plan".

³² Colo. Const. art. X, § 18.

Highway safety revenue. Revenue to transportation also comes from statutory fees charged for the Law Enforcement Assistance Fund, and from fines for driving under the influence or driving while ability impaired. Revenue from these sources is generally used to fund traffic signals and statewide public safety campaigns. Revenue is shared with the Judicial Branch, the Department of Public Health and Environment, and the Division of Motor Vehicles in the Department of Revenue. In FY 2021-22, revenue from these fees and fines totaled \$6.7 million.

Other registration fees. In addition to the registration fees paid to the HUTF, a number of additional fees are charged when a motor vehicle is registered. These include: Emergency Medical Services fees, emissions inspection fees, motorcycle and motor vehicle license fees, and Police Officer Standards and Training Board fees. Revenue from these fees totaled \$82.4 million in FY 2021-22.

Statewide Bridge and Tunnel Enterprise. The Statewide Bridge and Tunnel Enterprise (BTE) was formerly known as the Statewide Bridge Enterprise; it was expanded in Senate Bill 21-260 to include repair and maintenance on tunnels in addition to bridges starting in FY 2022-23. The BTE is funded by a charge of between \$13 and \$32 collected when vehicles are registered as determined by vehicle weight. Additionally, Senate Bill 21-260 authorized a bridge and tunnel impact fee imposed on diesel fuel and 2.7 cents of the retail delivery fee to bolster BTE revenue. Revenue for the enterprise totaled \$117.4 million in FY 2021-22, and is expected to grow to \$145.2 million in FY 2022-23 based on CDOT's FY 2023-24 Proposed Budget Allocation Plan.

Colorado Transportation Investment Office. Revenue to the CTIO, formerly known as the High-Performance Transportation Enterprise, comes from Express Lane tolls and fines collected on certain sections of I-25 and I-70, federal grants, interest income, and miscellaneous smaller sources. Toll revenue has increased as more express lanes managed by the CTIO come online. In FY 2021-22, the CTIO collected \$33.1 million in tolls, fees and interest. Toll revenue collected by the CTIO do not include tolls collected by vendors under public-private partnerships, such as tolls collected on US 36 between Denver and Boulder or on I-25 in Denver.

Nonattainment Area Air Pollution Mitigation Enterprise. The NAAPME was created in Senate Bill 21-260 with the purpose of mitigating transportation-related environmental and health impacts in nonattainment areas. The enterprise is funded by a 22.5 cent air pollution mitigation ride fee imposed on passenger rides provided by transportation network companies such as Uber and Lyft, and 0.7 cents of the retail delivery fee. The enterprise is expected to bring in \$7.1 million in FY 2022-23 based on CDOT's FY 2023-24 Proposed Budget Allocation Plan.

Clean Transit Enterprise. The CTE was created by Senate Bill 21-260 with the purpose of supporting the transition of public transit vehicles from gas and diesel to electric motor vehicles. The enterprise is funded by 3 cents of the retail delivery fee. The enterprise is expected to bring in \$8.3 million in FY 2022-23 based on CDOT's FY 2023-24 Proposed Budget Allocation Plan.

Transportation bonds. In 1999, Colorado voters authorized CDOT to borrow up to \$1.7 billion by selling Transportation Revenue Anticipation Notes (TRANs), with a maximum repayment cost of \$2.3 billion. TRANs proceeds were exempt from the TABOR revenue limit and could be used only for 28 prioritized statewide projects. The use of TRANs allowed CDOT to accelerate construction on these projects, including the widening of I-25 in Denver (T-REX). CDOT issued a total of \$1.5 billion in installments from 2000 through 2011, with a total repayment cost of \$2.3 billion. The final debt

