

**Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 26-0227.01 Pierce Lively x2059

HOUSE BILL 26-1065

HOUSE SPONSORSHIP

McCluskie and Woodrow, Boesenecker, Camacho, Jackson, Lindsay, Paschal, Stewart R.,
Velasco, Zokaie

SENATE SPONSORSHIP

Roberts and Exum, Hinrichsen, Jodeh, Kipp

House Committees

Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING TRANSIT AND HOUSING INVESTMENT ZONES.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Section 2 of the bill creates the "Transit Investment Area Act" and:

- Creates a mechanism for a local government and transit agency, subject to state approval, to undertake a transit investment project (project), to designate a transit investment area (area) in which the project will be built, and to create a transit investment authority (authority) or to designate other financing entities with the power to receive

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

and use the increment of revenue derived from the state sales tax collected in the area that is equal to the amount of state sales tax revenue collected in an area above a designated base amount plus 20% of that same revenue (state sales tax increment revenue) to be used to finance eligible improvements related to the project;

- Allows a local government to apply to the office of economic development and the Colorado economic development commission (commission) to undertake a project, and, in connection with the project, to form an authority or to designate a county revitalization authority, metropolitan district, or urban renewal authority as the approved financing entity;
- Specifies the information that a local government is required to include in the application for a project and the criteria that the project is required to satisfy to be approved;
- Requires the director of the office of economic development (director) to review each application for a project and to make an initial determination regarding whether the application meets the specified criteria;
- Requires the director to forward each application to the commission with a recommendation regarding whether the project should be approved;
- Directs the commission to review each application and to approve or reject the project and, as part of the approval of a project, allows the commission to authorize the collection and use of the state sales tax increment revenue for a designated number of years not to exceed 30 years;
- Allows the commission to approve no more than 3 transit investment projects in any calendar year and no more than 6 in total;
- Allows the commission to dedicate no more than \$75 million in a fiscal year to the transit investment projects it approves;
- If requested by the local government, allows the commission to authorize the creation of an authority to receive and spend state sales tax increment revenue;
- Specifies that an authority is governed by a board consisting of a certain number of members appointed by the commission and a certain number of members appointed by the local government;
- Specifies the powers of the authority and the manner in which the state sales tax increment revenue is divided and used;
- Requires the financing entity for a project to submit a

report containing specified information to the commission;
and

- Authorizes a county revitalization authority, an urban renewal authority, or a metropolitan district to receive and disburse the state sales tax increment revenue generated within an area and to act as the financing entity for the area.

Section 9 creates the Colorado affordable housing in transit investment zones tax credit (tax credit). The tax credit is administered in the same manner as the Colorado affordable housing in transit-oriented communities tax credit; except that the tax credit is awarded in connection with qualified low- and middle-income housing projects in transit and housing zones. The bill allows \$50 million of credits to be awarded each calendar year beginning in the 2027 calendar year through the 2033 calendar year.

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

2 **SECTION 1. Legislative declaration.**

3 (1) The general assembly finds and declares that:

4 (a) Colorado has invested significantly in public transit systems
5 in the last several decades, funding over six billion dollars across
6 eighty-five miles of new rail lines along the front range;

7 (b) Investments in public transit systems across Colorado will
8 continue in the coming years with new bus rapid transit lines, rail
9 systems, and upgrades to local, intercity, and regional bus services;

10 (c) Despite recent investments in public transit systems across
11 Colorado, transit ridership in Colorado lags behind peer states around the
12 country, due in part to a lack of housing near these transit lines and
13 infrastructure barriers that can make it challenging for people to access
14 transit stations;

15 (d) Encouraging more housing near transit is important for
16 increasing transit ridership and improving the cost-effectiveness of transit
17 services;

1 (e) Researchers have found that higher residential densities
2 citywide increase cost-effectiveness for light rail and bus rapid transit
3 services, as described in the article "Cost of a Ride: The Effects of
4 Densities on Fixed-Guideway Transit Ridership and Costs" by Erick
5 Guerra and Robert Cervero;

6 (f) Most light and commuter rail stations and frequent bus
7 corridors in Colorado have lower housing unit density than is necessary
8 to support frequent transit;

9 (g) Based on 2020 census block housing unit data, over ninety
10 percent of rail stations and eighty-four percent of bus rapid transit and
11 frequent bus corridors along the front range have fewer than fifteen
12 housing units per acre on average within walking distance, while
13 researchers have generally found that a minimum of fifteen housing units
14 per acre of built density is needed to support frequent transit;

15 (h) Transit-oriented development, including connecting housing
16 opportunities and services with safe multimodal infrastructure and public
17 transit, improves the accessibility of communities for people with
18 disabilities and limited mobility;

19 (i) People with disabilities are more likely to live in households
20 with zero cars, are less likely to drive, and are more likely to rely on
21 public transit or paratransit, according to the 2017 "National Household
22 Travel Survey";

23 (j) The design of the built environment surrounding transit
24 stations, including the presence of sidewalks, crosswalks, bike lanes, and
25 other multimodal infrastructure, influences the accessibility to transit
26 stations and overall transit ridership, as identified by studies such as
27 "Travel and the Built Environment: A Meta-Analysis" by Reid Ewing and

1 Robert Cervero, and "Transit commuting, the network accessibility effect,
2 and the built environment in station areas across the United States" in the
3 journal Research in Transportation Economics;

4 (k) Improvements to the design of the built environment
5 surrounding transit stations support placemaking, which is the process of
6 intentionally planning, designing, and building infrastructure and housing
7 that capitalize on a community's amenities and culture;

8 (l) Placemaking can enhance the desirability of a given
9 community and the well-being of those who live in, work in, or visit a
10 given community, and can create a strong demand for housing in a
11 community;

12 (m) The 2023 Community and Transportation Preferences Survey
13 published by the National Association of Realtors found that when
14 deciding where to live, seventy-nine percent of people said being within
15 an easy walk of other places and things, such as shops and parks, is
16 very/somewhat important, eighty-five percent said sidewalks and places
17 to walk are very/somewhat important, and sixty-five percent said having
18 public transport nearby is very/somewhat important; and

19 (n) The 1998 Assessment of the Economic Impacts of Rural
20 Public Transportation published by the Transit Cooperative Research
21 Program, which assessed the economic impacts of rural public
22 transportation, found that there was an eleven percent difference in
23 average net earnings growth between rural counties that had public transit
24 systems and those rural counties that did not.

25 (2) (a) Pursuant to section 39-26-104 (3), sales delivered to a
26 purchaser within a transit investment area are properly sourced to the
27 transit investment area;

1 (b) Due to technical limitations, the increment calculation can
2 only factor in sales made in person within the TIF area, even though
3 additional online and delivery sales will be induced through more housing
4 availability and attractive living options due to transit access provided;

5 (c) According to the United States census bureau's Quarterly
6 Retail E-Commerce Sales Report, approximately fifteen percent of sales
7 nationally are made online, and therefore we assume that of the calculated
8 increment from in-person sales, inflating by an additional twenty percent
9 were unable to be captured due to technical limitations, but would
10 otherwise be included in the allocated increment; and

11 (d) Therefore, it may be necessary to allow the department to
12 allocate a small amount of state sales tax revenue in excess of the state
13 sales tax collected on in-person sales made within each transit investment
14 area. A small amount of the general fund is needed to fulfill the increment
15 that would have been calculated if tracking at that level of detail were
16 feasible, and is a technical adjustment, not state fiscal year spending.

17 (3) Therefore, by enacting this House Bill 26-1065, the general
18 assembly intends to establish new financing tools utilizing tax increment
19 financing to encourage local government efforts to improve infrastructure
20 near transit and rail stations that will promote placemaking and spur
21 housing development supported by tax credits, which would not occur
22 without the enactment of this House Bill 26-1065.

23 (4) Given that communities across the state can use support to
24 further invest in infrastructure, transit, and housing, the general assembly
25 finds and declares that the new financing options created in this House
26 Bill 26-1065 are available to communities throughout the state, and this
27 financing option should be used in a manner that considers geographic

1 diversity.

2 (5) Although this House Bill 26-1065 only allows the Colorado
3 economic development commission to approve six transit investment
4 projects, the general assembly anticipates that these transit investment
5 projects will be successful and it is the intent of the general assembly to
6 later authorize the Colorado economic development commission to
7 approve additional transit investment projects as state resources allow.

8 **SECTION 2.** In Colorado Revised Statutes, **add** part 4 to article
9 46 of title 24 as follows:

10 PART 4

11 TRANSIT INVESTMENT AREA ACT

12 **24-46-401. Short title.**

13 THE SHORT TITLE OF THIS PART 4 IS THE "TRANSIT INVESTMENT
14 AREA ACT".

15 **24-46-402. Definitions.**

16 AS USED IN THIS PART 4, UNLESS THE CONTEXT OTHERWISE
17 REQUIRES:

18 (1) "AERIAL TRANSIT FACILITY" MEANS ONE OR MORE PHYSICAL
19 STRUCTURES THAT USE AERIAL CABLES TO MOVE PASSENGERS AND THAT
20 LINK DIRECTLY TO ANOTHER FORM OF MASS TRANSIT, SUCH AS PASSENGER
21 RAIL, LIGHT RAIL, OTHER TYPES OF TRAINS, TROLLEYS, OR BUSES.

22 (2) (a) "BASE YEAR REVENUE" MEANS AN AMOUNT EQUAL TO THE
23 STATE SALES TAX REVENUE COLLECTED ON **IN-PERSON SALES MADE**
24 WITHIN A PROPOSED TRANSIT INVESTMENT AREA DURING THE
25 TWELVE-MONTH PERIOD IMMEDIATELY PRIOR TO THE MONTH IN WHICH A
26 TRANSIT INVESTMENT PROJECT IS AUTHORIZED, AS DETERMINED BY THE
27 DEPARTMENT.

1 (b) AFTER THE FIRST TWELVE MONTHS OF COLLECTION AND
2 DISTRIBUTION PURSUANT TO SECTION 24-46-406 (1), AND ANNUALLY
3 THEREAFTER, THE DEPARTMENT SHALL ADJUST THE BASE YEAR REVENUE
4 BY THE AMOUNT OF THE BASELINE GROWTH RATE ESTABLISHED BY THE
5 COMMISSION PURSUANT TO SECTION 24-46-404 (3)(d)(I).

6 (3) "BASELINE GROWTH RATE" MEANS THE FORECASTED GROWTH
7 IN STATE SALES TAX REVENUE COLLECTED ON IN-PERSON SALES MADE
8 WITHIN A PROPOSED TRANSIT INVESTMENT AREA ABOVE THE BASE YEAR
9 REVENUE THAT WOULD BE COLLECTED ON IN-PERSON SALES MADE WITHIN
10 A PROPOSED TRANSIT INVESTMENT AREA IF THE PROPOSED TRANSIT
11 INVESTMENT PROJECT DID NOT OCCUR, AS DETERMINED BY THE OFFICE OF
12 ECONOMIC DEVELOPMENT PURSUANT TO SECTION 24-46-403 (2), BASED ON
13 DATA FROM THE PREVIOUS TEN-YEAR PERIOD IMMEDIATELY PRECEDING
14 THE SUBMISSION OF AN APPLICATION.

15 (4) "BOND" MEANS A BOND OR OTHER CONTRACTUAL OBLIGATION
16 AND FORM OF INDEBTEDNESS FOR THE PAYMENT OF WHICH A FINANCING
17 ENTITY HAS PROMISED TO PLEDGE STATE SALES TAX INCREMENT REVENUE
18 OR ANY OTHER LEGALLY AVAILABLE REVENUES PLEDGED AT THE
19 DISCRETION OF THE FINANCING ENTITY.

20 (5) "COMMISSION" MEANS THE COLORADO ECONOMIC
21 DEVELOPMENT COMMISSION CREATED IN SECTION 24-46-102.

22 (6) "COUNTY REVITALIZATION AUTHORITY" HAS THE MEANING SET
23 FORTH IN SECTION 30-31-103 (6).

24 (7) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE
25 CREATED IN SECTION 24-35-101.

26 (8) "DIRECTOR" MEANS THE DIRECTOR OF THE COLORADO OFFICE
27 OF ECONOMIC DEVELOPMENT CREATED IN SECTION 24-48.5-101.

1 (9) "ELIGIBLE COSTS" MEANS THE COSTS OF:
2 (a) DESIGNING, CONSTRUCTING, FINANCING, AND MAINTAINING
3 ELIGIBLE IMPROVEMENTS DESIGNATED BY THE COMMISSION AS PART OF AN
4 APPROVED TRANSIT INVESTMENT PROJECT. THESE COSTS INCLUDE THE
5 COSTS OF:
6 (I) ENGINEERING, INCLUDING CONSTRUCTION ENGINEERING;
7 (II) SURVEYING, INCLUDING CONSTRUCTION SURVEYING;
8 (III) CONSTRUCTION LABOR AND MATERIALS;
9 (IV) DESIGN, INCLUDING BONDING, INSURANCE, AND PERMITTING
10 FEES;
11 (V) PLANNING;
12 (VI) LEGAL SERVICES;
13 (VII) ACCOUNTING;
14 (VIII) OVERHEAD OR ADMINISTRATIVE STAFFING;
15 (IX) FINANCING;
16 (X) BOND ISSUANCE OR REISSUANCE AND UNDERWRITING;
17 (XI) INTEREST PAYMENTS;
18 (XII) LOAN ORIGINATION FEES;
19 (XIII) OPERATIONS; AND
20 (XIV) SIMILAR NECESSARY AND CONVENIENT COSTS INCURRED BY
21 THE FINANCING ENTITY IN EXERCISING ITS POWERS PURSUANT TO THIS
22 PART 4.
23 (b) FUNDS ADVANCED BY PRIVATE DEVELOPERS WITHIN THE
24 TRANSIT INVESTMENT PROJECT TO, OR ON BEHALF OF, THE FINANCING
25 ENTITY FOR ELIGIBLE IMPROVEMENTS, WHETHER A PRIVATE DEVELOPER
26 ADVANCES THOSE FUNDS PURSUANT TO LOANS OR CONTRACTUAL FUNDING
27 AND REIMBURSEMENT AGREEMENTS;

1 (c) REASONABLE INTEREST ON THE FUNDS ADVANCED BY A
2 PRIVATE DEVELOPER PURSUANT TO SUBSECTION (8)(b) OF THIS SECTION;

3 (d) A FINANCING ENTITY'S COSTS FOR PURCHASING ELIGIBLE
4 IMPROVEMENTS CONSTRUCTED AND OWNED BY THIRD PARTIES EITHER
5 BEFORE OR AFTER DESIGNATION OF THE TRANSIT INVESTMENT PROJECT;
6 AND

7 (e) COSTS AND EXPENSES INCURRED BY A FINANCING ENTITY
8 PURSUANT TO SECTION 24-35-123 AND IN COMPLYING WITH ITS ANNUAL
9 REPORT AND AUDIT OBLIGATIONS UNDER THIS PART 4.

