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## MEMORANDUM

April 30, 2014

**TO:** Interested Persons  
**FROM:** Greg Sobetski, Economist, 303-866-4105  
**SUBJECT:** State Revenue Transfers to Counties

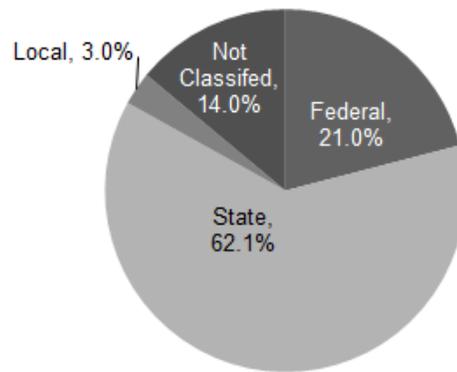
### Summary

This memorandum provides information on intergovernmental transfers of revenue from the state government to Colorado's 64 counties. Data from 2010 show that of \$5.0 billion in total county revenue, about \$1.3 billion or 25.8 percent came from intergovernmental transfers. The state portion made up the largest share at \$800.9 million. State revenue transfers come from various taxes and nontax revenue sources. This memorandum identifies these sources and provides information on state transfers for 2010, the most recent year for which data are available from the Colorado Department of Local Affairs.

Colorado counties receive the majority of their revenue from property and sales taxes. Counties also receive revenue from intergovernmental transfers from the federal, state, and local governments. The largest share of these transfers comes from the state. Counties with large populations receive relatively small shares of revenue from state transfers, while counties with small populations receive larger portions. In 2010, the City and County of Denver received 6.7 percent of its revenue from state government sources, while Costilla County received 55.9 percent of its revenue from the state. Figure 1 on page 2 summarizes intergovernmental transfers to county governments by federal, state, local, and other sources in 2010.

**Open records requirements:** Pursuant to Section 24-72-202 (6.5)(b), C.R.S., research memoranda and other final products of Legislative Council Staff are considered public records and subject to public inspection unless: a) the research is related to proposed or pending legislation; and b) the legislator requesting the research specifically asks that the research be permanently considered "work product" and not subject to public inspection. If you would like to designate this memorandum to be permanently considered "work product" not subject to public inspection, or if you think additional research is required and this is not a final product, please contact the Legislative Council Librarian at (303) 866-4011 within seven days of the date of the memorandum.

**Figure 1**  
**Intergovernmental Revenue Transfers**  
**to Colorado Counties (\$1.3 billion in 2010)**



State revenue transferred to county governments comes from various taxes and nontax revenue sources. These include social service transfers, revenue from the Highway Users Tax Fund, lottery proceeds, cigarette and gaming taxes, impact assistance grants, and law enforcement payment collections. These are described below.

**Social service transfers.** Counties receive federal and state money to administer certain social service programs. For many counties, Temporary Assistance for Needy Families (TANF) funds make up the largest share of social service money transferred to counties. To manage these funds, counties maintain social services funds and levy taxes on property to defray their administrative costs. Revenue transfers for social services represent the largest share of state revenue transfers to counties at about 63.4 percent of total transfers. Data on transfers grouped under the category of social services include federal transfers for TANF programs administered through counties. The federal revenue is not reported separately and is grouped with state revenue under the category of state transfers.

**Highway Users Tax Fund.** The Highway Users Tax Fund (HUTF) is a state fund that must be used exclusively for construction and maintenance of public roads and highways in Colorado.<sup>1</sup> HUTF revenue from gasoline and diesel excise taxes, vehicle registration fees, and passenger-mile taxes is distributed to counties and municipalities in amounts determined by a formula in state law.<sup>2</sup> HUTF transfers account for the second largest share of state revenue transfers to counties at approximately 26.2 percent of total state revenue transfers.

**Lottery proceeds.** Lottery proceeds are allocated to the Conservation Trust Fund (CTF) after prizes and expenses are removed. Forty percent of revenues allocated to the CTF are reserved for counties and municipalities for the purpose of funding parks, open space, wildlife, and outdoor recreation projects.<sup>3</sup> Counties and municipalities are eligible to access this revenue through a competitive grant application process. Grant program areas include:

- local government parks, outdoor recreation and environmental education facilities;
- open space;
- planning and capacity building;
- trails; and
- legacy projects (combinations of several project types).