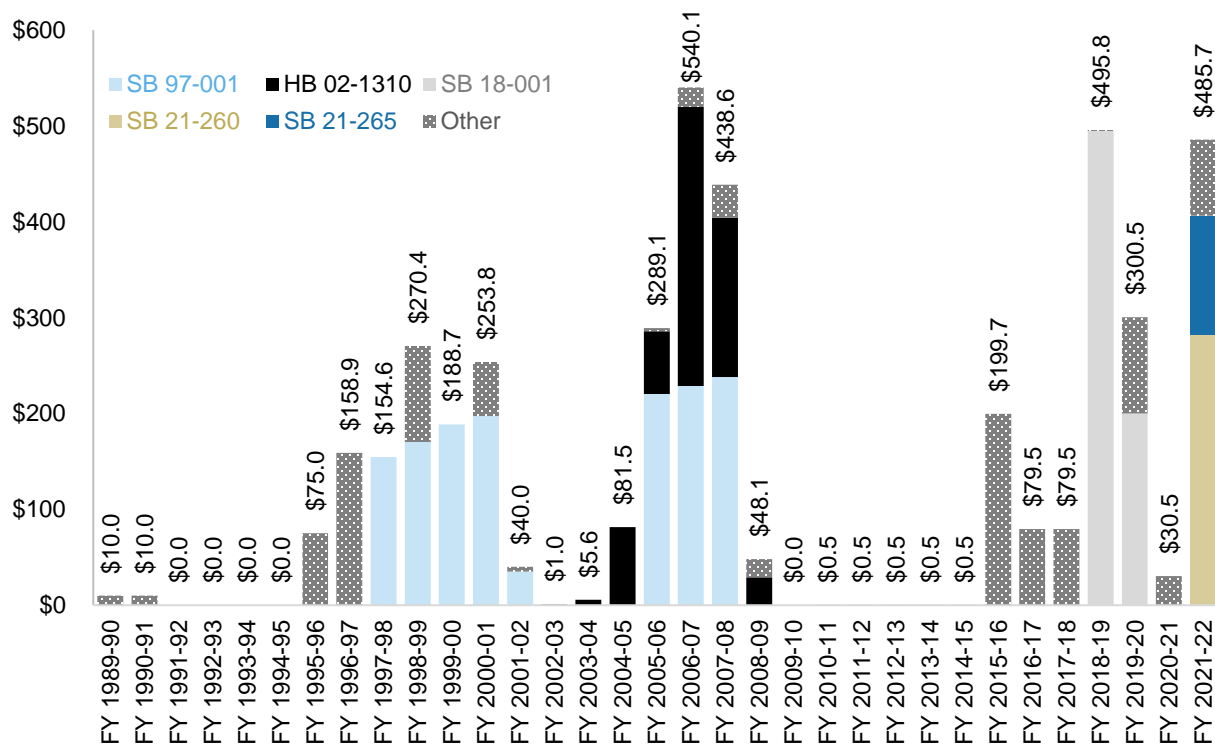
service payment on these bonds occurred in December 2016. Debt service payments were made with state transportation dollars and federal funds.

Lease-purchase agreements. Senate Bill 17-267 created lease-purchase agreements generating \$2.23 billion in revenue for transportation between FY 2018-19 and FY 2021-22. The execution and repayment conditions of this bill are described in the General Fund section of this document, below.

General Fund

The state General Fund comprises revenue from state income and sales taxes, as well as some smaller sources. Money in the General Fund is budgeted annually at the discretion of the General Assembly. General Fund revenue is not usually appropriated directly for transportation projects, but is sometimes transferred to the State Highway Fund (SHF) for expenditure by the Transportation Commission. A history of General Fund contributions to transportation is presented in Figure 8.

Figure 8
General Fund Contributions to Transportation
Dollars in Millions



Sources: Office of the State Controller and Colorado Department of Transportation

Historical mechanisms. Historically, General Fund revenue was transferred or diverted to the SHF in years when revenue was sufficient to maintain prior year general government expenditures plus some degree of annual growth. General Fund transfers and diversions date back to at least 1979.³³

³³ Senate Bill 79-536, often called the “Noble Bill.”

Senate Bill 97-001. [SB 97-001](#) authorized diversions of state sales tax revenue from the General Fund to the SHF when certain budgetary conditions were met. Diversions occurred only if General Fund revenue was sufficient to support:

- any refunds required under TABOR;
- the General Fund statutory reserve, then equal to 4 percent of appropriations; and
- prior year appropriations, grown by the maximum rate of 6 percent then permitted in statute.³⁴

In years when General Fund revenue was sufficient to fully fund all of the above items, the excess remaining, up to 10.355 percent of state sales and use tax revenue, was diverted from the General Fund to the SHF. The percentage was chosen to approximate the share of sales and use tax revenue attributable to vehicles and other automotive purchases.