10 (10) "ELIGIBLE IMPROVEMENTS" MEANS THE SPECIFIC
11 IMPROVEMENTS AUTHORIZED BY THE COMMISSION AS PART OF AN
12 APPROVED TRANSIT INVESTMENT PROJECT, INCLUDING:

- 13 (a) ROADS;
- 14 (b) STREETS;
- 15 (c) STATE HIGHWAYS;
- 16 (d) RIGHTS-OF-WAY;
- 17 (e) LIGHTING;
- 18 (f) DIRECTION AND LOCATION SIGNAGE AND SIMILAR SIGNAGE;
- 19 (g) LAND ACQUISITION;
- 20 (h) SURVEYING, ENGINEERING, SOILS TESTING, SITE PLANNING,
21 GRADING, AND SIMILAR ACTIVITIES NECESSARY OR CONVENIENT FOR SITE
22 PREPARATION AND DEVELOPMENT;
- 23 (i) TRAILS AND PATHS;
- 24 (j) PUBLIC SAFETY FACILITIES;
- 25 (k) LANDSCAPING;
- 26 (l) TRANSPORTATION FACILITIES;
- 27 (m) BICYCLE AND PEDESTRIAN INFRASTRUCTURE;

1 (n) SURFACE AND STRUCTURED PARKING FACILITIES; AND
2 (o) ANY OTHER FACILITIES OR IMPROVEMENTS NECESSARY OR
3 CONVENIENT FOR THE COMPLETION OF AN APPROVED PROJECT.

4 (11) (a) "FINANCING ENTITY" MEANS THE ENTITY DESIGNATED BY
5 THE COMMISSION IN CONNECTION WITH ITS APPROVAL OF A TRANSIT
6 INVESTMENT PROJECT TO RECEIVE AND USE STATE SALES TAX INCREMENT
7 REVENUE.

8 (b) A COUNTY REVITALIZATION AUTHORITY, A METROPOLITAN
9 DISTRICT, AN URBAN RENEWAL AUTHORITY, OR ANY TRANSIT INVESTMENT
10 AUTHORITY TO BE FORMED PURSUANT TO THIS PART 4 MAY QUALIFY AS A
11 FINANCING ENTITY.

12 (12) "FINANCING TERM" MEANS THE AGGREGATE PERIOD NOT TO
13 EXCEED THIRTY YEARS AUTHORIZED BY THE COMMISSION PURSUANT TO
14 THIS PART 4 DURING WHICH THE FINANCING ENTITY IS AUTHORIZED TO
15 RECEIVE AND USE STATE SALES TAX INCREMENT REVENUE TO FINANCE
16 ELIGIBLE COSTS.

17 (13) "INFLATION OR DEFLATION" MEANS THE ANNUAL PERCENTAGE
18 CHANGE IN THE UNITED STATES DEPARTMENT OF LABOR'S BUREAU OF
19 LABOR STATISTICS CONSUMER PRICE INDEX, OR A SUCCESSOR INDEX, FOR
20 DENVER-AURORA-LAKEWOOD FOR ALL ITEMS PAID FOR BY URBAN
21 CONSUMERS.

22 (14) "LOCAL GOVERNMENT" MEANS A CITY, COUNTY, CITY AND
23 COUNTY, TOWN, OR A GROUP OF CONTIGUOUS CITIES, COUNTIES, CITIES
24 AND COUNTIES, OR TOWNS.

25 (15) "OFFICE OF ECONOMIC DEVELOPMENT" MEANS THE
26 COLORADO OFFICE OF ECONOMIC DEVELOPMENT CREATED IN SECTION
27 24-48.5-101.

1 (16) "PASSENGER RAIL STATION" HAS THE MEANING SET FORTH IN
2 SECTION 32-22-102 (8).

3 (17) (a) "STATE SALES TAX INCREMENT REVENUE" MEANS AN
4 ANNUAL AMOUNT EQUAL TO THE TOTAL OF:

5 (I) THE ANNUAL REVENUE DERIVED FROM STATE SALES TAXES
6 COLLECTED ON IN-PERSON SALES MADE WITHIN A DESIGNATED TRANSIT
7 INVESTMENT AREA IN EXCESS OF THE AMOUNT OF BASE YEAR REVENUE
8 ADJUSTED TO ACCOUNT FOR THE BASELINE GROWTH RATE; AND

9 (II) TWENTY PERCENT OF THE AMOUNT CALCULATED PURSUANT TO
10 SUBSECTION (17)(a)(I) OF THIS SECTION, WHICH TWENTY PERCENT
11 APPROXIMATES SALES DELIVERED FROM WITHOUT THE DESIGNATED
12 TRANSIT INVESTMENT AREA THAT ARE UNABLE TO BE MEASURED AND
13 THEREFORE NOT INCLUDED AS IN-PERSON SALES MADE WITHIN A
14 DESIGNATED TRANSIT INVESTMENT AREA.

15 (b) (I) EXCEPT THAT, AS APPLIED FOR A TRANSIT INVESTMENT
16 AREA THAT IS WITHIN A REGIONAL TOURISM ZONE ESTABLISHED BY THE
17 COLORADO ECONOMIC DEVELOPMENT COMMISSION PURSUANT TO SECTION
18 24-46-305 (3), "STATE SALES TAX INCREMENT REVENUE" MEANS AN
19 ANNUAL AMOUNT EQUAL TO THE LESSER OF:

20 (A) STATE SALES TAX INCREMENT REVENUE AS DETERMINED
21 PURSUANT TO SUBSECTION (17)(a) OF THIS SECTION; OR

22 (B) THE EXCESS, IF ANY, OF THE REGIONAL TOURISM ACT STATE
23 SALES TAX INCREMENT REVENUE OVER THE PAYABLE REGIONAL TOURISM
24 ACT STATE SALES TAX INCREMENT REVENUE.

25 (II) AS USED IN THIS SUBSECTION (17)(b), UNLESS THE CONTEXT
26 OTHERWISE REQUIRES:

27 (A) "COLORADO ECONOMIC DEVELOPMENT COMMISSION" HAS THE

1 SAME MEANING AS IN SECTION 24-46-303 (2).

2 (B) "PAYABLE REGIONAL TOURISM ACT STATE SALES TAX
3 INCREMENT REVENUE" MEANS THE AMOUNT OF REGIONAL TOURISM ACT
4 STATE SALES TAX INCREMENT REVENUE THAT, PURSUANT TO SECTION
5 24-46-307 (1)(b), THE DEPARTMENT ALLOCATES AND PAYS INTO A SPECIAL
6 FUND CREATED BY A FINANCING ENTITY IN ACCORDANCE WITH THE
7 AMOUNT OF REGIONAL TOURISM ACT STATE SALES TAX INCREMENT
8 REVENUE AUTHORIZED FOR ALLOCATION BY THE DEPARTMENT TO THE
9 FINANCING ENTITY BY THE COLORADO ECONOMIC DEVELOPMENT
10 COMMISSION PURSUANT TO SECTION 24-46-305 (4).

11 (C) "REGIONAL TOURISM ACT STATE SALES TAX INCREMENT
12 REVENUE" MEANS THE AMOUNT OF "STATE SALES TAX INCREMENT
13 REVENUE", AS DEFINED IN SECTION 24-46-303 (12), ATTRIBUTED TO THE
14 PORTION OF A REGIONAL TOURISM ZONE THAT IS WITHIN THE TRANSIT
15 INVESTMENT AREA.

16 (D) "REGIONAL TOURISM ZONE" HAS THE MEANING SET FORTH IN
17 SECTION 24-46-303 (11).

18 (18) "TRANSIT AGENCY" MEANS A LOCAL OR REGIONAL TRANSIT
19 DISTRICT, OR A REGIONAL TRANSPORTATION AUTHORITY THAT PROVIDES
20 PUBLIC TRANSIT.

21 (19) "TRANSIT AND HOUSING INVESTMENT ZONE" MEANS THE AREA
22 DESIGNATED BY THE OFFICE OF ECONOMIC DEVELOPMENT IN THE TRANSIT
23 AND HOUSING INVESTMENT ZONE MAP PURSUANT TO SECTION 24-48.5-136.

24 (20) "TRANSIT INVESTMENT AREA" MEANS A GEOGRAPHIC AREA
25 THAT IS WITHIN A TRANSIT AND HOUSING INVESTMENT ZONE AND THAT
26 THE COMMISSION APPROVES AS PART OF A TRANSIT INVESTMENT PROJECT
27 PURSUANT TO SECTION 24-46-404 (3)(d)(I)(B). A TRANSIT INVESTMENT

1 AREA:

2 (a) SHALL NOT EXTEND INTO THE TERRITORIAL BOUNDARIES OF
3 ANY LOCAL GOVERNMENT, UNLESS THE LOCAL GOVERNMENT REQUESTS
4 THAT THE TRANSIT INVESTMENT AREA IS WITHIN ITS BOUNDARIES AT
5 LEAST IN PART;

6 (b) MAY ONLY INCLUDE PART OF A LOCAL GOVERNMENT'S
7 JURISDICTION;

8 (c) MAY INCLUDE NONCONTIGUOUS TRACTS OR PARCELS OF
9 PROPERTY IN THE SAME TRANSIT INVESTMENT AREA; AND

10 (d) MAY EXTEND BEYOND THE RELEVANT TRANSIT INVESTMENT
11 ZONE DESIGNATED BY THE OFFICE OF ECONOMIC DEVELOPMENT PURSUANT
12 TO SECTION 24-48.5-136, IF THE RELEVANT TRANSIT INVESTMENT ZONE
13 ENCOMPASSES A COMMUNITY THAT IS NOT EVENLY DISTRIBUTED DUE TO
14 GEOGRAPHICAL CONSTRAINT INCLUDING MOUNTAINS, WATER FEATURES,
15 AND OTHER NATURAL TOPOGRAPHICAL FEATURES, BUT IN SO DOING SHALL
16 NOT EXTEND FURTHER THAN THREE MILES FROM A TRANSPORTATION
17 FACILITY AS CALCULATED BY MEASURING THE DISTANCE ALONG A ROAD
18 OR PEDESTRIAN NETWORK THAT IS USED TO ACCESS THE TRANSPORTATION
19 FACILITY.

20 (21) "TRANSIT INVESTMENT AUTHORITY" OR "AUTHORITY" MEANS
21 A CORPORATE BODY ORGANIZED PURSUANT TO THIS PART 4 FOR THE
22 PURPOSES, WITH THE POWERS, AND SUBJECT TO THE RESTRICTIONS SET
23 FORTH IN THIS PART 4 AND THE FORMATION OF WHICH HAS BEEN
24 APPROVED BY THE COMMISSION PURSUANT TO THIS PART 4.

25 (22) "TRANSIT INVESTMENT PROJECT" OR "PROJECT" MEANS A
26 DEVELOPMENT PROJECT THAT IS PLANNED TO INCLUDE A TRANSPORTATION
27 FACILITY OR SIGNIFICANT IMPROVEMENTS TO A TRANSPORTATION FACILITY

1 TOGETHER WITH ANCILLARY USES, STRUCTURES, AND IMPROVEMENTS,
2 AND THAT THE COMMISSION APPROVES PURSUANT TO SECTION 24-46-404
3 (3).

4 (23) (a) "TRANSIT STATION" MEANS AN IN-PERSON LOCATION
5 DESIGNED TO INTEGRATE AND FACILITATE THE CONNECTION BETWEEN
6 MULTIPLE MODES OF TRANSPORTATION, INCLUDING:

7 (I) PUBLIC TRANSIT, SUCH AS BUSES;

8 (II) LIGHT RAIL, AERIAL TRANSIT, AND COMMUTER RAIL;

9 (III) ACTIVE TRANSPORTATION, SUCH AS BICYCLE AND PEDESTRIAN
10 INFRASTRUCTURE;

11 (IV) SHARED MOBILITY SERVICES INCLUDING CAR SHARE, BIKE
12 SHARE, AND SCOOTER SHARE;

13 (V) RIDE-HAILING AND DEMAND-RESPONSIVE SERVICES; AND

14 (VI) PRIVATE VEHICLES.

15 (b) A TRANSIT STATION MAY INCLUDE RELATED INFRASTRUCTURE
16 THAT SUPPORTS SEAMLESS AND EFFICIENT MULTIMODAL TRAVEL, SUCH AS
17 PARK-AND-RIDE FACILITIES, ELECTRIC VEHICLE CHARGING STATIONS,
18 BICYCLE STORAGE, WAYFINDING SYSTEMS, AND PASSENGER AMENITIES.

19 (24) "TRANSPORTATION FACILITY" MEANS A TRANSIT STATION OR
20 PASSENGER RAIL STATION.

21 (25) "URBAN RENEWAL AUTHORITY" HAS THE MEANING SET FORTH
22 IN SECTION 31-25-103 (8.5).

23 **24-46-403. Transit investment project - application -**
24 **requirements - transit investment zones cash fund.**

25 (1) BEGINNING JANUARY 1, 2027, A LOCAL GOVERNMENT, EITHER
26 ALONE OR IN PARTNERSHIP WITH A TRANSIT AGENCY THAT HAS
27 JURISDICTION WITHIN A PROPOSED TRANSIT INVESTMENT AREA, MAY

1 SUBMIT AN APPLICATION TO THE OFFICE OF ECONOMIC DEVELOPMENT FOR
2 THE APPROVAL OF A TRANSIT INVESTMENT PROJECT, INCLUDING THE:

- 3 (a) DESIGNATION OF A TRANSIT INVESTMENT AREA;
- 4 (b) CREATION OF A TRANSIT INVESTMENT AUTHORITY, AS
5 NECESSARY; AND
- 6 (c) DESIGNATION OF A FINANCING ENTITY TO RECEIVE, USE, AND
7 DISBURSE STATE SALES TAX INCREMENT REVENUE FOR ELIGIBLE COSTS.