<sup>3</sup> Colo. Const. art. X, §18.

<sup>4</sup> Sections 43-4-205 (5) and 43-4-205 (6)(b), C.R.S.

<sup>5</sup> Colo. Const. art. XXVII, §3 (1)(b)(I); Section 33-60-104, C.R.S.

**Cigarette tax revenue.** Current law requires a portion of revenue from excise taxes collected on cigarettes to be rebated back to local governments based on a state sales tax formula.<sup>4</sup> Each county receives a portion of total excise tax revenue based on the percentage of state sales tax collections in the unincorporated area of the county. Municipalities receive excise tax revenue based on the percentage of sales taxes collected in their city or town limits.

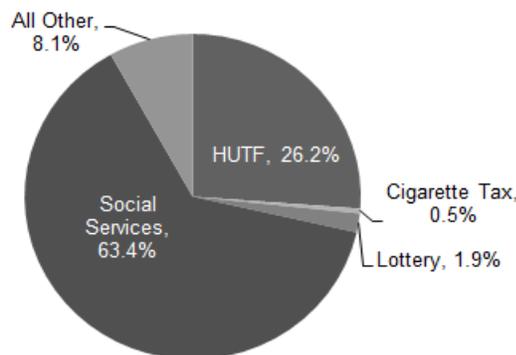
**Gaming tax revenue.** A percentage of taxes on limited gaming, approved in ballot initiatives during 1990 and 2008, are distributed to counties impacted by gaming.<sup>5</sup> The money is also used to address off-site impacts of gaming in counties bordering Teller and Gilpin counties, as well as the Ute Mountain and Southern Ute Indian Reservations. Money is distributed to Archuleta, Boulder, Clear Creek, Douglas, El Paso, Fremont, Gilpin, Grand, Jefferson, La Plata, Montezuma, Park, and Teller counties.

**Impact assistance grants and state payments-in-lieu-of-taxes.** Counties in which the Division of Wildlife or Division of Parks and Outdoor Recreation owns property may receive payments-in-lieu-of-taxes (PILTs) when ownership by the division results in increased county expenditures. A county's board of commissioners may certify a PILT amount from either or both divisions that reflects the impact that the divisions' ownership has on county expenditures. If the property was acquired by the state agency with Great Outdoors Colorado (GOCO) funds, then GOCO is responsible for a portion of the payment.<sup>6</sup>

**Law enforcement payment collections.** Counties receive money from law enforcement payments related to drunk driving fines, convictions, and assistance funds.<sup>7</sup> Fifty percent of drunk driving fines from incidents occurring in unincorporated areas of a county are remitted to county governments. An additional \$15 fine is paid by persons convicted of alcohol-related driving offenses and distributed to the county in which the conviction takes place. The Office of Transportation Safety allocates between 30 and 50 percent of moneys in the Law Enforcement Assistance Fund to counties that have qualifying drunk driving prevention programs in place.

Figure 2 shows the proportion of state transfers to Colorado counties by revenue source. In 2010, counties received \$800.9 million from state sources. Table 1, which begins on page 4, provides county-by-county data on state transfers to counties in 2010.

**Figure 2  
Intergovernmental Revenue Transfers  
from State Sources (\$800.9 million in 2010)**



<sup>1</sup> 27 percent of the first 20 cents per pack (Section 39-22-623 (1), C.R.S.) and 30 percent of 3 percent of the next 64 cents per pack (Colo. Const. art. X, §21 (5)(e) and Section 24-22-117 (1)(c)(III), C.R.S.).

<sup>2</sup> Colo. Const. art. XVIII, §9 (5)(b)(II); Section 12-47.1-701.5 (3)(c), C.R.S.

<sup>6</sup> Sections 30-25-302 (4)(a) and 33-60-104.5 (2), C.R.S.