House Bill 02-1310. [HB 02-1310](#) supplemented General Fund contributions to transportation. Under the bill, any year-end General Fund balance in excess of the statutory reserve requirement was transferred to the SHF and the Capital Construction Fund in shares of two-thirds and one-third, respectively.

Senate Bill 09-228. The annual funding mechanisms in SB 97-1 and HB 02-1310 were repealed with the adoption of [SB 09-228](#). This bill, enacted during the Great Recession, repealed the limit on annual growth in General Fund appropriations to allow programmatic expenditures to rebound from recession-era cuts.

SB 09-228 eliminated the budget architecture in which the two older funding mechanisms had been established. SB 97-1 and HB 02-1310 diverted and transferred, respectively, General Fund revenue only when economic growth was sufficient to fund the maximum permitted amount of General Fund expenditures. When the limit was removed, the General Assembly chose to increase appropriations at a level that would have otherwise exceeded the growth limit.

SB 09-228 also included a five-year block of General Fund transfers to transportation and capital construction, scheduled to occur when economic indicators showed a recovering economy, as measured by at least 5 percent growth in personal income earned by Colorado residents. The growth trigger was satisfied in 2014, and transfers occurred in FY 2015-16, FY 2016-17, and FY 2017-18 under House Bill 16-1416 and Senate Bill 17-262. The final two years of transportation-related transfers were repealed under Senate Bill 17-267.

Current mechanisms. Current ongoing General Fund contributions to transportation are governed primarily by Senate Bill 17-267 and Senate Bill 21-260. Senate Bill 17-267 requires General Fund transfers for the repayment of lease-purchase agreements each year from FY 2018-19 and FY 2038-49. Multiple bills modified the transfers scheduled by SB 17-267 during FY 2020-21 and FY 2021-22 due to General Fund constraints. Additionally, Senate Bill 21-260 created new ongoing General Fund transfers for FY 2024-25 through FY 2031-32.

³⁴ General Fund appropriations growth was then capped at 6 percent per year (the “Arveschoug-Bird” limit).

Senate Bill 17-267. [SB 17-267](#) requires the execution of lease-purchase agreements on state buildings over four fiscal years beginning in FY 2018-19 and ending in FY 2021-22. In each year, the State Treasurer was required to identify and sell buildings with a value of \$500 million, for a total of \$2 billion over the four-year period. Under the terms of the lease-purchase agreement, the purchaser of the buildings agrees to lease the buildings back to the state for a 20-year period. Provided that the state makes annual lease payments, ownership of the buildings is returned to the state upon completion of the 20-year term.

SB 17-267 was initially expected to generate \$1.88 billion for transportation projects over the four-year execution period. The lease purchase agreements brought in more revenue than expected, for a total of \$2.40 billion over all four tranches. Of this amount, \$2.23 billion is credited to the SHF and available for expenditure on construction projects in the Strategic Transportation Project Investment Program as selected by the Transportation Commission, with the requirement that 25 percent of revenue be spent in counties with populations of less than 50,000. The remaining \$120 million from the FY 2018-19 tranche and \$49 million from the FY 2019-20 tranche is dedicated for non-transportation capital construction and controlled maintenance projects.

Lease payments are expected to be \$37.5 million per tranche per year, or \$3 billion for all four tranches over the terms of all leases. When lease-purchase agreements have been executed on all four tranches, the annual lease payment is expected to total \$150 million. Lease payments are made as follows:

- first, \$9 million from the General Fund, corresponding to the non-transportation capital construction share;
- next, \$50 million from the SHF; and
- any remaining amount, expected to be \$91 million, from the General Fund.

The \$91 million annual General Fund contribution will appear in budget documents as a subset of the total \$100 million annual expenditure in the Department of the Treasury for lease payments associated with SB 17-267. However, the General Fund transfers were temporarily reduced by \$12 million in FY 2020-21 and FY 2021-22 by HB 20-1376, but then “trued up” by SB 21-265 which transferred both \$12 million payments to the SHF in FY 2021-22.