8 (2) (a) BEFORE A LOCAL GOVERNMENT SUBMITS AN APPLICATION
9 FOR A TRANSIT INVESTMENT PROJECT TO THE OFFICE OF ECONOMIC
10 DEVELOPMENT PURSUANT TO SUBSECTION (1) OF THIS SECTION, THE LOCAL
11 GOVERNMENT MUST SUBMIT A MAP SHOWING THE PROPOSED BOUNDARIES
12 OF A PROPOSED TRANSIT INVESTMENT AREA TO THE OFFICE OF ECONOMIC
13 DEVELOPMENT, ALONG WITH DATA USED TO ESTIMATE THE STATE SALES
14 TAX INCREMENT REVENUE AND A CALCULATION SHOWING THE PROJECTED
15 BASELINE GROWTH RATE. THE OFFICE OF ECONOMIC DEVELOPMENT SHALL
16 VERIFY WHETHER THE PROPOSED TRANSIT INVESTMENT AREA IS WITHIN A
17 TRANSIT AND HOUSING INVESTMENT ZONE THAT IS ESTABLISHED IN
18 RELATION TO A TRANSIT FACILITY THAT IS THE SUBJECT OF THE TRANSIT
19 INVESTMENT PROJECT IN THE LOCAL GOVERNMENT'S APPLICATION
20 SUBMITTED PURSUANT TO SUBSECTION (1) OF THIS SECTION, AND THE
21 OFFICE OF ECONOMIC DEVELOPMENT SHALL ENTER INTO A CONTRACT WITH
22 A THIRD-PARTY ANALYST TO DETERMINE THE BASELINE GROWTH RATE FOR
23 THE PROPOSED TRANSIT INVESTMENT AREA. IN DETERMINING THE
24 BASELINE GROWTH RATE, THE CONTRACTED THIRD PARTY SHALL
25 CONSIDER THE GROWTH RATE FOR THE PROPOSED TRANSIT INVESTMENT
26 AREA DURING AT LEAST THE PREVIOUS TEN CALENDAR YEARS. THE
27 THIRD-PARTY ANALYST SHALL DELIVER ITS FINDINGS TO THE OFFICE OF

1 STATE PLANNING AND BUDGETING FOR REVIEW.

2 (b) THE OFFICE OF ECONOMIC DEVELOPMENT MAY CHARGE A
3 LOCAL GOVERNMENT A SUBMISSION FEE OF UP TO SEVEN THOUSAND FIVE
4 HUNDRED DOLLARS PER SUBMISSION, AND THE STATE TREASURER SHALL
5 CREDIT THAT FEE TO THE TRANSIT INVESTMENT ZONES CASH FUND
6 CREATED IN SUBSECTION (6) OF THIS SECTION, FOR THE COSTS INCURRED
7 IN CONTRACTING WITH A THIRD-PARTY ANALYST FOR THE DETERMINATION
8 OF THE BASELINE GROWTH RATE FOR THE PROPOSED TRANSIT INVESTMENT
9 AREA PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION. THE OFFICE OF
10 ECONOMIC DEVELOPMENT SHALL ANNUALLY ADJUST FOR INFLATION OR
11 DEFLATION THE FEE REQUIRED PURSUANT TO THIS SUBSECTION (2)(b) AND
12 SHALL ROUND THE ADJUSTED AMOUNT UPWARD OR DOWNWARD TO THE
13 NEAREST HUNDRED DOLLARS.

14 (c) THE LOCAL GOVERNMENT AND THE THIRD-PARTY ANALYST
15 RETAINED PURSUANT TO SUBSECTION (3)(j) OF THIS SECTION SHALL USE
16 THE BASELINE GROWTH RATE DETERMINED BY A CONTRACTED THIRD
17 PARTY PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION IN THEIR
18 ASSUMPTIONS AND ECONOMIC ANALYSES FOR THE PURPOSE OF
19 CALCULATING THE TOTAL CUMULATIVE DOLLAR AMOUNT AVAILABLE TO
20 BE PLEDGED TO THE PROPOSED TRANSIT INVESTMENT PROJECT AS
21 REQUIRED BY SUBSECTIONS (3)(i) AND (3)(j) OF THIS SECTION.

22 (3) A LOCAL GOVERNMENT THAT SUBMITS AN APPLICATION
23 PURSUANT TO SUBSECTION (1) OF THIS SECTION MUST SUBMIT THE
24 APPLICATION TO THE OFFICE OF ECONOMIC DEVELOPMENT IN A FORM AND
25 MANNER TO BE DETERMINED BY THE COMMISSION. AN APPLICATION MUST
26 INCLUDE AT LEAST:

27 (a) MAPS OF THE PROPOSED PROJECT AREA SHOWING BOTH

1 CURRENT CONDITIONS AND A CONCEPTUAL RENDERING OF THE PROPOSED
2 TRANSIT INVESTMENT PROJECT IN ITS ANTICIPATED BUILT CONDITION;

3 (b) A MAP SHOWING THE PROPOSED BOUNDARIES OF THE PROPOSED
4 TRANSIT INVESTMENT AREA;

5 (c) A NARRATIVE DESCRIPTION OF THE PROPOSED TRANSIT
6 INVESTMENT PROJECT, INCLUDING:

7 (I) THE LOCATION AND ESTIMATED OVERALL COST;

8 (II) ESTIMATED ELIGIBLE COSTS;

9 (III) THE ANTICIPATED SCOPE AND PHASING OF ELIGIBLE
10 IMPROVEMENTS;

11 (IV) THE INFRASTRUCTURE EXISTING OR NEEDED IN CONNECTION
12 WITH THE PROPOSED TRANSIT INVESTMENT PROJECT; AND

13 (V) AN OPERATIONS, MAINTENANCE, AND CAPITAL RESERVE PLAN
14 FOR THE PROPOSED TRANSIT INVESTMENT PROJECT;

15 (d) A DISCUSSION OF THE APPLICATION CRITERIA ESTABLISHED IN
16 SUBSECTION (4) OF THIS SECTION AND HOW THE PROPOSED TRANSIT
17 INVESTMENT PROJECT WILL MEET THE CRITERIA. THIS DISCUSSION SHALL
18 INCLUDE AN ECONOMIC ANALYSIS DETAILING:

19 (I) PROJECTED ECONOMIC DEVELOPMENT;

20 (II) IMPACT OF THE PROJECT ON FUTURE STATE SALES TAX
21 REVENUE IN THE TRANSIT INVESTMENT AREA DURING AND AFTER THE
22 FINANCING TERM; AND

23 (III) ANY OTHER INFORMATION REASONABLY REQUESTED BY THE
24 COMMISSION;

25 (e) (I) A DESCRIPTION OF THE PROPOSED FINANCING ENTITY; AND

26 (II) A GENERAL DESCRIPTION OF THE PROPOSED FINANCING
27 ENTITY'S PLAN FOR FINANCING THE ELIGIBLE COSTS AND PROVIDING THE

1 PROPOSED ELIGIBLE IMPROVEMENTS;

2 (f) IF APPLICABLE, A REQUEST FOR AUTHORIZATION OF A TRANSIT
3 INVESTMENT AUTHORITY, WHICH REQUEST SHALL INCLUDE A DESCRIPTION
4 OF THE PROPOSED TRANSIT INVESTMENT AUTHORITY'S:

5 (I) GEOGRAPHIC BOUNDARIES;
6 (II) REQUESTED POWERS; AND
7 (III) ANTICIPATED SOURCES OF REVENUE, IF ANY, IN ADDITION TO
8 STATE SALES TAX INCREMENT REVENUE;

9 (g) IF IT IS ANTICIPATED THAT THE PROPOSED FINANCING ENTITY
10 WILL ENTER INTO CONTRACTUAL ARRANGEMENTS WITH ONE OR MORE
11 URBAN RENEWAL AUTHORITIES, METROPOLITAN DISTRICTS, AUTHORITIES
12 FORMED BY INTERGOVERNMENTAL AGREEMENT AMONG TWO OR MORE
13 METROPOLITAN DISTRICTS, LOCAL GOVERNMENTS, REGIONAL
14 TRANSPORTATION AUTHORITIES, OR PRIVATE PARTIES WITH RESPECT TO
15 THE METHOD OF FINANCING THE ELIGIBLE COSTS AND PROVIDING THE
16 PROPOSED ELIGIBLE IMPROVEMENTS, A GENERAL DESCRIPTION OF THE
17 CONTEMPLATED CONTRACTUAL ARRANGEMENTS;

18 (h) IF IT IS ANTICIPATED THAT THE PROPOSED ELIGIBLE
19 IMPROVEMENTS WILL BE CONSTRUCTED IN PHASES OR THAT FINANCING OF
20 THE ELIGIBLE COSTS WILL BE ACCOMPLISHED IN PHASES, A DESCRIPTION OF
21 THE CONTEMPLATED PHASES AND THE ANTICIPATED TIMING OF THE
22 PHASES;

23 (i) CONCERNING THE FINANCING OF THE PROPOSED ELIGIBLE
24 PUBLIC IMPROVEMENTS BY THE FINANCING ENTITY, THE FOLLOWING
25 PROPOSED ITEMS:

26 (I) THE FINANCING TERM;
27 (II) AN ANNUAL DOLLAR AMOUNT OF REVENUE THAT CAN BE

1 ALLOCATED TO THE FINANCING ENTITY;

2 (III) THE TOTAL CUMULATIVE DOLLAR AMOUNT OF REVENUE THAT
3 CAN BE ALLOCATED TO THE FINANCING ENTITY; AND

4 (IV) THE PORTION OF THE FINANCING TERM DURING WHICH THE
5 STATE SALES TAX INCREMENT REVENUE TO BE ALLOCATED TO THE
6 FINANCING ENTITY IS TO BE ALLOCATED TO THE FINANCING ENTITY;

7 (j) UPON RECEIPT OF AN APPLICATION, THE OFFICE OF ECONOMIC
8 DEVELOPMENT SHALL COMMISSION A REPORT BY A THIRD-PARTY ANALYST
9 WHO IS AN EXPERT IN THE FIELD OF ECONOMIC OR PUBLIC FINANCIAL
10 ANALYSIS CALCULATING THE TOTAL CUMULATIVE DOLLAR AMOUNT
11 AVAILABLE TO BE PLEDGED TO THE PROPOSED TRANSIT INVESTMENT
12 PROJECT TO BE SET BY THE COMMISSION PURSUANT TO SECTION 24-46-404
13 (3). THE REVIEWING THIRD-PARTY ANALYST MUST BE CHOSEN THROUGH
14 A REQUEST FOR PROPOSALS ISSUED BY THE OFFICE OF ECONOMIC
15 DEVELOPMENT TO ENSURE AN INDEPENDENT AND THOROUGH ANALYSIS,
16 AND THE THIRD-PARTY ANALYST SHALL REPORT TO THAT OFFICE. THE
17 OFFICE OF ECONOMIC DEVELOPMENT SHALL REQUIRE A LOCAL
18 GOVERNMENT THAT SUBMITS AN APPLICATION PURSUANT TO SUBSECTION
19 (1) OF THIS SECTION TO PAY THE COSTS FOR THE THIRD-PARTY ANALYST
20 CHOSEN BY THE OFFICE OF ECONOMIC DEVELOPMENT PURSUANT TO THIS
21 SUBSECTION (3)(j) TO COMMISSION THE REPORT; EXCEPT THAT, IF THE
22 OFFICE OF ECONOMIC DEVELOPMENT, IN COLLABORATION WITH THE
23 DEPARTMENT OF LOCAL AFFAIRS, DETERMINES THAT THE PAYMENT OF
24 THESE COSTS BY A LOCAL GOVERNMENT WOULD CONSTITUTE AN EXTREME
25 NEGATIVE FINANCIAL HARDSHIP FOR THE LOCAL GOVERNMENT, THE OFFICE
26 OF ECONOMIC DEVELOPMENT SHALL PAY THESE COSTS FROM THE TRANSIT
27 INVESTMENT ZONES CASH FUND CREATED IN SUBSECTION (6) OF THIS

1 SECTION OR, IF THERE IS INSUFFICIENT MONEY IN THE TRANSIT
2 INVESTMENT ZONES CASH FUND, THE OFFICE OF ECONOMIC DEVELOPMENT
3 SHALL PAY THESE COSTS FROM THE GENERAL FUND. AS PART OF CREATING
4 THE REPORT, THE THIRD-PARTY ANALYST MUST:

5 (I) CALCULATE THE TOTAL ANTICIPATED STATE SALES TAX
6 INCREMENT REVENUE DURING THE FINANCING TERM IN THE PROPOSED
7 TRANSIT INVESTMENT AREA;

8 (II) CALCULATE THE TOTAL REGIONAL TRANSIT INVESTMENT AREA
9 STATE SALES TAX INCREMENT REVENUE THAT THE FINANCING ENTITY IS
10 ELIGIBLE TO RECEIVE; AND

11 (III) ASSESS THE APPLICATION'S SATISFACTION OF THE CRITERIA
12 DESCRIBED IN SUBSECTION (4) OF THIS SECTION AND THE PROVISION OF
13 ANY INFORMATION REQUIRED BY THE OFFICE OF ECONOMIC DEVELOPMENT
14 OR THE COMMISSION.

15 (k) A LOCAL GOVERNMENT THAT SUBMITS AN APPLICATION
16 PURSUANT TO SUBSECTION (1) OF THIS SECTION MUST SHARE THE DATA
17 AND ASSUMPTIONS IT USED IN ITS APPLICATION WITH THE THIRD-PARTY
18 ANALYST, AND THE ANALYST SHALL RELY ON THE DATA AND REASONING
19 AS IT DEEMS APPROPRIATE IN THE EXERCISE OF ITS INDEPENDENT
20 JUDGMENT. AN APPLICANT THAT IS DISSATISFIED WITH THE REPORT
21 PRODUCED BY THE THIRD-PARTY ANALYST MAY REVISE ITS APPLICATION
22 AND REQUEST THAT THE THIRD-PARTY ANALYST REVISE THE REPORT.

23 (4) AN APPLICATION MUST DEMONSTRATE THAT IT SATISFIES EACH
24 OF THE FOLLOWING CRITERIA:

25 (a) THE PROPOSED TRANSIT INVESTMENT PROJECT IS REASONABLY
26 ANTICIPATED TO RESULT IN A SUBSTANTIAL INCREASE IN TRANSIT
27 UTILIZATION;

1 (b) THE BOUNDARIES OF THE PROPOSED TRANSIT INVESTMENT
2 AREA ARE ONLY AS LARGE AS NECESSARY TO ACCOMPLISH THE PROPOSED
3 TRANSIT INVESTMENT PROJECT GOALS;

4 (c) THE PROPOSED TRANSIT INVESTMENT PROJECT OR SUBSTANTIAL
5 PORTIONS OF THE PROPOSED PROJECT HAVE BEEN IDENTIFIED AS PART OF
6 A LOCAL PLANNING PROCESS;

7 (d) THE COSTS IDENTIFIED PURSUANT TO SECTION 24-46-403
8 (3)(c)(II) ARE ELIGIBLE COSTS;

9 (e) THE STATE SALES TAX INCREMENT REVENUE THAT EXCEEDS
10 THE PROJECTED COSTS OF ELIGIBLE COSTS WILL BE SPENT ON ADDITIONAL
11 ELIGIBLE COSTS INCURRED IN CONNECTION WITH THE TRANSIT
12 INVESTMENT PROJECT; AND

13 (f) THE LOCAL GOVERNMENT THAT SUBMITTED THE APPLICATION
14 FOR THE PROPOSED TRANSIT INVESTMENT PROJECT HAS PROVIDED
15 RELIABLE ECONOMIC DATA DEMONSTRATING THAT, IN THE ABSENCE OF
16 STATE SALES TAX INCREMENT REVENUE, THE PROPOSED PROJECT IS NOT
17 REASONABLY ANTICIPATED TO BE DEVELOPED WITHIN THE FORESEEABLE
18 FUTURE.

19 (5) THE OFFICE OF ECONOMIC DEVELOPMENT SHALL PROVIDE THE
20 COMMISSION WITH EACH APPLICATION RECEIVED AFTER THE DIRECTOR'S
21 REVIEW PURSUANT TO SECTION 24-46-404.