<sup>7</sup> Sections 42-1-217 (1)(d), 43-4-402 (2)(a), and 43-4-404, C.R.S.

**Table 1**  
**Intergovernmental Revenue to Colorado Counties, 2010**

County	Total Revenue	Intergovernmental Revenue					Breakdown of State Intergovernmental Revenue				
		Federal Sources <sup>1</sup>	State Sources	Local Sources	Not Classified <sup>2</sup>	Total	Social Services	HUTF <sup>3</sup>	Lottery	Cigarette Tax	All Other
Adams	\$322,321,628	\$31,285,004	<b>\$94,905,321</b>	\$624,748	\$0	\$126,815,073	\$84,377,714	\$8,220,138	\$567,395	\$380,238	\$1,359,836
Alamosa	\$16,996,262	\$3,540,685	<b>\$5,613,865</b>	\$0	\$84,015	\$9,238,565	\$3,528,825	\$1,844,494	\$62,268	\$5,135	\$173,143
Arapahoe	\$273,538,250	\$24,429,684	<b>\$45,069,411</b>	\$19,778,011	\$6,704,783	\$95,981,889	\$36,437,292	\$8,153,406	\$478,713	\$0	\$0
Archuleta	\$22,024,380	\$2,208,418	<b>\$3,948,043</b>	\$185,792	\$44,463	\$6,386,716	\$2,109,281	\$1,581,458	\$91,766	\$6,264	\$159,274
Baca	\$7,072,093	\$246,510	<b>\$3,135,819</b>	\$0	\$980,267	\$4,362,596	\$835,730	\$2,292,096	\$7,667	\$326	\$0
Bent	\$10,789,572	\$1,217,621	<b>\$4,111,858</b>	\$49,599	\$462,650	\$5,841,728	\$2,239,861	\$1,128,974	\$25,199	\$617	\$717,207
Boulder	\$253,809,485	\$14,318,048	<b>\$26,169,205</b>	\$2,686,299	\$11,347,466	\$54,521,018	\$19,611,274	\$5,619,014	\$394,282	\$47,389	\$497,246
Broomfield	\$111,950,100	\$1,812,260	<b>\$9,178,198</b>	\$614,053	\$0	\$11,604,511	\$6,625,615	\$1,888,420	\$469,222	\$182,092	\$12,849
Chaffee	\$18,632,182	\$1,476,144	<b>\$6,099,863</b>	\$12,990	\$45,247	\$7,634,244	\$3,496,466	\$1,760,771	\$76,906	\$6,714	\$759,006
Cheyenne	\$5,626,768	\$248,934	<b>\$1,737,715</b>	\$0	\$161,778	\$2,148,427	\$131,093	\$1,306,532	\$7,397	\$1,045	\$291,648
Clear Creek	\$31,958,593	\$1,800,402	<b>\$3,700,873</b>	\$21,234	\$90,544	\$5,613,053	\$1,624,238	\$870,151	\$33,708	\$4,555	\$1,168,221
Conejos	\$11,427,347	\$3,132,915	<b>\$5,672,174</b>	\$0	\$159,790	\$8,964,879	\$3,940,550	\$1,683,217	\$39,754	\$2,165	\$6,488
Costilla	\$10,727,567	\$1,354,265	<b>\$5,993,216</b>	\$0	\$68,985	\$7,416,466	\$2,367,563	\$3,401,083	\$15,845	\$1,045	\$207,680
