



Initiative 284

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Impact Statement

Date: May 16, 2024

Fiscal Analyst: Emily Dohrman (303-866-3687)

LCS TITLE: TRANSPORTATION FEES

Summary of Measure

The measure requires that any fees assessed for the purpose of funding mass transit, including buses and passenger rail, must:

- be approved by the voters in the area where the fee is assessed or by statewide vote, and
- be collected only in areas that are served by the mass transportation.

State Revenue

The bill potentially impacts the use and collection of various state revenue streams, as described below.

Current transportation revenue. The state is estimated to collect fee revenue totaling \$357 million in FY 2024-25 (half-year impact) and \$795 million in FY 2025-26 that is permitted to be spent for mass transit under current state law. This includes revenue to the Highway Users Tax Fund (HUTF), Clean Transit Enterprise, Community Access Enterprise, and Nonattainment Area Enterprise, as well as Bustang fare revenue and congestion impact fee revenue, as shown in Table 1. Most of these sources are used for a variety of transportation purposes, not only mass transit.

Initiative 284

Table 1
Fee Revenue Potentially Affected Under Initiative 284

	FY 2024-25	FY 2025-26
Vehicle Registration Fees	(\$216.3 million)	(\$438.9 million)
Road Usage Fees	(\$63.6 million)	(\$160.4 million)
General Retail Delivery Fee	(\$20.6 million)	(\$44.7 million)
Bustang Fare	(\$3.5 million)	(\$7.8 million)
Community Access Enterprise Fee Revenue	(\$14.3 million)	(\$31.0 million)
Nonattainment Area Air Pollution Mitigation Enterprise Revenue	(\$5.6 million)	(\$13.4 million)
Clean Transit Enterprise Revenue	(\$6.2 million)	(\$13.5 million)
Clean Fleet Enterprise Revenue	(\$12.4 million)	(\$27.3 million)
Congestion Impact Fee	(\$14.2 million)	(\$58.2 million)
Total Revenue Impact	(\$356.8 million)	(\$795.2 million)

Impact of measure. If Initiative 284 passes, state law enacted in Senate Bill 24-230 directs state agencies to expend affected fee revenue for purposes other than mass transit. This fiscal impact statement assumes that the measure will not reduce state revenue, but will instead change when and how the fee revenue shown in Table 1 is spent. If there are no other allowable purposes for which the fee revenue may be used, or if the initiative is implemented differently than as laid out in SB 24-230, the initiative may reduce state revenue by up to the amounts shown in Table 1 in the absence of voter approval of assessment of the fees.

Taxpayer Impact

The measure is expected to have no impact on taxes. If it is implemented to reduce state revenue to the HUTF, which is subject to TABOR, then it will reduce TABOR refunds by up to \$304 million in FY 2024-25 and up to \$652 million in FY 2024-25.

State Expenditures

The measure will require that certain state revenue be spent for purposes other than mass transit, or may decrease expenditures if another allowable use is not available. Affected state expenditures are expected to total \$260 million in FY 2024-25 (half-year impact) and \$587 million in FY 2025-26, including the state portion of HUTF collections, Bustang fare revenue, congestion impact fee revenue, and all fee revenue to the Clean Transit Enterprise, Community Access Enterprise, and Nonattainment Area Enterprise. The measure may also increase costs for legal services to determine which fees are impacted by the measure.

Local Government

The measure reduces revenue for local governments, including counties, municipalities, special districts, and school districts, by disallowing the collection fees and fares assessed to fund mass transit. The measure reduces local expenditures to the extent that it reduces revenue, and increases workload and expenditures for legal services and expenditure costs. Additionally, the measure will require that revenue distributed from the HUTF to local governments be spent for purposes other than mass transit; these amounts total \$97 million in FY 2024-25 and \$207 million in FY 2025-26.

Effective Date

If approved by voters at the 2024 general election, this measure takes effect upon proclamation of the Governor, no later than 30 days after the official canvass of the vote is completed.

State and Local Government Contacts

Regional Transportation District
Counties

Transportation
Municipalities

Law

Revisions from Fiscal Summary

The fiscal impact statement includes a different revenue estimate relative to the fiscal summary due to updated assumptions and the passage of Senate Bill 24-230 and Senate Bill 24-184. Most importantly, SB 24-230 directs the state to change how revenue is spent, rather than cease collecting revenue, if Initiative 284 is passed; this requirement is reflected in this fiscal impact statement.