22 (6) (a) THE TRANSIT INVESTMENT ZONES CASH FUND IS CREATED
23 IN THE STATE TREASURY. THE FUND CONSISTS OF APPLICATION FEES
24 COLLECTED BY THE OFFICE OF ECONOMIC DEVELOPMENT AND CREDITED TO
25 THE FUND PURSUANT TO SUBSECTION (3)(j) OF THIS SECTION, SUBMISSION
26 FEES COLLECTED BY THE OFFICE OF ECONOMIC DEVELOPMENT AND
27 CREDITED TO THE FUND PURSUANT TO SUBSECTION (2)(b) OF THIS

1 SECTION, AND ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY
2 APPROPRIATE OR TRANSFER TO THE FUND.

3 (b) IN ACCORDANCE WITH SECTION 24-36-114 (1), THE STATE
4 TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE
5 DEPOSIT AND INVESTMENT OF MONEY IN THE TRANSIT INVESTMENT ZONES
6 CASH FUND TO THE GENERAL FUND.

7 (c) MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE
8 OFFICE OF ECONOMIC DEVELOPMENT TO PAY:

9 (I) THE COST INCURRED IN CONTRACTING WITH A **THIRD-PARTY**
10 **ANALYST** TO DETERMINE THE BASELINE GROWTH RATE FOR THE PROPOSED
11 TRANSIT INVESTMENT AREA PURSUANT TO SUBSECTION (2)(a) OF THIS
12 SECTION; AND

13 (II) THE COSTS FOR THIRD-PARTY ANALYSTS AS DESCRIBED IN
14 SUBSECTION (3)(j) OF THIS SECTION.

15 **24-46-404. Transit investment project approval - director -**
16 **commission - review.**

17 (1) UPON RECEIPT OF A LOCAL GOVERNMENT'S APPLICATION FOR
18 THE APPROVAL OF A TRANSIT INVESTMENT PROJECT, THE DIRECTOR OR THE
19 DIRECTOR'S DESIGNEE SHALL REVIEW THE APPLICATION AND MAKE AN
20 INITIAL DETERMINATION AS TO WHETHER THE APPLICATION HAS MET THE
21 CRITERIA FOR A TRANSIT INVESTMENT PROJECT SPECIFIED IN SECTION
22 24-46-403 (4).

23 (2) AFTER REVIEWING AN APPLICATION FOR APPROVAL OF A
24 TRANSIT INVESTMENT PROJECT FOR COMPLETENESS, THE DIRECTOR SHALL
25 FORWARD THE APPLICATION:

26 (a) TO THE THIRD-PARTY ANALYST WHO WILL REVIEW THE
27 APPLICATION PURSUANT TO SECTION 24-46-403 (3)(j);

1 (b) AT LEAST THIRTY DAYS PRIOR TO A PUBLIC HEARING HELD
2 PURSUANT TO SUBSECTION (3) OF THIS SECTION, TO ANY LOCAL
3 GOVERNMENT THAT IS ADJACENT TO THE LOCATION OF THE PROPOSED
4 TRANSIT INVESTMENT AREA TO NOTIFY THE ADJACENT JURISDICTIONS OF
5 THE PROPOSAL; AND

6 (c) TO THE COMMISSION WITH A RECOMMENDATION THAT THE
7 COMMISSION APPROVE, APPROVE WITH CONDITIONS, OR DENY THE
8 APPLICATION.

9 (3) (a) UPON RECEIVING AN APPLICATION FOR THE APPROVAL OF
10 A TRANSIT INVESTMENT PROJECT, THE COMMISSION SHALL HOLD A PUBLIC
11 HEARING, SUBJECT TO THE OPEN MEETINGS LAW UNDER PART 4 OF ARTICLE
12 6 OF THIS TITLE 24, TO REVIEW AND CONSIDER THE APPLICATION. THE
13 COMMISSION MAY HOLD THE HEARING VIRTUALLY.

14 (b) AFTER HOLDING A HEARING PURSUANT TO SUBSECTION (3)(a)
15 OF THIS SECTION, WHILE GIVING CONSIDERATION TO THE DIRECTOR'S
16 RECOMMENDATIONS AND THE REPORT COMPLETED BY A THIRD-PARTY
17 ANALYST PURSUANT TO SECTION 24-46-403 (3)(j), THE COMMISSION SHALL
18 TIMELY APPROVE, APPROVE WITH CONDITIONS, OR DENY AN APPLICATION.

19 (c) THE COMMISSION SHALL APPROVE A LOCAL GOVERNMENT'S
20 APPLICATION FOR THE APPROVAL OF A TRANSIT INVESTMENT PROJECT IF A
21 MAJORITY OF THE COMMISSIONERS PARTICIPATING IN THE REVIEW OF THE
22 APPLICATION FINDS THAT THE APPLICATION DEMONSTRATES THAT EACH
23 OF THE CRITERIA IDENTIFIED IN SECTION 24-46-403 (4) ARE MATERIALLY
24 MET.

25 (d) (I) IF THE COMMISSION APPROVES AN APPLICATION FOR A
26 TRANSIT INVESTMENT PROJECT, IT SHALL ADOPT A RESOLUTION THAT
27 SPECIFIES:

1 (A) THE LOCAL GOVERNMENT THAT HAS BEEN APPROVED TO
2 UNDERTAKE A TRANSIT INVESTMENT PROJECT;

3 (B) THE BOUNDARY OF THE TRANSIT INVESTMENT AREA
4 ESTABLISHED IN CONNECTION WITH THE TRANSIT INVESTMENT PROJECT;

5 (C) WHETHER THE COMMISSION HAS AUTHORIZED THE CREATION
6 OF A TRANSIT INVESTMENT AUTHORITY;

7 (D) THE BASELINE GROWTH RATE, TAKING INTO ACCOUNT THE
8 BASELINE GROWTH RATE DETERMINED BY THE THIRD-PARTY ANALYST
9 PURSUANT TO SECTION 24-46-403 (2)(a);

10 (E) THE DOLLAR AMOUNT THAT CAN BE ANNUALLY DEDICATED TO
11 THE TRANSIT INVESTMENT PROJECT, AS DETERMINED PURSUANT TO
12 SUBSECTION (3)(d)(II) OF THIS SECTION; AND

13 (F) THE TOTAL CUMULATIVE DOLLAR AMOUNT THAT CAN BE
14 DEDICATED TO THE TRANSIT INVESTMENT PROJECT, AS DETERMINED
15 PURSUANT TO SUBSECTION (3)(d)(III) OF THIS SECTION.

16 (II) IN DETERMINING THE ANNUAL DOLLAR AMOUNT THAT CAN BE
17 DEDICATED TO THE TRANSIT INVESTMENT PROJECT PURSUANT TO
18 SUBSECTION (3)(b)(I)(E) OF THIS SECTION, THE COMMISSION SHALL
19 CONSIDER THE AMOUNT IDENTIFIED BY THE APPLICANT PURSUANT TO
20 SECTION 24-46-403 (3)(i)(II) AND SHALL ENSURE THAT THE ANNUAL
21 DOLLAR AMOUNT DOES NOT PREVENT DEDICATING THE CUMULATIVE
22 DOLLAR AMOUNT ESTABLISHED BY THE COMMISSION PURSUANT TO THIS
23 SUBSECTION (3)(d) TO THE TRANSIT INVESTMENT PROJECT. AFTER
24 ADOPTING THE RESOLUTION REQUIRED PURSUANT TO THIS SUBSECTION
25 (3)(d), THE COMMISSION MAY ADOPT A SUBSEQUENT RESOLUTION THAT
26 INCREASES THE ANNUAL DOLLAR AMOUNT THAT CAN BE DEDICATED TO
27 THE TRANSIT INVESTMENT PROJECT, BUT THE COMMISSION SHALL NOT

1 INCREASE THE ANNUAL DOLLAR AMOUNT BY AN AMOUNT THAT WOULD
2 RESULT IN DEDICATING A TOTAL DOLLAR AMOUNT TO THE TRANSIT
3 INVESTMENT PROJECT THAT EXCEEDS THE CUMULATIVE DOLLAR AMOUNT
4 ESTABLISHED BY THE COMMISSION PURSUANT TO THIS SUBSECTION (3)(d).

5 (III) (A) IN DETERMINING THE TOTAL CUMULATIVE DOLLAR
6 AMOUNT THAT CAN BE DEDICATED TO THE TRANSIT INVESTMENT PROJECT
7 PURSUANT TO SUBSECTION (3)(d)(I)(F) OF THIS SECTION, THE COMMISSION
8 SHALL AWARD AN AMOUNT EQUAL TO THE TOTAL CUMULATIVE DOLLAR
9 AMOUNT THAT THE THIRD-PARTY ANALYST DETERMINES CAN BE
10 DEDICATED TO THE TRANSIT INVESTMENT PROJECT AS REPORTED
11 PURSUANT TO SECTION 24-46-403 (3)(j).

12 (B) NOTWITHSTANDING SUBSECTION (3)(d)(III)(A) OF THIS
13 SECTION, IF THE ESTIMATED ELIGIBLE COSTS IDENTIFIED PURSUANT TO
14 SECTION 24-46-403 (3)(c)(II) ARE LESS THAN THE TOTAL CUMULATIVE
15 DOLLAR AMOUNT THAT THE THIRD-PARTY ANALYST DETERMINES CAN BE
16 DEDICATED TO THE TRANSIT INVESTMENT PROJECT AS REPORTED
17 PURSUANT TO SECTION 24-46-403 (3)(j) AND THE APPLICATION DID NOT
18 AFFIRM THAT STATE SALES TAX INCREMENT REVENUE THAT EXCEEDS THE
19 ESTIMATED ELIGIBLE COSTS WILL BE SPENT ON ADDITIONAL ELIGIBLE
20 COSTS INCURRED IN CONNECTION WITH THE TRANSIT INVESTMENT
21 PROJECT, IN DETERMINING THE TOTAL CUMULATIVE DOLLAR AMOUNT
22 THAT CAN BE DEDICATED TO THE TRANSIT INVESTMENT PROJECT
23 PURSUANT TO SUBSECTION (3)(d)(I)(F) OF THIS SECTION, THE COMMISSION
24 SHALL AWARD A TOTAL CUMULATIVE DOLLAR AMOUNT EQUAL TO THE
25 ESTIMATED ELIGIBLE COSTS IDENTIFIED PURSUANT TO SECTION 24-46-403
26 (3)(c)(II).

27 (C) NOTWITHSTANDING SUBSECTION (3)(d)(III)(A) OF THIS

1 SECTION, IF THE ESTIMATED ELIGIBLE COSTS IDENTIFIED PURSUANT TO
2 SECTION 24-46-403 (3)(c)(II) ARE LESS THAN THE TOTAL CUMULATIVE
3 DOLLAR AMOUNT THAT THE THIRD-PARTY ANALYST DETERMINES CAN BE
4 DEDICATED TO THE TRANSIT INVESTMENT PROJECT AS REPORTED
5 PURSUANT TO SECTION 24-46-403 (3)(j) AND THE APPLICATION AFFIRMED
6 THAT STATE SALES TAX INCREMENT REVENUE THAT EXCEEDS THE
7 ESTIMATED ELIGIBLE COSTS WILL BE SPENT ON ADDITIONAL ELIGIBLE
8 COSTS INCURRED IN CONNECTION WITH THE TRANSIT INVESTMENT
9 PROJECT, IN DETERMINING THE TOTAL CUMULATIVE DOLLAR AMOUNT
10 THAT CAN BE DEDICATED TO THE TRANSIT INVESTMENT PROJECT
11 PURSUANT TO SUBSECTION (3)(d)(I)(F) OF THIS SECTION, THE COMMISSION
12 SHALL AWARD A TOTAL CUMULATIVE DOLLAR AMOUNT EQUAL TO THE
13 ESTIMATED ELIGIBLE COSTS IDENTIFIED PURSUANT TO SECTION 24-46-403
14 (3)(c)(II) AND ALLOW FOR THE EXPENDITURE OF ADDITIONAL STATE SALES
15 TAX INCREMENT REVENUE FOR ADDITIONAL ELIGIBLE COSTS INCURRED IN
16 CONNECTION WITH THE TRANSIT INVESTMENT PROJECT BEYOND THOSE
17 ESTIMATED IN THE APPLICATION.

18 (e) THE COMMISSION SHALL NOT APPROVE ANY PROPOSED TRANSIT
19 INVESTMENT PROJECT THAT WOULD LIKELY CREATE A STATE SALES TAX
20 INCREMENT REVENUE DEDICATION OF MORE THAN SEVENTY-FIVE MILLION
21 DOLLARS TO ALL TRANSIT INVESTMENT PROJECTS IN ANY GIVEN FISCAL
22 YEAR.

23 (f) (I) THE COMMISSION SHALL NOT APPROVE MORE THAN THREE
24 TRANSIT INVESTMENT PROJECTS PURSUANT TO THIS SUBSECTION (3) IN
25 ANY CALENDAR YEAR AND SHALL NOT APPROVE MORE THAN SIX TRANSIT
26 INVESTMENT PROJECTS PURSUANT TO THIS SUBSECTION (3) IN TOTAL.

27 (II) IF THE COMMISSION DOES NOT APPROVE A PROPOSED TRANSIT

1 INVESTMENT PROJECT BECAUSE DOING SO WOULD CAUSE THE COMMISSION
2 TO APPROVE MORE THAN THREE PROPOSED TRANSIT INVESTMENT
3 PROJECTS IN THE SAME CALENDAR YEAR, THE COMMISSION MAY CONSIDER
4 SUCH A PROJECT FOR APPROVAL, APPROVAL WITH CONDITIONS, OR DENIAL
5 IN THE NEXT CALENDAR YEAR.

6 (4) (a) AS PART OF THE APPROVAL OF A PROPOSED TRANSIT
7 INVESTMENT PROJECT, THE COMMISSION SHALL AUTHORIZE:

8 (I) THE DEPARTMENT TO COLLECT THE STATE SALES TAX
9 INCREMENT REVENUE SET TO BE COLLECTED IN CONNECTION WITH THE
10 PROPOSED TRANSIT INVESTMENT PROJECT ON BEHALF OF THE RELEVANT
11 FINANCING ENTITY;

12 (II) THE DEPARTMENT TO ADJUST THE BASE YEAR REVENUE BY THE
13 AMOUNT OF THE BASELINE GROWTH RATE SPECIFIED IN THE RESOLUTION
14 APPROVING A TRANSIT INVESTMENT PROJECT;

15 (III) A FINANCING ENTITY TO RECEIVE AND USE THE STATE SALES
16 TAX INCREMENT REVENUE FOR THE DURATION OF THE FINANCING TERM;
17 AND

18 (IV) THE USE OF THE STATE SALES TAX INCREMENT REVENUE BY
19 THE FINANCING ENTITY PURSUANT TO THIS PART 4 AND ANY CONDITIONS
20 OF APPROVAL IMPOSED BY THE COMMISSION AND INCORPORATED IN
21 WRITING INTO THE COMMISSION'S RESOLUTION APPROVING THE PROPOSED
22 TRANSIT INVESTMENT PROJECT.

23 (b) IN IMPLEMENTING THE AUTHORIZATION DESCRIBED IN
24 SUBSECTION (4)(a)(II) OF THIS SECTION, THE DEPARTMENT SHALL REMIT
25 STATE SALES TAX INCREMENT REVENUE TO THE FINANCING ENTITY ON A
26 MONTHLY BASIS PROMPTLY AFTER COLLECTING THAT REVENUE.