Crowley	\$5,336,686	\$588,162	<b>\$1,632,962</b>	\$0	\$477,980	\$2,699,104	\$892,033	\$646,303	\$36,318	\$573	\$57,735
Custer	\$5,835,773	\$586,806	<b>\$1,662,048</b>	\$73,039	\$0	\$2,321,893	\$340,722	\$1,118,784	\$26,334	\$797	\$175,411
Delta	\$22,703,434	\$2,079,516	<b>\$5,737,038</b>	\$0	\$1,546,947	\$9,363,501	\$2,849,789	\$2,559,413	\$103,879	\$9,283	\$214,674
Denver	\$1,458,140,000	\$16,508,000	<b>\$97,498,000</b>	\$4,053,000	\$99,562,000	\$217,621,000	\$72,270,000	\$17,786,000	\$5,243,000	\$2,199,000	\$0
Dolores	\$6,249,663	\$919,084	<b>\$1,946,452</b>	\$10,000	\$10,050	\$2,885,586	\$378,074	\$1,487,248	\$8,623	\$0	\$72,507
Douglas	\$197,049,828	\$4,477,642	<b>\$23,463,376</b>	\$1,761,827	\$0	\$29,702,845	\$11,758,684	\$7,382,900	\$938,354	\$264,710	\$3,118,728
Eagle	\$71,880,853	\$3,928,751	<b>\$5,279,309</b>	\$133,958	\$2,168,976	\$11,510,994	\$2,620,590	\$2,191,256	\$125,869	\$0	\$341,594
El Paso	\$248,963,428	\$29,557,940	<b>\$54,580,566</b>	\$920,776	\$17,778,757	\$102,838,039	\$41,793,378	\$11,596,531	\$1,053,734	\$136,923	\$0
Elbert	\$19,660,205	\$593,090	<b>\$5,093,083</b>	\$0	\$170,891	\$5,857,064	\$2,577,174	\$2,374,157	\$122,419	\$7,077	\$12,256
Fremont	\$25,689,951	\$1,747,921	<b>\$8,763,258</b>	\$64,337	\$265,064	\$10,840,580	\$5,592,845	\$2,627,960	\$165,452	\$9,214	\$367,787
Garfield	\$111,743,412	\$3,986,220	<b>\$17,612,151</b>	\$320,814	\$3,369	\$21,922,554	\$9,282,376	\$3,211,144	\$184,230	\$0	\$4,934,401
Gilpin	\$17,260,292	\$244,503	<b>\$11,378,453</b>	\$0	\$507,493	\$12,130,449	\$887,664	\$626,773	\$39,944	\$1,412	\$9,822,660
Grand	\$34,933,390	\$1,835,446	<b>\$3,888,295</b>	\$660,043	\$2,372,559	\$8,756,343	\$903,667	\$2,571,428	\$44,309	\$11,356	\$357,535
Gunnison	\$24,198,503	\$3,191,261	<b>\$6,648,891</b>	\$166,186	\$0	\$10,006,338	\$1,932,801	\$2,588,860	\$46,852	\$0	\$2,080,378
Hinsdale	\$3,773,411	\$762,134	<b>\$751,726</b>	\$53,637	\$87,914	\$1,655,411	\$0	\$677,027	\$3,970	\$748	\$69,981
Huerfano	\$9,975,397	\$489,316	<b>\$3,741,122</b>	\$0	\$237,504	\$4,467,942	\$2,054,411	\$1,561,406	\$13,799	\$1,529	\$109,977
Jackson	\$3,528,206	\$443,125	<b>\$1,626,505</b>	\$86,733	\$66,488	\$2,222,851	\$289,388	\$1,249,187	\$7,097	\$979	\$79,854