Senate Bill 18-001. [SB 18-001](#) authorized two years of General Fund transfers for transportation. In FY 2018-19, a total of \$495 million was transferred as follows:

- \$346.5 million to the SHF;
- \$74.25 million to the HUTF, for allocation in equal shares to counties and municipalities; and
- \$74.25 million to the Multimodal Transportation Options Fund, a newly created cash fund to support grants for local multimodal transportation projects.

In FY 2019-20, SB 18-001 transfers of \$200 million were supplemented by an additional \$100 million in General Fund transfers pursuant to Senate Bill 19-262. A total of \$300 million was transferred as follows:

- \$215.0 million to the SHF, of which \$60.0 million is routed through the HUTF;
- \$33.25 million to the HUTF for allocation to counties;
- \$29.25 million to the HUTF for allocation to municipalities; and
- \$22.5 million to the Multimodal Transportation Options Fund.

SB 18-001 also referred a ballot measure to voters at the statewide election in November 2019; the ballot measure was subsequently delayed until November 2021 under House Bill 20-1376, and then finally removed from the ballot under Senate Bill 21-260. The ballot measure would have allowed CDOT to issue Transportation Revenue Anticipation Notes to generate \$1.34 billion in transportation funding. The bond issuance would have replaced the last year of lease-purchase agreements scheduled to be executed under SB 17-267, effectively increasing state revenue for transportation projects by about \$840 million.

Because the ballot measure was never brought to the voters, SB 18-001 authorized annual transfers of \$50 million from the General Fund to the SHF for FY 2022-23 through FY 2039-40, such that the lease payment obligation under SB 17-267 would have effectively been paid entirely from General Fund revenue. However, the \$50 million transfer was eliminated for FY 2020-21 and FY 2021-22 by HB 20-1376, but then “trued up” by SB 21-265, which transferred both \$50 million payments to the SHF in FY 2021-22. Finally, the ongoing \$50 million transfers were repealed by SB 21-260.

House Bill 20-1376 and Senate Bill 21-265. As discussed above, [HB 20-1376](#) reduced or eliminated scheduled general fund transfers in FY 2020-21 and FY 2021-22. HB 20-1376 was a budget balancing bill due to expected General Fund constraints as a result of the pandemic. The bill paused the \$50 million transfer established in SB 18-001 and reduced the transfers established in SB 17-267 by \$12 million, for a total of \$62 million each year. [SB 21-265](#) transferred \$124 to the SHF in FY 2021-22 to make up for the transfers that were reduced by HB 20-1376.

Senate Bill 21-260. [SB 21-260](#) initiated a number of one-time and ongoing General Fund obligations for transportation. In FY 2021-22, \$170 million was transferred from the general fund to the SHF for shovel-ready projects, and \$112.5 million was transferred to CDOT to be used for multimodal transportation and Revitalizing Main Streets (with an additional \$2.5 million expected to be transferred in FY 2022-23). Between FY 2024-25 and FY 2031-32, there will be transfers of \$10.5 million and \$7 million in general fund to be used for multimodal transportation and mitigation and Revitalizing Main Streets, respectively. Finally, the bill repeals the \$50 million ongoing transfer created by SB 18-001 and establishes a \$100 million transfer to occur each year from FY 2024-25 to FY 2028-29 and \$82.5 million in FY 2029-30 to FY 2031-32.

Other General Fund. The “Other” category in Figure 8 includes General Fund appropriations or transfers for transportation projects other than those identified in the bills above. Direct General Fund appropriations for transportation may be authorized in the Long Bill, a supplemental appropriations bill, or a special bill. Since FY 2010-11, appropriations of approximately \$500,000 annually have been authorized in the capital construction section of each year's Long Bill to be used for highway construction. Between FY 2019-20 and FY 2021-22, the “other” category also includes transfers under SB 19-262, SB 21-110, SB 22-176, and HB 22-1411.

Local Funding

Municipal and county governments in Colorado fund local transportation projects with various revenue sources. Local transportation funding decisions are determined at the local level.