27 (5) (a) THE TOTAL AMOUNT OF STATE SALES TAX INCREMENT

1 REVENUE DEDICATED TO A TRANSIT INVESTMENT PROJECT FOR THE ENTIRE
2 DURATION OF THE PROJECT SHALL NOT EXCEED THE TOTAL CUMULATIVE
3 DOLLAR AMOUNT SPECIFIED BY THE COMMISSION PURSUANT TO
4 SUBSECTION (3) OF THIS SECTION. THE DEPARTMENT SHALL TRACK THE
5 ANNUAL AND CUMULATIVE STATE SALES TAX INCREMENT REVENUE
6 REMITTED TO THE FINANCING ENTITY IN CONNECTION WITH A TRANSIT
7 INVESTMENT PROJECT AND SHALL NOTIFY THE COMMISSION WHEN
8 CUMULATIVE PAYMENTS EQUAL NINETY PERCENT OF THE LIMITS SET BY
9 THE COMMISSION PURSUANT TO SUBSECTION (3) OF THIS SECTION FOR THE
10 COMMISSION'S CONCURRENCE REGARDING THE DOLLAR LIMITS.

11 (b) AFTER THE DEPARTMENT HAS REMITTED THE TOTAL
12 CUMULATIVE DOLLAR AMOUNT OF STATE SALES TAX INCREMENT REVENUE
13 SPECIFIED BY THE COMMISSION PURSUANT TO SUBSECTION (3) OF THIS
14 SECTION TO THE FINANCING ENTITY, THE DEPARTMENT SHALL NOT REMIT
15 ANY ADDITIONAL STATE SALES TAX INCREMENT REVENUE FROM THE STATE
16 TO THE FINANCING ENTITY, EVEN IF THE APPROVED FINANCING TERM IS
17 NOT COMPLETED. THE DEPARTMENT SHALL NOTIFY THE COMMISSION IF IT
18 IS NO LONGER REMITTING STATE SALES TAX INCREMENT REVENUE TO THE
19 FINANCING ENTITY PURSUANT TO THIS SUBSECTION (5)(b).

20 (6) FOLLOWING THE COMMISSION'S APPROVAL OF AN APPLICATION,
21 AND THE ESTABLISHMENT OF THE TERMS OF AWARD INCLUDING THE ITEMS
22 DESCRIBED IN SUBSECTION (3)(d)(I) OF THIS SECTION, THE COMMISSION
23 SHALL PROMPTLY TRANSMIT WRITTEN NOTICE AND A COPY OF THE
24 APPROVAL TO THE EXECUTIVE DIRECTOR OF THE DEPARTMENT. THE
25 COMMISSION SHALL INCLUDE ANY INFORMATION DEEMED NECESSARY BY
26 THE DEPARTMENT TO FULFILL ITS OBLIGATIONS PURSUANT TO THIS PART
27 4 IN THE WRITTEN NOTICE.

1 **24-46-405. Transit investment authority - board - creation -**
2 **powers and duties.**

3 (1) THE COMMISSION SHALL NOT DENY A REQUEST TO AUTHORIZE
4 THE CREATION OF A TRANSIT INVESTMENT AUTHORITY IF THE COMMISSION
5 OTHERWISE APPROVES AN APPLICATION FOR A TRANSIT INVESTMENT
6 PROJECT THAT INCLUDES A REQUEST FOR THE FORMATION OF A TRANSIT
7 INVESTMENT AUTHORITY.

8 (2) A TRANSIT INVESTMENT AUTHORITY IS GOVERNED BY A BOARD
9 CONSISTING OF THE FOLLOWING MEMBERS:

10 (a) IF THE **APPLICANT** IS A SINGLE LOCAL GOVERNMENT:

11 (I) TWO MEMBERS APPOINTED BY THE COMMISSION WHO ARE
12 OWNERS OF COMMERCIAL PROPERTY WITHIN THE TRANSIT INVESTMENT
13 AREA;

14 (II) TWO MEMBERS APPOINTED BY THE LOCAL GOVERNMENT WHO
15 ARE ELECTED OFFICIALS OF THE LOCAL GOVERNMENT; AND

16 (III) ONE MEMBER APPOINTED BY THE TRANSIT AGENCY **OR ENTITY**
17 THAT OPERATES THE TRANSPORTATION FACILITY THAT IS THE SUBJECT OF
18 THE PROPOSED TRANSIT INVESTMENT PROJECT.

19 (b) IF THE **APPLICANT** IS TWO LOCAL GOVERNMENTS:

20 (I) TWO MEMBERS APPOINTED BY THE COMMISSION WHO ARE
21 OWNERS OF COMMERCIAL PROPERTY WITHIN THE TRANSIT INVESTMENT
22 AREA;

23 (II) ONE MEMBER APPOINTED BY THE TRANSIT AGENCY **OR ENTITY**
24 THAT OPERATES THE TRANSPORTATION FACILITY THAT IS THE SUBJECT OF
25 THE PROPOSED TRANSIT INVESTMENT PROJECT; AND

26 (III) ONE MEMBER APPOINTED BY EACH OF THE TWO LOCAL
27 GOVERNMENTS WHO IS AN ELECTED OFFICIAL OF ONE OF THE LOCAL

1 GOVERNMENTS.

2 (c) IF THE APPLICANT IS MORE THAN TWO LOCAL GOVERNMENTS:

3 (I) ONE MEMBER APPOINTED BY EACH LOCAL GOVERNMENT IN THE
4 TRANSIT INVESTMENT AUTHORITY WHO IS AN ELECTED OFFICIAL OF ONE OF
5 THE LOCAL GOVERNMENTS; AND

6 (II) THREE OR MORE MEMBERS, AS DETERMINED BY THE
7 COMMISSION SO THAT THE TOTAL NUMBER OF MEMBERS ON A GOVERNING
8 BOARD IS AN ODD NUMBER, REPRESENTING COMMERCIAL PROPERTY
9 OWNERS WITHIN THE TRANSIT INVESTMENT AREA, APPOINTED BY THE
10 COMMISSION; AND

11 (d) ONE MEMBER APPOINTED BY THE TRANSIT AGENCY OR ENTITY
12 THAT OPERATES THE TRANSPORTATION FACILITY THAT IS THE SUBJECT OF
13 THE PROPOSED TRANSIT INVESTMENT PROJECT.

14 (3) UNLESS LIMITED BY THE COMMISSION'S CONDITIONS OF
15 APPROVAL, EACH TRANSIT INVESTMENT AUTHORITY HAS ALL THE POWERS
16 NECESSARY OR CONVENIENT TO CARRY OUT THIS PART 4, INCLUDING THE
17 FOLLOWING POWERS:

18 (a) PERPETUAL EXISTENCE AND SUCCESSION;

19 (b) TO ADOPT, HAVE, AND USE A CORPORATE SEAL;

20 (c) TO SUE AND BE SUED AND TO BE A PARTY TO SUITS, ACTIONS,
21 AND PROCEEDINGS;

22 (d) TO UNDERTAKE TRANSIT INVESTMENT PROJECTS;

23 (e) TO ENTER INTO CONTRACTS AND AGREEMENTS AFFECTING THE
24 AFFAIRS OF THE TRANSIT INVESTMENT AUTHORITY AS NECESSARY TO
25 COMPLETE A TRANSIT INVESTMENT PROJECT;

26 (f) TO RECEIVE, INVEST, PLEDGE, SPEND, AND OTHERWISE USE AND
27 EXPEND STATE SALES TAX INCREMENT REVENUE IN ACCORDANCE WITH AN

1 APPROVED TRANSIT INVESTMENT PROJECT;

2 (g) TO ASSIGN AND PLEDGE TO ANY COUNTY REVITALIZATION
3 AUTHORITY, METROPOLITAN DISTRICT, AUTHORITY FORMED BY
4 INTERGOVERNMENTAL AGREEMENT AMONG TWO OR MORE METROPOLITAN
5 DISTRICTS, REGIONAL TRANSPORTATION AUTHORITY, OR URBAN RENEWAL
6 AUTHORITY HAVING ALL OR ANY PORTION OF THE TRANSIT INVESTMENT
7 AREA WITHIN ITS BOUNDARIES OR SERVICE AREA THE TRANSIT
8 INVESTMENT AUTHORITY'S RIGHT TO RECEIVE AND USE STATE SALES TAX
9 INCREMENT REVENUE TO SUPPORT BONDS OR OTHER FINANCING
10 INSTRUMENTS ISSUED OR ENTERED INTO BY THE COUNTY REVITALIZATION
11 AUTHORITY, METROPOLITAN DISTRICT, AUTHORITY FORMED BY
12 INTERGOVERNMENTAL AGREEMENT AMONG TWO OR MORE METROPOLITAN
13 DISTRICTS, REGIONAL TRANSPORTATION AUTHORITY, OR URBAN RENEWAL
14 AUTHORITY FOR ELIGIBLE COSTS OR TO ACQUIRE ELIGIBLE IMPROVEMENTS,
15 INCLUDING LOANS OR FUNDING AND REIMBURSEMENT AGREEMENTS WITH
16 DEVELOPERS INVOLVED IN THE TRANSIT INVESTMENT PROJECT OR OTHER
17 THIRD PARTIES;

18 (h) TO BORROW MONEY AND INCUR INDEBTEDNESS AND EVIDENCE
19 THE SAME BY CERTIFICATES AND NOTE AND DEBENTURES;

20 (i) TO ISSUE BONDS IN ACCORDANCE WITH SECTION 24-46-409;

21 (j) TO INVEST ANY OF THE AUTHORITY'S FUNDS THAT ARE NOT
22 REQUIRED FOR IMMEDIATE DISBURSEMENT;

23 (k) TO DEPOSIT ANY FUNDS NOT REQUIRED FOR IMMEDIATE
24 DISBURSEMENT IN ANY DEPOSITORY AUTHORIZED IN SECTION 24-75-603
25 AND, FOR THE PURPOSE OF MAKING THE DEPOSITS, TO APPOINT BY WRITTEN
26 RESOLUTION ONE OR MORE PERSONS TO ACT AS CUSTODIANS OF THE
27 AUTHORITY'S FUND, WHICH PERSON SHALL GIVE SURETY BONDS IN THE

1 AMOUNTS AND FORM AND FOR THE PURPOSES REQUIRED BY THE
2 AUTHORITY;

3 (l) TO MAKE APPROPRIATIONS AND EXPENDITURES OF ITS FUNDS
4 AND TO SET UP, ESTABLISH, AND MAINTAIN GENERAL, SEPARATE, OR
5 SPECIAL FUNDS AND BANK ACCOUNTS OR OTHER ACCOUNTS AS IT DEEMS
6 NECESSARY OR CONVENIENT TO CARRY OUT THIS PART 4;

7 (m) TO ACCEPT ON ITS OWN BEHALF REAL OR PERSONAL PROPERTY
8 FOR ITS OWN USE;

9 (n) TO ACCEPT GIFTS AND CONVEYANCES MADE TO THE
10 AUTHORITY UPON THE TERMS OR CONDITIONS APPROVED BY THE
11 AUTHORITY'S BOARD;

12 (o) TO ADOPT, AMEND, AND ENFORCE BYLAWS AND RULES THAT
13 ARE NOT IN CONFLICT WITH THE CONSTITUTION AND LAWS OF THE STATE
14 FOR CARRYING OUT THE BUSINESS, OBJECTS, AND AFFAIRS OF THE
15 AUTHORITY;

16 (p) TO HAVE AND EXERCISE ALL RIGHTS AND POWERS NECESSARY
17 OR INCIDENTAL TO OR IMPLIED FROM THE SPECIFIC POWERS GRANTED TO
18 THE TRANSIT INVESTMENT AUTHORITY BY THIS PART 4. THE SPECIFIC
19 POWERS SHALL NOT BE CONSIDERED A LIMITATION UPON ANY POWER
20 NECESSARY OR APPROPRIATE TO CARRY OUT THIS PART 4.

21 (q) TO AUTHORIZE THE USE OF ELECTRONIC RECORDS OR
22 SIGNATURES AND TO ADOPT RULES, STANDARDS, POLICIES, AND
23 PROCEDURES FOR USE OF ELECTRONIC RECORDS OR SIGNATURES PURSUANT
24 TO ARTICLE 71.3 OF THIS TITLE 24.

25 (4) A TRANSIT INVESTMENT AUTHORITY DOES NOT HAVE THE
26 POWER OF EMINENT DOMAIN AND DOES NOT HAVE THE POWER TO IMPOSE
27 OR LEVY ANY SALES TAX, USE TAX, PROPERTY TAX, OR ANY OTHER TAX.

1 (5) THE BOARD OF DIRECTORS OF A TRANSIT INVESTMENT
2 AUTHORITY IS SUBJECT TO THE "COLORADO OPEN RECORDS ACT", PART
3 2 OF ARTICLE 72 OF THIS TITLE 24, AND THE "COLORADO SUNSHINE ACT
4 OF 1972", ARTICLE 6 OF THIS TITLE 24.

5 **24-46-406. State sales tax increment revenue.**

6 (1) IN ORDER TO IMPLEMENT THE COLLECTION OF STATE SALES TAX
7 INCREMENT REVENUE, THE RESOLUTION ADOPTED BY THE COMMISSION
8 APPROVING A TRANSIT INVESTMENT PROJECT SHALL STATE THAT THE
9 DEPARTMENT SHALL, NO LATER THAN NINETY DAYS AFTER THE
10 COMMISSION'S ADOPTION OF THE RESOLUTION AND AFTER RETAINING AN
11 AMOUNT OF THE STATE SALES TAX INCREMENT REVENUE ESTABLISHED BY
12 THE DEPARTMENT AS NECESSARY TO OFFSET THE DEPARTMENT'S ACTUAL
13 DIRECT COSTS AND EXPENSES INCURRED IN PERFORMING THE
14 DEPARTMENT'S COLLECTION AND DISBURSEMENT FUNCTIONS ESTABLISHED
15 IN THIS PART 4 IN CONNECTION WITH THE TRANSIT INVESTMENT PROJECT,
16 DIVIDE AND DISTRIBUTE STATE SALES TAXES LEVIED AND COLLECTED ON
17 IN-PERSON SALES MADE WITHIN THE TRANSIT INVESTMENT AREA
18 COMMENCING ON THE FIRST DAY OF THE FIRST MONTH AFTER THE
19 DEPARTMENT HAS COLLECTED THE BASE YEAR REVENUE FOR THE YEAR
20 AFTER THE EFFECTIVE DATE OF THE COMMISSION'S APPROVAL OF THE
21 PROJECT AS FOLLOWS:

22 (a) FIRST, THE PORTION OF STATE SALES TAXES COLLECTED ON
23 IN-PERSON SALES MADE WITHIN THE BOUNDARIES OF THE TRANSIT
24 INVESTMENT AREA EQUAL TO THE BASE YEAR REVENUE AND THE BASELINE
25 GROWTH RATE IS PAID INTO THE STATE TREASURY AS STATE SALES TAXES
26 ARE NORMALLY COLLECTED AND PAID;

27 (b) SECOND, THE STATE SALES TAXES COLLECTED ON IN-PERSON

1 SALES MADE WITHIN THE BOUNDARIES OF THE TRANSIT INVESTMENT AREA
2 EQUAL TO THE STATE SALES TAX INCREMENT REVENUE ARE PAID INTO
3 A SPECIAL FUND ESTABLISHED BY THE FINANCING ENTITY PURSUANT TO
4 SUBSECTION (2) OF THIS SECTION; AND

5 (c) THIRD, ANY EXCESS STATE SALES TAX COLLECTIONS NOT
6 ALLOCATED PURSUANT TO SUBSECTION (1)(b) OF THIS SECTION ARE PAID
7 INTO THE STATE TREASURY AS SALES TAXES ARE NORMALLY COLLECTED
8 AND PAID AND, IF THERE IS INSUFFICIENT STATE SALES TAXES COLLECTED
9 ON IN-PERSON SALES MADE WITHIN THE BOUNDARIES OF THE TRANSIT
10 INVESTMENT AREA TO MAKE THE ALLOCATION DESCRIBED IN
11 SUBSECTION (1)(b) OF THIS SECTION, TO THE EXTENT NECESSARY TO
12 ACCOUNT FOR THE AMOUNT SET FORTH IN SECTION 24-46-402 (17)(a)(II),
13 THE DEPARTMENT MAY ALLOCATE STATE SALES TAX REVENUE IN EXCESS
14 OF THE STATE SALES TAX COLLECTED ON IN-PERSON SALES MADE WITHIN
15 THE TRANSIT INVESTMENT AREA, WHICH ALLOCATION IS NEVERTHELESS
16 STATE SALES TAX INCREMENT REVENUE.