**Table 1 (Cont.)  
Intergovernmental Revenue to Colorado Counties, 2010**

County	Total Revenue	Intergovernmental Revenue					Breakdown of State Intergovernmental Revenue				
		Federal Sources <sup>1</sup>	State Sources	Local Sources	Not Classified <sup>2</sup>	Total	Social Services	HUTF <sup>3</sup>	Lottery	Cigarette Tax	All Other
Jefferson	\$343,211,399	\$19,645,519	<b>\$50,623,332</b>	\$0	\$5,947,497	\$76,216,348	\$31,860,302	\$13,652,122	\$970,041	\$245,818	\$3,895,049
Kiowa	\$4,585,369	\$325,271	<b>\$1,870,351</b>	\$0	\$15,907	\$2,211,529	\$555,206	\$1,276,622	\$5,598	\$92	\$32,833
Kit Carson	\$11,287,997	\$561,182	<b>\$3,899,885</b>	\$0	\$334,051	\$4,795,118	\$1,408,413	\$2,470,802	\$20,670	\$0	\$0
La Plata	\$63,615,217	\$2,296,669	<b>\$9,608,187</b>	\$1,038,701	\$103,003	\$13,046,560	\$4,436,730	\$2,959,769	\$256,237	\$33,330	\$1,922,121
Lake	\$10,442,784	\$731,545	<b>\$2,526,662</b>	\$0	\$252,397	\$3,510,604	\$1,810,290	\$663,513	\$47,663	\$5,196	\$0
Larimer	\$231,085,912	\$14,384,970	<b>\$36,278,603</b>	\$55,173	\$7,726,086	\$58,444,832	\$27,775,254	\$7,905,789	\$597,560	\$0	\$0
Las Animas	\$21,440,197	\$884,705	<b>\$10,375,009</b>	\$0	\$114,504	\$11,374,218	\$5,327,296	\$3,007,507	\$52,253	\$4,373	\$1,983,580
Lincoln	\$13,850,200	\$405,836	<b>\$4,598,984</b>	\$0	\$168,330	\$5,173,150	\$1,852,671	\$2,233,148	\$21,943	\$819	\$490,403
Logan	\$20,957,366	\$46,916	<b>\$6,345,816</b>	\$1,857	\$1,313,589	\$7,708,178	\$2,768,266	\$3,512,232	\$60,544	\$4,774	\$0
Mesa	\$123,021,834	\$7,963,226	<b>\$29,304,565</b>	\$24,644	\$12,356,730	\$49,649,165	\$19,924,674	\$7,731,329	\$636,860	\$70,435	\$941,267
Mineral	\$3,142,815	\$561,291	<b>\$701,628</b>	\$0	\$411,372	\$1,674,291	\$27,310	\$542,044	\$4,774	\$1,419	\$126,081
Moffat	\$31,180,400	\$2,707,184	<b>\$7,231,792</b>	\$119,646	\$0	\$10,058,622	\$2,572,503	\$3,901,327	\$38,541	\$3,913	\$715,508
Montezuma	\$27,410,762	\$4,177,699	<b>\$8,299,238</b>	\$489,823	\$0	\$12,966,760	\$4,806,745	\$2,474,155	\$125,721	\$8,465	\$884,152
Montrose	\$39,698,498	\$3,749,855	<b>\$10,402,570</b>	\$266,479	\$1,195,055	\$15,613,959	\$5,104,542	\$4,394,750	\$117,540	\$0	\$785,738
Morgan	\$23,864,421	\$241,340	<b>\$7,115,313</b>	\$0	\$0	\$7,356,653	\$3,536,119	\$3,124,880	\$86,502	\$7,467	\$360,345
Otero	\$16,965,592	\$2,935,859	<b>\$7,881,550</b>	\$62,538	\$167,952	\$11,047,899	\$6,150,773	\$1,600,300	\$47,233	\$2,098	\$81,146
Ouray	\$7,405,946	\$464,907	<b>\$2,008,452</b>	\$0	\$0	\$2,473,359	\$783,341	\$731,162	\$22,373	\$1,563	\$470,013
Park	\$25,648,242	\$2,138,763	<b>\$9,995,417</b>	\$243,433	\$270,636	\$12,648,249	\$1,602,252	\$4,758,775	\$120,188	\$8,760	\$3,505,442
Phillips	\$5,552,769	\$30,506	<b>\$1,626,830</b>	\$3,700	\$479,862	\$2,140,898	\$452,743	\$1,089,573	\$11,054	\$656	\$72,804
Pitkin	\$54,065,366	\$1,481,175	<b>\$3,429,188</b>	\$1,108,829	\$0	\$6,019,192	\$589,116	\$1,091,984	\$51,238	\$0	\$1,696,850
Prowers	\$15,826,988	\$481,301	<b>\$6,879,085</b>	\$49,500	\$112,758	\$7,522,644	\$4,241,817	\$1,844,199	\$26,440	\$2,859	\$763,770
Pueblo	\$111,363,546	\$9,719,085	<b>\$26,689,210</b>	\$0	\$625,851	\$37,034,146	\$17,688,381	\$4,757,271	\$315,263	\$45,099	\$3,883,196
Rio Blanco	\$34,745,973	\$3,148,728	<b>\$5,141,781</b>	\$0	\$306,775	\$8,597,284	\$1,217,668	\$2,680,419	\$8,298	\$23,653	\$1,211,743
Rio Grande	\$14,279,717	\$1,694,854	<b>\$4,936,624</b>	\$0	\$0	\$6,631,478	\$2,124,670	\$2,164,701	\$51,164	\$7,189	\$588,900
Routt	\$35,625,534	\$2,086,946	<b>\$6,316,312</b>	\$131,881	\$3,506	\$8,538,645	\$2,236,897	\$2,795,616	\$69,256	\$10,491	\$1,204,052
Saguache	\$13,814,351	\$2,542,519	<b>\$5,071,124</b>	\$0	\$1,591,272	\$9,204,915	\$2,502,308	\$2,534,417	\$33,148	\$1,251	\$0
San Juan	\$2,602,962	\$358,547	<b>\$538,491</b>	\$205,935	\$16,798	\$1,119,771	\$79,422	\$313,019	\$248	\$259	\$145,543
San Miguel	\$19,389,392	\$704,553	<b>\$2,657,804</b>	\$75,986	\$21,220	\$3,459,563	\$692,568	\$1,808,403	\$27,655	\$5,135	\$124,043
Sedgwick	\$4,850,163	\$1,965	<b>\$1,515,328</b>	\$0	\$259,536	\$1,776,829	\$571,994	\$864,703	\$6,027	\$259	\$72,345
Summit	\$60,867,319	\$9,584,747	<b>\$3,211,249</b>	\$940,720	\$415,159	\$14,151,875	\$1,225,770	\$1,119,329	\$135,879	\$37,151	\$693,120