- **Gasoline and special fuel excise tax.** Municipal and county governments receive a portion of the state's gasoline and special fuel excise tax collections. The distributions are set by statutory formula.
- **Sales taxes.** Some cities have dedicated sales taxes to fund local transportation needs. In addition, regional transportation authorities receive the sales and use taxes identified in Section 1. The Regional Transportation District also receives a 1 percent sales tax collected in the district.
- **Property taxes.** Counties are allowed to levy up to 1 mill on the property within the county dedicated to fund transportation projects. The property tax revenue collected from property within incorporated municipalities is shared with the municipalities. Regional transportation authorities are also permitted to levy property taxes.
- **Federal funds.** In addition to the federal funds that CDOT receives for highway and transit projects that are passed on to cities and counties, local governments may also apply for federal funds directly. In general, local governments provide matching funds to receive federal dollars used for transportation projects.
- **User fees.** Certain local transportation entities collect user fees. Two public highway authorities—E-470 and Northwest Parkway—collect tolls. Regional transportation authorities and the Regional Transportation District also collect fares from riders.
- **General Fund.** Municipal and county governments are allowed to use money from their general funds for local transportation projects. Sales and property taxes are the largest sources of local general fund revenue.

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Section 5: Reporting Requirements to Transportation Committees

State law requires that various reports be submitted to the Transportation Legislation Review Committee (TLRC) and the House and Senate Transportation Committees. Table 4 provides a summary of each report due to the TLRC. Table 5 provides a summary of each report that is required to be submitted to the Senate and House Transportation Committees.

The Statutory Reports Database is online at: <https://www.leg.state.co.us/library/reports.nsf/reports.xsp>. In addition, the [TLRC website](#) includes annual presentations and reports made to the committee under the Committee Schedule and Meeting Materials tab, which can be viewed by session back to 2016.

Table 4
Statutorily Required Departmental Reports
to the Transportation Legislation Review Committee
 November 2022

Department	Report Subject/Statute	Summary
Department of Local Affairs (DOLA)	Public Highway Authorities Annual Report <i>Section 43-4-514 (4), C.R.S.</i>	Public highway authorities are required to report annually to TLRC on their activities during the past year and their proposed activities for the upcoming year.
	Proposed Public Highway Authority Boundaries <i>Section 43-4-514 (1)(c), C.R.S.</i>	The Division of Local Government in DOLA is required to provide copies to the TLRC of any notice containing proposed boundaries or financing of a public highway authority.
Department of Transportation (CDOT)	Automated Driving Systems Testing <i>Section 42-4-242 (4), C.R.S.</i>	CDOT is required to submit an annual report to the TLRC concerning the testing of automated driving systems in Colorado.
	Prioritized Rail Line Acquisitions <i>Section 43-1-1303 (3), C.R.S.</i>	CDOT is required to submit a prioritized list to the TLRC concerning railroad rights-of-way or rail lines proposed to be acquired by the state and their proposed uses.
Regional Transportation District (RTD)	RTD Annual Budget <i>Section 32-9-119.7 (4), C.R.S.</i>	RTD is required to provide copies of the RTD annual budget to the TLRC. State law also requires RTD to provide other information, data, testimony, or audits as requested by the TLRC.
CDOT, the Colorado Energy Office, and the Department of Public Health and Environment	Senate Bill 21-260 Report <i>42-3-304 (25)(a.8)</i>	During the 2026 legislative interim, the TLRC will receive a written progress report and a presentation on Senate Bill 21-260 projects.