17 (2) (a) A FINANCING ENTITY MUST SEGREGATE REVENUE
18 ALLOCATED TO THE FINANCING ENTITY BY THE DEPARTMENT PURSUANT
19 TO SUBSECTION (1)(b) OF THIS SECTION IN A SPECIAL FUND. THE
20 FINANCING ENTITY SHALL SEGREGATE THE SPECIAL FUND FROM THE
21 FINANCING ENTITY'S OTHER FUNDS. THE FINANCING ENTITY MAY USE THE
22 MONEY IN THE SPECIAL FUND TO PAY THE PRINCIPAL OF, THE INTEREST ON,
23 AND ANY PREMIUMS DUE IN CONNECTION WITH THE BONDS OF, LOANS OR
24 ADVANCES TO, OR INDEBTEDNESS INCURRED BY, WHETHER FUNDED,
25 REFUNDED, ASSUMED, OR OTHERWISE, THE FINANCING ENTITY FOR
26 FINANCING OR REFINANCING, IN WHOLE OR IN PART, A TRANSIT
27 INVESTMENT PROJECT.

1 (b) A FINANCING ENTITY MAY USE REVENUE ALLOCATED TO THE
2 FINANCING ENTITY BY THE DEPARTMENT PURSUANT TO SUBSECTION (1)(b)
3 OF THIS SECTION SOLELY TO FINANCE ELIGIBLE COSTS INCURRED FOR THE
4 PURPOSE OF CONSTRUCTING THE ELIGIBLE IMPROVEMENTS AND
5 IMPLEMENTING THE TRANSIT INVESTMENT PROJECT.

6 (3) STATE SALES TAX INCREMENT REVENUE, TOGETHER WITH ANY
7 INVESTMENT INCOME EARNED ON THAT REVENUE, IS FOR ALL PURPOSES
8 ASSIGNED TO, THE PROPERTY OF, AND THE REVENUE OF THE APPLICABLE
9 FINANCING ENTITY AND IS NOT FOR ANY PURPOSE REVENUE OR PROPERTY
10 OF THE STATE.

11 (4) A SINGLE DEBT ISSUANCE OF A FINANCING ENTITY MUST NOT
12 HAVE A MATURITY DATE IN EXCESS OF THIRTY YEARS FROM THE DATE OF
13 ISSUANCE, UNLESS THE FINANCING ENTITY BOTH:

14 (a) ANTICIPATES ISSUING A SERIES OF BONDS OR OTHER FORMS OF
15 DEBT; AND

16 (b) HAS THE ABILITY TO CONSOLIDATE OR REFINANCE PREVIOUSLY
17 ISSUED DEBT OR BONDS WITH A MATURITY DATE FOR SUCH CONSOLIDATED
18 OR REFINANCED DEBT OR BONDS NOT TO EXCEED THIRTY YEARS FROM THE
19 DATE OF ISSUANCE OF THE CONSOLIDATING OR REFINANCING BONDS.

20 (5) NO LOCAL GOVERNMENT SHALL BE LIABLE FOR ANY DEBT
21 ISSUANCE OF THE FINANCING ENTITY, AND A DEBT ISSUANCE OF THE
22 FINANCING ENTITY SHALL NOT CONSTITUTE A DEBT OF A LOCAL
23 GOVERNMENT.

24 (6) ON OR BEFORE JULY 1, 2029, AND ON OR BEFORE JULY 1 EVERY
25 THREE YEARS THEREAFTER, THE DEPARTMENT MUST SUBMIT A REPORT TO
26 THE OFFICE OF STATE PLANNING AND BUDGETING AND THE COMMISSION ON
27 TECHNOLOGICAL OR OTHER METHODS TO INCORPORATE SALES DELIVERED

1 FROM WITHOUT THE TRANSIT INVESTMENT AREA INTO THE CALCULATION
2 OF THE INCREMENT AND TO ALLOW FOR THE DESIGNATION OF ADDITIONAL
3 TRANSIT AND HOUSING INVESTMENT ZONES AND TRANSIT INVESTMENT
4 AREAS, INCLUDING COST ESTIMATES, ADMINISTRATIVE BURDEN, AND
5 BURDEN ON TAXPAYERS.

6 **24-46-407. Annual report - audit.**

7 (1) (a) WITHIN NINETY DAYS OF THE END OF THE FIRST FULL STATE
8 FISCAL YEAR AFTER THE COMMISSION APPROVES A TRANSIT INVESTMENT
9 PROJECT AND ON THE SAME DATE EACH YEAR THEREAFTER, THE
10 FINANCING ENTITY SHALL PREPARE AND SUBMIT TO THE COMMISSION AN
11 ANNUAL REPORT DETAILING:

12 (I) THE TOTAL AMOUNT OF STATE SALES TAX INCREMENT REVENUE
13 THAT THE FINANCING ENTITY HAS RECEIVED OVER THE PAST YEAR;

14 (II) HOW THE FINANCING ENTITY HAS SPENT THE STATE SALES TAX
15 INCREMENT REVENUE THAT IT HAS RECEIVED;

16 (III) PROJECTED STATE SALES TAX INCREMENT REVENUE FOR THE
17 REMAINDER OF THE PERIOD FOR WHICH THE FINANCING ENTITY MAY
18 RECEIVE STATE SALES TAX INCREMENT REVENUE; AND

19 (IV) A SUMMARY OF THE STATUS OF CONSTRUCTION OF THE
20 ELIGIBLE IMPROVEMENTS RELATED TO THE TRANSIT INVESTMENT PROJECT.

21 (b) IN ADDITION TO THE INFORMATION DESCRIBED IN SUBSECTION
22 (1)(a) OF THIS SECTION, A FINANCING ENTITY SUBMITTING A REPORT
23 PURSUANT TO THIS SUBSECTION (1) SHALL ALSO INCLUDE IN THAT REPORT
24 WHETHER THE FINANCIAL ENTITY IS USING ANY STATE SALES TAX
25 INCREMENT REVENUE FOR PURPOSES OTHER THAN FOR ELIGIBLE COSTS
26 AND ANY OTHER FINANCIAL INFORMATION THAT IS REASONABLY REQUIRED
27 BY THE COMMISSION.

1 (c) IF ANY INFORMATION PROVIDED IN THE ANNUAL REPORT
2 DESCRIBED IN SUBSECTION (1)(a) OF THIS SECTION WILL BE A TRADE
3 SECRET, PROPRIETARY, OR OTHERWISE ENTITLED TO PROTECTION
4 PURSUANT TO PART 2 OF ARTICLE 72 OF THIS TITLE 24, THAT INFORMATION
5 IS SO DESIGNATED BY THE FINANCING ENTITY AND KEPT CONFIDENTIAL BY
6 THE STATE.

7 (d) THE GOVERNING BODY OF THE FINANCING ENTITY SHALL
8 ATTEST TO THE ACCURACY OF THE INFORMATION PROVIDED IN THE
9 ANNUAL REPORT DESCRIBED IN SUBSECTION (1)(a) OF THIS SECTION.

10 (2) (a) IN CONNECTION WITH THE ANNUAL REPORT REQUIRED
11 PURSUANT TO SUBSECTION (1) OF THIS SECTION, A FINANCING ENTITY
12 SHALL SUBMIT AN INDEPENDENT AUDIT OF ITS FINANCIAL STATUS THAT IS
13 PREPARED BY A CERTIFIED PUBLIC ACCOUNTANT ATTESTING TO THE
14 ACCURACY OF THE ANNUAL REPORT.

15 (b) IF THE AUDIT PREPARED PURSUANT TO SUBSECTION (2)(a) OF
16 THIS SECTION FINDS THAT A FINANCING ENTITY HAS USED STATE SALES
17 TAX INCREMENT REVENUE FOR UNAUTHORIZED PURPOSES, THE FINANCING
18 ENTITY IS LIABLE FOR THE REPAYMENT TO THE GENERAL FUND OF THE
19 STATE SALES TAX INCREMENT REVENUE THAT WAS INTENDED FOR THE
20 TRANSIT INVESTMENT PROJECT. THE FINANCING ENTITY MAY MAKE THE
21 REPAYMENT:

22 (I) FROM THE FINANCING ENTITY'S FUNDS DERIVED FROM SOURCES
23 OTHER THAN STATE SALES TAX INCREMENT REVENUE;

24 (II) BY OFFSETTING AGAINST FUTURE STATE SALES TAX
25 INCREMENT REVENUE THAT THE DEPARTMENT WOULD OTHERWISE
26 DISBURSE TO THE FINANCING ENTITY; OR

27 (III) FROM OTHER FUNDS THAT ARE LEGALLY AVAILABLE TO THE

1 FINANCING ENTITY FOR SUCH PURPOSE.

2 (4) IF A FINANCING ENTITY IS A COUNTY REVITALIZATION
3 AUTHORITY, A METROPOLITAN DISTRICT, AN AUTHORITY FORMED BY
4 INTERGOVERNMENTAL AGREEMENT AMONG TWO OR MORE METROPOLITAN
5 DISTRICTS, A REGIONAL TRANSPORTATION AUTHORITY, OR AN URBAN
6 RENEWAL AUTHORITY, IT MAY COMPLY WITH THIS SECTION BY SUBMITTING
7 TO THE COMMISSION A COPY OF THE REPORT THAT THE COUNTY
8 REVITALIZATION AUTHORITY, METROPOLITAN DISTRICT, AUTHORITY
9 FORMED BY INTERGOVERNMENTAL AGREEMENT AMONG TWO OR MORE
10 METROPOLITAN DISTRICTS, REGIONAL TRANSPORTATION AUTHORITY, OR
11 URBAN RENEWAL AUTHORITY IS OTHERWISE REQUIRED TO SUBMIT TO A
12 LOCAL GOVERNMENT PURSUANT TO LAW. THE FINANCING ENTITY SHALL
13 DELIVER A COPY OF THE REPORT THAT THE COUNTY REVITALIZATION
14 AUTHORITY, METROPOLITAN DISTRICT, AUTHORITY FORMED BY
15 INTERGOVERNMENTAL AGREEMENT AMONG TWO OR MORE METROPOLITAN
16 DISTRICTS, REGIONAL TRANSPORTATION AUTHORITY, OR URBAN RENEWAL
17 AUTHORITY IS OTHERWISE REQUIRED TO SUBMIT TO A LOCAL GOVERNMENT
18 PURSUANT TO LAW AT THE SAME TIME AS AN ANNUAL REPORT OR AUDIT
19 OTHERWISE REQUIRED BY LAW.

20 (5) THE OFFICE OF ECONOMIC DEVELOPMENT AND THE
21 DEPARTMENT SHALL PREPARE A REPORT FOR THE OFFICE OF ECONOMIC
22 DEVELOPMENT TO SUBMIT NO LATER THAN NOVEMBER 1 OF THE
23 APPLICABLE FISCAL YEAR TO THE FINANCE COMMITTEES OF THE HOUSE OF
24 REPRESENTATIVES AND SENATE; THE BUSINESS AND ECONOMIC
25 DEVELOPMENT COMMITTEE OF THE HOUSE OF REPRESENTATIVES; AND THE
26 BUSINESS, LABOR, AND TECHNOLOGY COMMITTEE OF THE SENATE; OR ANY
27 SUCCESSOR COMMITTEES. THE REPORT SHALL INCLUDE INFORMATION ON

1 ALL STATE SALES TAX INCREMENT REVENUE COLLECTED FOR TRANSIT
2 INVESTMENT DURING THE PRIOR STATE FISCAL YEAR AND INFORMATION
3 FROM THE REPORTS REQUIRED PURSUANT TO SUBSECTION (6) OF THIS
4 SECTION.

5 (6) (a) EACH YEAR, NO LATER THAN SEPTEMBER 1, THE
6 DEPARTMENT SHALL REPORT TO THE COMMISSION THE AGGREGATE
7 AMOUNT OF STATE SALES TAX INCREMENT REVENUE ALLOCATED TO
8 FINANCING ENTITIES FOR APPROVED TRANSIT INVESTMENT PROJECTS.

9 (b) EVERY TWO YEARS, NO LATER THAN NOVEMBER 1, THE OFFICE
10 OF ECONOMIC DEVELOPMENT AND THE DEPARTMENT SHALL REPORT TO
11 THE COMMISSION DETAILED INFORMATION ON EACH TRANSIT INVESTMENT
12 PROJECT APPROVED TO RECEIVE STATE SALES TAX INCREMENT REVENUE,
13 INCLUDING:

14 (I) THE AMOUNT OF STATE SALES TAX INCREMENT REVENUE
15 ALLOCATED FOR THE PROJECT;

16 (II) THE BOUNDARIES OF THE APPROVED TRANSIT INVESTMENT
17 AREA AND NARRATIVE FOR THE TRANSIT INVESTMENT PROJECT;

18 (III) THE PROPOSED TERM OF FINANCING AND THE NEW NET
19 REVENUE THAT IS APPROVED FOR THE TRANSIT INVESTMENT PROJECT;

20 (IV) THE ACTUAL STATE SALES TAX INCREMENT REVENUE
21 COLLECTED WITHIN THE TRANSIT INVESTMENT AREA COMPARED TO THE
22 PROJECTED REVENUES CONTAINED IN THE APPROVED APPLICATION THAT
23 PROPOSED THE TRANSIT INVESTMENT AREA; AND

24 (V) AN ASSESSMENT OF THE OVERALL EFFECTIVENESS OF THE
25 TRANSIT INVESTMENT PROJECT IN ACHIEVING INCREASED TRANSIT
26 RIDERSHIP.