**Table 1 (Cont.)  
Intergovernmental Revenue to Colorado Counties, 2010**

County	Total Revenue	Intergovernmental Revenue					Breakdown of State Intergovernmental Revenue				
		Federal Sources <sup>1</sup>	State Sources	Local Sources	Not Classified <sup>2</sup>	Total	Social Services	HUTF <sup>3</sup>	Lottery	Cigarette Tax	All Other
Teller	\$20,978,648	\$1,034,412	<b>\$7,154,806</b>	\$67,783	\$627,400	\$8,884,401	\$2,051,347	\$2,187,040	\$120,730	\$5,258	\$2,706,359
Washington	\$13,959,621	\$219,570	<b>\$3,679,039</b>	\$199,200	\$239,038	\$4,336,847	\$687,387	\$2,377,688	\$21,355	\$961	\$564,276
Weld	\$189,786,966	\$13,228,226	<b>\$39,876,084</b>	\$813,787	\$0	\$53,918,097	\$23,006,140	\$9,858,110	\$382,578	\$80,602	\$6,214,919
Yuma	\$20,195,182	\$1,078,215	<b>\$6,455,631</b>	\$31,426	\$50,072	\$7,615,344	\$2,081,895	\$2,726,792	\$35,642	\$3,436	\$1,567,894
<b>TOTAL</b>	<b>\$5,000,516,107</b>	<b>\$270,627,893</b>	<b>\$800,884,736</b>	<b>\$38,208,117</b>	<b>\$180,532,336</b>	<b>\$1,290,253,082</b>	<b>\$507,501,908</b>	<b>\$209,159,621</b>	<b>\$14,962,521</b>	<b>\$3,903,967</b>	<b>\$64,871,568</b>

Sources: Colorado Department of Local Affairs, reported by counties for 2010.

<sup>1</sup>Federal sources include: federal mineral lease revenue; Department of Homeland Security grants; Federal Emergency Management Agency grants; transportation grants; law enforcement grants from the Department of Justice; Fish and Wildlife Service grants; Department of Commerce grants; and various other sources.

<sup>2</sup>Unclassified intergovernmental revenue refers to intergovernmental revenue that was unable to be classified as either federal, state, or local in origin due to insufficient information provided in the source documents.

<sup>3</sup>Highway Users Tax Fund revenue transfers and vehicle registration revenue remitted to counties.