Table 5
Statutorily Required Departmental Reports
to the House and Senate Transportation Committees
November 2022

Department	Report Subject/Statute	Summary
Governor's Office	Climate Action Plan <i>Section 24-20-111 (3)(a), C.R.S.</i>	The Governor must annually submit a report to the Transportation and Energy Committees regarding climate change issues generally, the current climate action plan, and specific ways in which climate change affects the state.
Department of Personnel and Administration (DPA)	State Fleet Vehicle Acquisition Report <i>Section 24-30-1104 (2)(c)(II), C.R.S.</i>	The DPA must submit an annual report including, but not limited to, the number of alternative fuel vehicles purchased, the availability of alternative fuel, and a plan for infrastructure necessary to support alternative fuel vehicles in the state fleet.
Department of Public Safety (DPS)	Motorcycle Operator Safety Training <i>Section 43-5-506, C.R.S.</i>	The DPS must submit an annual report that comments on the effectiveness of the motorcycle operator safety training program, annual motorcycle accidents or fatalities, availability of training throughout the state, historic and current training costs, and other performance measures.
Regional Transportation District (RTD)	Accountability Committee Formed in partnership with the Governor, House and Senate Transportation Committees, and the Denver Regional Council of Governments	The committee submitted a final report in July 2021 that provided recommendations on improvements to RTD's operations, financial health, and statutory authority.
Department of Transportation (CDOT)	Capital Construction Request <i>Section 2-3-1304 (1)(a.5), C.R.S.</i>	The Transportation Commission is required to submit its capital construction request annually, based on statewide transportation improvement programs, with a prioritized list of recommended state highway construction, repair, and maintenance projects.
	Altering Speed Limits-Study Rural State Highways and Increase Speed Limits <i>Section 42-4-1102 (3.5)(c), C.R.S.</i>	CDOT must determine on which rural highways the speed limit may increase without endangering public safety. Current Colorado law, road conditions, shoulders, vulnerable road users, and road aspect (straight versus curved) must be considered. The study must be complete by March 1, 2021, and presented at the SMART Act hearing during the following legislative session.
	Efficiency and Accountability Committee Report <i>Section 43-1-106 (17)(b), C.R.S.</i>	CDOT's Efficiency and Accountability Committee must annually report its activities and recommendations, and any actions taken by CDOT or the Transportation Commission to implement the committee's recommendations. The report is made to TLRC or to the House and Senate standing committees that have oversight over transportation.

Table 5 (cont.)
Statutorily Required Departmental Reports
to the House and Senate Transportation Committees
(as of November 2022)

**Department of
Transportation
(CDOT) (cont.)**

<p>Consulting Engineer Contracts, Efficiency and Accountability Committee Report Section 43-1-106 (17)(b.5) (II), C.R.S.</p>	<p>CDOT must report the committee findings and recommendations for consulting engineer contracts, including fixed bid procurement, quality control, retired employees as consultants, incentives, and project administration. The report will be presented at the annual SMART Act hearing.</p>
<p>Proposed Budget Allocation Plan Section 43-1-113 (2), C.R.S.</p>	<p>On or before December 15 of each year, the Transportation Commission must annually submit a proposed budget allocation plan for moneys subject to its jurisdiction for the fiscal year beginning on July 1 of the succeeding year.</p>
<p>Transportation Investment Office (formerly the High-Performance Transportation Enterprise) Section 43-4-806 (10) C.R.S.</p>	<p>On or before February 15 each year, the CTIO is required to submit an annual report that includes the enterprise’s activities for the previous year, status summary of any current surface transportation infrastructure projects, the enterprise’s revenue and expenses statement, and any recommendations for statutory changes that the enterprise may deem necessary or desirable. Effective February 2021, the report must include the following information for public-private partnerships: the selection process, communication with the public and legislators, and cost and other provisions in contracts.</p>
<p>Lease-Purchase Revenue and Proceeds Section 43-4-206 (2)(b), C.R.S.</p>	<p>CDOT must describe the revenue and net proceeds expended under Senate Bill 17-267, the status of the projects using proceeds, the amounts of revenue and net proceeds CDOT expects to receive each fiscal year, and how the revenue and net proceeds expended relate to the strategic transportation project investment program. Beginning in 2019, CDOT must include information about transfers to the HUTF from the General Fund, per SB 18-001, and lease-purchase agreements, as well as information about how lease-purchase funds were spent by CDOT.</p>
<p>Transportation Revenue Anticipation Notes Section 43-4-713 (1), C.R.S.</p>	<p>The CDOT executive director is required to annually submit a report to the chairs of the House and Senate Transportation Committees that provides information regarding transportation revenue anticipation notes issued by the department.</p>

Source: Compiled by Legislative Council Staff.