27 **24-46-408. Commencement of development.**

1 (1) SUBSTANTIAL WORK ON A TRANSIT INVESTMENT PROJECT,
2 INCLUDING THE FINANCING ENTITY'S ISSUANCE OF BONDS OR OTHER DEBT
3 INSTRUMENTS, THE REPAYMENT OF WHICH IS SECURED BY A PLEDGE OF
4 THE STATE SALES TAX INCREMENT REVENUE OR THE COMMENCEMENT OF
5 ACTUAL DEVELOPMENT OR PREDEVELOPMENT, SUCH AS ERECTING
6 PERMANENT STRUCTURES, EXCAVATING THE GROUND TO LAY
7 FOUNDATIONS, MASS GRADING OF THE SITE, OR WORK OF A SIMILAR
8 DESCRIPTION THAT MANIFESTS AN INTENTION AND PURPOSE TO COMPLETE
9 THE PROJECT MUST COMMENCE WITHIN FIVE YEARS FROM THE DATE OF
10 THE COMMISSION'S APPROVAL OF THE PROJECT.

11 (2) IF SUBSTANTIAL WORK ON THE TRANSIT INVESTMENT PROJECT
12 TOWARD THE GOALS SPECIFIED IN THE APPLICATION PURSUANT TO SECTION
13 24-46-403 DOES NOT COMMENCE WITHIN FIVE YEARS OF THE
14 COMMISSION'S APPROVAL, THE COMMISSION MAY REVOKE OR MODIFY ITS
15 APPROVAL OF THE FINANCING ENTITY OR THE PROJECT. REVOCATION OF
16 APPROVAL MAY BE APPEALED TO THE COMMISSION, WHICH MAY
17 REINSTATE ITS APPROVAL UPON A SHOWING OF GOOD CAUSE FOR THE
18 DELAY. IF SUBSTANTIAL WORK ON THE PROJECT DOES NOT COMMENCE
19 WITHIN ONE YEAR OF REINSTATEMENT OF APPROVAL FROM THE
20 COMMISSION, THE COMMISSION SHALL REVOKE APPROVAL OF THE PROJECT.

21 (3) UPON THE REVOCATION OF THE APPROVAL OF A FINANCING
22 ENTITY OR THE TRANSIT INVESTMENT PROJECT:

23 (a) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (3)(b) OF
24 THIS SECTION, THE COMMISSION MAY REQUIRE THE FINANCING ENTITY TO
25 REFUND TO THE STATE TREASURER ANY STATE SALES TAX INCREMENT
26 REVENUE THAT THE PROJECT HAS GENERATED OR THAT THE FINANCING
27 ENTITY HAS COLLECTED FROM THE TIME OF THE ORIGINAL APPROVAL FOR

1 THE PROJECT OR FINANCING ENTITY;

2 (b) ANY STATE SALES TAX INCREMENT REVENUE THAT THE
3 TRANSIT INVESTMENT PROJECT HAS GENERATED OR THAT THE FINANCING
4 ENTITY HAS COLLECTED FROM THE TIME OF THE ORIGINAL APPROVAL FOR
5 THE PROJECT OR FINANCING ENTITY MAY REMAIN DEDICATED TO THE
6 PROJECT ONLY TO THE EXTENT THAT IT HAS BEEN PREVIOUSLY EXPENDED
7 OR PLEDGED BY THE FINANCING ENTITY FOR THE FINANCING OF ELIGIBLE
8 COSTS; AND

9 (c) THE STATE SHALL NOT REMIT FURTHER FUNDS TO THE REVOKED
10 FINANCIAL ENTITY OR TRANSIT INVESTMENT PROJECT.

11 (4) IN EVALUATING WHETHER SUBSTANTIAL WORK HAS BEEN
12 COMMENCED FOR PURPOSES OF ADMINISTERING THIS SECTION, THE
13 COMMISSION SHALL RELY ON THE INFORMATION AND DATA SUPPLIED IN
14 THE ANNUAL REPORTS SUBMITTED BY THE FINANCING ENTITY OR
15 CERTIFIED PUBLIC ACCOUNTANT PURSUANT TO SECTION 24-46-407 AND
16 ANY SUPPLEMENTAL DATA DEEMED NECESSARY BY THE COMMISSION.

17 (5) THE COMMISSION ONLY HAS THE AUTHORITY TO REVOKE ITS
18 APPROVAL OF A FINANCING ENTITY OR A TRANSIT INVESTMENT PROJECT
19 PURSUANT TO THIS SECTION.

20 **24-46-409. Issuance of bonds by a financing entity.**

21 (1) A FINANCING ENTITY MAY ISSUE BONDS FROM TIME TO TIME IN
22 ITS DISCRETION TO FINANCE ANY ELIGIBLE IMPROVEMENTS WITH RESPECT
23 TO A TRANSIT INVESTMENT PROJECT AND MAY ALSO ISSUE REFUNDING OR
24 OTHER BONDS OF THE FINANCING ENTITY FROM TIME TO TIME IN ITS
25 DISCRETION FOR THE PAYMENT, RETIREMENT, RENEWAL, REFINANCING, OR
26 EXTENSION OF ANY BONDS PREVIOUSLY ISSUED BY THE FINANCING ENTITY
27 UNDER THIS SECTION.

1 (2) (a) BONDS ISSUED UNDER THIS SECTION MAY BE GENERAL
2 OBLIGATION OR █████ REVENUE BONDS OF THE FINANCING ENTITY, THE
3 PAYMENT OF WHICH, AS TO PRINCIPAL AND INTEREST AND PREMIUMS, IF
4 ANY, THE FULL FAITH, CREDIT, AND ASSETS, ACQUIRED AND TO BE
5 ACQUIRED, OF THE FINANCING ENTITY MAY BE IRREVOCABLY PLEDGED.

6 (b) BONDS ISSUED UNDER THIS SECTION MAY BE SPECIAL
7 OBLIGATIONS OF THE FINANCING ENTITY THAT, AS TO PRINCIPAL AND
8 INTEREST AND PREMIUMS, IF ANY, ARE PAYABLE SOLELY FROM AND
9 SECURED ONLY BY A PLEDGE OF ANY INCOME, PROCEEDS, REVENUES, OR
10 FUNDS OF THE FINANCING ENTITY, INCLUDING, WITHOUT LIMITATION,
11 STATE SALES TAX INCREMENT REVENUE.

12 (3) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,
13 ANY BONDS ISSUED UNDER THIS SECTION MAY BE ADDITIONALLY SECURED
14 AS TO THE PAYMENT OF THE PRINCIPAL AND INTEREST AND PREMIUMS, IF
15 ANY, BY A MORTGAGE OF ANY TRANSIT INVESTMENT PROJECT, OR ANY
16 PART THEREOF, TITLE TO WHICH IS THEN OR THEREAFTER IN THE
17 FINANCING ENTITY OR OF ANY OTHER REAL OR PERSONAL PROPERTY OR
18 INTERESTS THEREIN THEN OWNED OR THEREAFTER ACQUIRED BY THE
19 FINANCING ENTITY.

20 (4) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,
21 █████ BONDS ISSUED UNDER THIS SECTION MAY BE ADDITIONALLY SECURED
22 AS TO THE PAYMENT OF THE PRINCIPAL AND INTEREST AND PREMIUMS, IF
23 ANY, AS PROVIDED IN SUBSECTION (2) OF THIS SECTION, WITH OR WITHOUT
24 BEING ALSO ADDITIONALLY SECURED AS TO PAYMENT OF THE PRINCIPAL
25 AND INTEREST AND PREMIUMS, IF ANY, BY A MORTGAGE AS PROVIDED IN
26 SUBSECTION (3) OF THIS SECTION OR A TRUST AGREEMENT AS PROVIDED IN
27 SUBSECTION (5) OF THIS SECTION.

1 (5) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,
2 ANY BONDS ISSUED UNDER THIS SECTION MAY BE ADDITIONALLY SECURED
3 AS TO THE PAYMENT OF THE PRINCIPAL AND INTEREST AND PREMIUMS, IF
4 ANY, BY A TRUST AGREEMENT OR INDENTURE BY AND BETWEEN THE
5 FINANCING ENTITY AND A CORPORATE TRUSTEE, WHICH MAY BE ANY
6 TRUST COMPANY OR BANK HAVING THE POWERS OF A TRUST COMPANY
7 WITHIN OR WITHOUT THE STATE.

8 (6) BONDS ISSUED UNDER THIS SECTION DO NOT CONSTITUTE AN
9 INDEBTEDNESS OF THE STATE OR OF ANY COUNTY, MUNICIPALITY, OR
10 PUBLIC BODY OF THE STATE OTHER THAN THE FINANCING ENTITY ISSUING
11 THE BONDS AND ARE NOT SUBJECT TO [REDACTED] THE CHARTER OF ANY
12 MUNICIPALITY RELATING TO THE AUTHORIZATION, ISSUANCE, OR SALE OF
13 BONDS.

14 (7) BONDS ISSUED UNDER THIS SECTION SHALL BE AUTHORIZED BY
15 A RESOLUTION, INDENTURE, OR OTHER DOCUMENT PURSUANT TO WHICH
16 SUCH OBLIGATIONS ARE ISSUED OF THE FINANCING ENTITY AND MAY BE
17 ISSUED IN ONE OR MORE SERIES AND SHALL BEAR SUCH DATE; BE PAYABLE
18 UPON DEMAND OR MATURE AT SUCH TIME AS MAY BE DETERMINED BY THE
19 FINANCING ENTITY NOT TO EXCEED THIRTY YEARS, EXCEPT AS THE
20 MATURITY MAY BE EXTENDED IN ACCORDANCE WITH SECTION 24-46-406
21 (4) AND IN ACCORDANCE WITH ARTICLE 57 OF TITLE 11; BEAR INTEREST AT
22 A RATE PAYABLE OR COMPOUNDABLE AT INTERVALS DETERMINED BY THE
23 FINANCING ENTITY; BE IN SUCH DENOMINATION; BE IN SUCH FORM, EITHER
24 COUPON OR REGISTERED OR OTHERWISE; CARRY SUCH CONVERSION OR
25 REGISTRATION PRIVILEGES; HAVE SUCH RANK OR PRIORITY; BE EXECUTED
26 IN THE NAME OF THE FINANCING ENTITY IN SUCH MANNER, BE PAYABLE IN
27 SUCH MEDIUM OF PAYMENT; BE PAYABLE AT SUCH PLACE; BE SUBJECT TO

1 SUCH CALLABILITY PROVISIONS OR TERMS OF REDEMPTION, WITH OR
2 WITHOUT PREMIUMS; BE SECURED IN SUCH MANNER; BE OF SUCH
3 DESCRIPTION; CONTAIN OR BE SUBJECT TO SUCH COVENANTS, PROVISIONS,
4 TERMS, CONDITIONS, AND AGREEMENTS, INCLUDING PROVISIONS
5 CONCERNING EVENTS OF DEFAULT; AND HAVE OTHER CHARACTERISTICS
6 THAT MAY BE PROVIDED BY THE RESOLUTION OR BY THE TRUST
7 AGREEMENT, INDENTURE, OR MORTGAGE, IF ANY, ISSUED PURSUANT TO
8 THE RESOLUTION. THE SEAL, OR A FACSIMILE THEREOF, OF THE FINANCING
9 ENTITY SHALL BE AFFIXED, IMPRINTED, ENGRAVED, OR OTHERWISE
10 REPRODUCED UPON EACH OF ITS BONDS ISSUED UNDER THIS SECTION.
11 BONDS ISSUED UNDER THIS SECTION SHALL BE EXECUTED IN THE NAME OF
12 THE FINANCING ENTITY BY THE MANUAL OR FACSIMILE SIGNATURES OF
13 OFFICIALS THAT MAY BE DESIGNATED IN SAID RESOLUTION OR TRUST
14 AGREEMENT, INDENTURE, OR MORTGAGE. COUPONS, IF ANY, ATTACHED TO
15 THE BONDS SHALL BEAR THE FACSIMILE SIGNATURE OF THE OFFICIAL OF
16 THE FINANCING ENTITY THAT MAY BE DESIGNATED AS PROVIDED IN THIS
17 SUBSECTION (7). SAID RESOLUTION OR TRUST AGREEMENT, INDENTURE, OR
18 MORTGAGE MAY PROVIDE FOR THE AUTHENTICATION OF THE PERTINENT
19 BONDS BY THE TRUSTEE.

20 (8) BONDS ISSUED UNDER THIS SECTION MAY BE SOLD BY THE
21 FINANCING ENTITY IN A MANNER AND FOR A PRICE AS THE FINANCING
22 ENTITY, IN ITS DISCRETION, MAY DETERMINE, AT PAR, BELOW PAR, OR
23 ABOVE PAR, AT PRIVATE SALE OR AT PUBLIC SALE AFTER NOTICE IS
24 PUBLISHED PRIOR TO THE SALE IN A NEWSPAPER HAVING GENERAL
25 CIRCULATION IN THE MUNICIPALITY, OR IN ANOTHER MEDIUM OF
26 PUBLICATION AS THE FINANCING ENTITY MAY DEEM APPROPRIATE IN
27 ACCORDANCE WITH SECTION 24-6-402, OR MAY BE EXCHANGED BY THE

1 FINANCING ENTITY FOR OTHER BONDS ISSUED BY IT UNDER THIS SECTION.

2 (9) IF ANY OF THE OFFICIALS OF THE FINANCING ENTITY WHOSE
3 SIGNATURES OR FACSIMILE SIGNATURES APPEAR ON ANY OF ITS BONDS OR
4 COUPONS ISSUED UNDER THIS SECTION CEASE TO BE OFFICIALS AFTER THE
5 AUTHORIZATION THEREOF, BUT BEFORE THE DELIVERY OF THE BONDS, THE
6 SIGNATURES OR FACSIMILE SIGNATURES, AS THE CASE MAY BE, ARE
7 NEVERTHELESS VALID AND SUFFICIENT FOR ALL PURPOSES, THE SAME AS
8 IF THE OFFICIALS HAD REMAINED IN OFFICE UNTIL THE DELIVERY.

9 (10) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, ANY
10 BONDS THAT ARE ISSUED PURSUANT TO THIS SECTION ARE FULLY
11 NEGOTIABLE.

12 (11) IN ANY SUIT, ACTION, OR PROCEEDING INVOLVING THE
13 VALIDITY OR ENFORCEABILITY OF ANY A BOND THAT IS ISSUED UNDER THIS
14 SECTION OR THE SECURITY OF SUCH A BOND, ANY BOND RECITING IN
15 SUBSTANCE THAT IT HAS BEEN ISSUED BY THE FINANCING ENTITY IN
16 CONNECTION WITH A TRANSIT INVESTMENT PROJECT OR ANY ACTIVITY OR
17 OPERATION OF THE FINANCING ENTITY UNDER THIS PART 4 IS
18 CONCLUSIVELY DEEMED TO HAVE BEEN ISSUED FOR SUCH PURPOSES; AND
19 SUCH TRANSIT INVESTMENT PROJECT OR SUCH OPERATION OR ACTIVITY, AS
20 THE CASE MAY BE, IS CONCLUSIVELY DEEMED TO HAVE BEEN INITIATED,
21 PLANNED, LOCATED, UNDERTAKEN, ACCOMPLISHED, AND CARRIED OUT IN
22 ACCORDANCE WITH THIS PART 4. NO LEGAL OR EQUITABLE ACTION
23 BROUGHT WITH RESPECT TO THE VALIDITY OR ENFORCEABILITY OF ANY
24 BOND THAT IS ISSUED UNDER THIS SECTION OR THE SECURITY OF SUCH A
25 BOND SHALL BE COMMENCED MORE THAN THIRTY DAYS AFTER THE
26 AUTHORIZATION OF THE BOND OR BONDS BY THE FINANCING ENTITY.

27 (12) PENDING THE PREPARATION OF ANY DEFINITIVE BONDS UNDER

1 THIS SECTION, A FINANCING ENTITY MAY ISSUE ITS INTERIM CERTIFICATES
2 OR RECEIPTS OR ITS TEMPORARY BONDS, WITH OR WITHOUT COUPONS,
3 EXCHANGEABLE FOR DEFINITIVE BONDS WHEN THE LATTER HAVE BEEN
4 EXECUTED AND ARE AVAILABLE FOR DELIVERY.

5 (13) A PERSON RETAINED OR EMPLOYED BY A FINANCING ENTITY
6 AS AN ADVISOR OR A CONSULTANT FOR THE PURPOSE OF RENDERING
7 FINANCIAL ADVICE AND ASSISTANCE MAY PURCHASE OR PARTICIPATE IN
8 THE PURCHASE OR DISTRIBUTION OF ITS BONDS WHEN THE BONDS ARE
9 OFFERED AT PUBLIC OR PRIVATE SALE.

10 (14) NO COMMISSIONER OR OTHER OFFICER OF A FINANCING
11 ENTITY ISSUING BONDS UNDER THIS SECTION AND NO PERSON EXECUTING
12 THE BONDS IS LIABLE PERSONALLY ON THE BONDS OR IS SUBJECT TO ANY
13 PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON OF THE ISSUANCE
14 OF THE BONDS.

15 (15) NO COMMISSIONER OR OTHER OFFICER OF A TRANSIT
16 INVESTMENT AUTHORITY ISSUING BONDS PURSUANT TO THIS PART 4 AND
17 NO PERSON EXECUTING THE BONDS IS LIABLE PERSONALLY ON THE BONDS
18 OR SUBJECT TO ANY PERSONAL LIABILITY OR ACCOUNTABILITY BY REASON
19 OF THE ISSUANCE OF THE BONDS.

20 (16) BONDS THAT ARE ISSUED PURSUANT TO THIS PART 4 ARE
21 DECLARED TO BE ISSUED FOR AN ESSENTIAL PUBLIC AND GOVERNMENTAL
22 PURPOSE AND, TOGETHER WITH INTEREST THEREON AND INCOME
23 THEREFROM, ARE EXEMPT FROM ALL STATE OF COLORADO TAXES.

24 **SECTION 3.** In Colorado Revised Statutes, **add** 24-35-123 as
25 follows:

26 **24-35-123. Transit investment area - authority of department**
27 **- definitions.**

1 (1) IN ADDITION TO THE OTHER FUNCTIONS AND POWERS OF THE
2 DEPARTMENT AND THE EXECUTIVE DIRECTOR PURSUANT TO THIS PART 1,
3 THE DEPARTMENT SHALL:

4 (a) ESTABLISH AND DETERMINE THE BASE YEAR REVENUE FOR
5 EACH TRANSIT INVESTMENT AREA;

6 (b) COLLECT, ACCOUNT FOR, AND REMIT TO THE APPLICABLE
7 FINANCING ENTITY THE RELEVANT AMOUNT OF STATE SALES TAX
8 INCREMENT REVENUE GENERATED WITHIN EACH TRANSIT INVESTMENT
9 AREA;

10 (c) SHARE DATA AS NECESSARY WITH THE COLORADO OFFICE OF
11 ECONOMIC DEVELOPMENT IN CONNECTION WITH THE "TRANSIT
12 INVESTMENT AREA ACT", PART 4 OF ARTICLE 46 OF THIS TITLE 24; AND

13 (d) OTHERWISE PERFORM THE FUNCTIONS REQUIRED OF THE
14 DEPARTMENT IN THE WRITTEN NOTICE PROVIDED TO THE EXECUTIVE
15 DIRECTOR IN CONNECTION WITH THE ESTABLISHMENT OF A FINANCING
16 ENTITY OR TRANSIT INVESTMENT AREA.

17 (2) THE EXECUTIVE DIRECTOR HAS THE AUTHORITY TO:

18 (a) CREATE FORMS AND ADOPT RULES AS NECESSARY OR
19 CONVENIENT TO IMPLEMENT THE DEPARTMENT'S RESPONSIBILITIES WITH
20 RESPECT TO THE DETERMINATION OF BASE YEAR REVENUE, COLLECTION
21 AND DISBURSEMENT OF STATE SALES TAX INCREMENT REVENUE, AND
22 OTHER FUNCTIONS OF THE DEPARTMENT PURSUANT TO PART 4 OF ARTICLE
23 46 OF THIS TITLE 24; AND

24 (b) ENTER INTO CONTRACTS WITH FINANCING ENTITIES, IN THE
25 MANNER PROVIDED FOR IN SECTION 24-35-110, REGARDING THE
26 PERFORMANCE OF THE DEPARTMENT'S FUNCTIONS IN IMPLEMENTING PART
27 4 OF ARTICLE 46 OF THIS TITLE 24.

1 (3) ALL STATE SALES TAX INCREMENT REVENUE COLLECTED BY
2 THE DEPARTMENT ON BEHALF OF A FINANCING ENTITY IS FOR ALL
3 PURPOSES ASSIGNED TO, THE PROPERTY OF, AND THE REVENUE OF THE
4 APPLICABLE FINANCING ENTITY AND IS NOT TO BE CONSTRUED OR TREATED
5 FOR ANY PURPOSE AS REVENUE OR PROPERTY OF THE STATE.

6 (4) IN COLLECTING AND DISBURSING STATE SALES TAX INCREMENT
7 REVENUE AS PROVIDED IN THIS SECTION AND OTHERWISE PERFORMING ITS
8 RESPONSIBILITIES PURSUANT TO PART 4 OF ARTICLE 46 OF THIS TITLE 24,
9 THE DEPARTMENT SHALL ACT SOLELY AS A COLLECTING AGENT FOR A
10 FINANCING ENTITY AND SHALL SEGREGATE IN A SEPARATE FUND ANY
11 PORTION OF STATE SALES TAX INCREMENT REVENUE THAT IS DEDICATED
12 TO THE FINANCING ENTITY BUT WILL NOT BE REMITTED TO THE FINANCING
13 ENTITY IN THE IMMEDIATE FUTURE.

14 (5) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
15 REQUIRES:

16 (a) "BASE YEAR REVENUE" HAS THE MEANING SET FORTH IN
17 SECTION 24-46-402 (2).

18 (b) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE
19 CREATED IN SECTION 24-35-101.

20 (c) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF
21 THE DEPARTMENT.

22 (d) "FINANCING ENTITY" HAS THE MEANING SET FORTH IN SECTION
23 24-46-402 (11).

24 (e) "STATE SALES TAX INCREMENT REVENUE" HAS THE MEANING
25 SET FORTH IN SECTION 24-46-402 (17).

26 (f) "TRANSIT INVESTMENT AREA" HAS THE MEANING SET FORTH IN
27 SECTION 24-46-402 (20).

1 **SECTION 4.** In Colorado Revised Statutes, **add 24-48.5-136** as
2 follows:

3 **24-48.5-136. Transit and housing investment zones map -**
4 **transit and housing investment zone criteria - definitions.**

5 (1) ON OR BEFORE OCTOBER 30, 2026, THE COLORADO OFFICE OF
6 ECONOMIC DEVELOPMENT, IN CONSULTATION WITH THE DEPARTMENT OF
7 LOCAL AFFAIRS AND THE DEPARTMENT OF TRANSPORTATION, SHALL
8 PUBLISH A TRANSIT AND HOUSING INVESTMENT ZONE MAP BASED ON THE
9 CRITERIA FOR IDENTIFYING TRANSIT AND HOUSING INVESTMENT ZONES
10 ESTABLISHED IN SUBSECTION (2) OF THIS SECTION.

11 (2) THE OFFICE SHALL DESIGNATE TRANSIT AND HOUSING
12 INVESTMENT ZONES, FOR PURPOSES OF SUBSECTION (1) OF THIS SECTION,
13 AND SHALL DO SO BASED ON THE LOCATION OF TRANSPORTATION
14 FACILITIES AS IDENTIFIED IN A PUBLISHED TRANSIT PLAN AND MAY, IN
15 CONSULTATION WITH LOCAL GOVERNMENTS AND TRANSIT AGENCIES, USE
16 PREEXISTING ROUTES, MAPS, AND SCHEDULES TO INFORM THE OFFICE'S
17 DESIGNATION OF TRANSIT AND HOUSING INVESTMENT ZONES.

18 (3) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
19 REQUIRES:

20 (a) "OFFICE" MEANS THE COLORADO OFFICE OF ECONOMIC
21 DEVELOPMENT CREATED IN SECTION 24-48.5-101.

22 (b) "PASSENGER RAIL STATION" HAS THE MEANING SET FORTH IN
23 SECTION 32-22-102 (8).

24 (c) "TRANSIT AND HOUSING INVESTMENT ZONE" MEANS THE AREA
25 WITHIN TWO MILES OF A TRANSPORTATION FACILITY AS IDENTIFIED BY THE
26 DEPARTMENT IN THE TRANSIT AND HOUSING INVESTMENT ZONES MAP
27 CREATED PURSUANT TO SUBSECTION (1) OF THIS SECTION.

1 (d) "TRANSIT STATION" HAS THE MEANING SET FORTH IN SECTION
2 24-46-402 (23).

3 (e) "TRANSPORTATION FACILITY" MEANS A TRANSIT STATION OR
4 PASSENGER RAIL STATION.

5 **SECTION 5.** In Colorado Revised Statutes, 29-1-102, **amend**
6 (13) as follows:

7 **29-1-102. Definitions.**

8 As used in this part 1, unless the context otherwise requires:

9 (13) "Local government" means any authority, county,
10 municipality, city and county, district, or other political subdivision of the
11 state of Colorado; any institution, department, agency, or authority of any
12 of the foregoing; and any other entity, organization, or corporation
13 formed by intergovernmental agreement or other contract between or
14 among any of the foregoing. The office of the county public trustee shall
15 be deemed an agency of the county for the purposes of this part 1. "Local
16 government" does not include the Colorado educational and cultural
17 facilities authority, the university of Colorado hospital authority,
18 collegeinvest, the Colorado health facilities authority, the Colorado
19 housing and finance authority, the Colorado agricultural development
20 authority, the Colorado sheep and wool authority, the Colorado beef
21 council authority, the Colorado horse development authority, the building
22 urgent infrastructure and leveraging dollars authority, the middle-income
23 housing authority, the fire and police pension association, A TRANSIT
24 INVESTMENT AUTHORITY, any public entity insurance or investment pool
25 formed pursuant to state law, any county or municipal housing authority,
26 any association of political subdivisions formed pursuant to section
27 29-1-401, or any home rule city or town, home rule city and county, cities

1 and towns operating under a territorial charter, school district, or local
2 college district.

3 **SECTION 6.** In Colorado Revised Statutes, **add** 30-31-116.5 as
4 follows:

5 **30-31-116.5. Transit investment areas - definition.**

6 (1) A COUNTY REVITALIZATION AUTHORITY THAT IS DESIGNATED
7 AS A FINANCING ENTITY, PURSUANT TO PART 4 OF ARTICLE 46 OF TITLE 24,
8 HAS ALL THE POWERS NECESSARY OR CONVENIENT TO CARRY OUT PART 4
9 OF ARTICLE 46 OF TITLE 24, INCLUDING THE POWER TO RECEIVE STATE
10 SALES TAX INCREMENT REVENUE GENERATED WITHIN AN APPROVED
11 TRANSIT INVESTMENT AREA, AS DEFINED IN SECTION 24-46-402 (20), AND
12 TO DISBURSE AND OTHERWISE USE THE REVENUE FOR ALL LAWFUL
13 PURPOSES, INCLUDING FINANCING ELIGIBLE COSTS AND THE DESIGN,
14 CONSTRUCTION, MAINTENANCE, AND OPERATION OF ELIGIBLE
15 IMPROVEMENTS, AS SUCH TERMS ARE DEFINED IN SECTION 24-46-402 OR
16 OTHERWISE INCORPORATED INTO THE COLORADO ECONOMIC
17 DEVELOPMENT COMMISSION'S CONDITIONS OF APPROVAL.

18 (2) NOTWITHSTANDING SECTION 30-31-109 (8), AUTHORIZATION
19 TO RECEIVE STATE SALES TAX INCREMENT REVENUE, PURSUANT TO PART
20 4 OF ARTICLE 46 OF TITLE 24, IS NOT A SUBSTANTIAL MODIFICATION TO
21 THE PLAN, AND CORRESPONDING CHANGES TO THE PLAN MAY BE MADE BY
22 THE GOVERNING BODY OF THE AUTHORITY TO INCORPORATE THE USE OF
23 STATE SALES TAX INCREMENT REVENUE WITHOUT THE REQUIREMENT OF
24 SUBMISSION TO OR APPROVAL BY THE GOVERNING BODY OF THE COUNTY
25 THAT HAS ESTABLISHED THE AUTHORITY.

26 (3) A COUNTY REVITALIZATION AUTHORITY THAT RECEIVES STATE
27 SALES TAX INCREMENT REVENUE, WHETHER PURSUANT TO DESIGNATION

1 AS A FINANCING ENTITY PURSUANT TO PART 4 OF ARTICLE 46 OF TITLE 24,
2 OR PURSUANT TO A CONTRACT ENTERED INTO WITH ANY SUCH FINANCING
3 ENTITY, SHALL NOT USE THE STATE SALES TAX INCREMENT REVENUE TO
4 ACQUIRE PROPERTY THROUGH THE EXERCISE OF EMINENT DOMAIN.

5 (4) NOTHING IN THIS SECTION OBTIATES OR OVERRIDES THE
6 REQUIREMENTS FOR THE AUTHORIZATION OF A NEW COUNTY
7 REVITALIZATION AUTHORITY PURSUANT TO THIS ARTICLE 31.

8 (5) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
9 REQUIRES, "STATE SALES TAX INCREMENT REVENUE" HAS THE MEANING
10 SET FORTH IN SECTION 24-46-402 (17).

11 **SECTION 7.** In Colorado Revised Statutes, **add** 31-25-117 as
12 follows:

13 **31-25-117. Transit investment areas - definition.**

14 (1) AN URBAN RENEWAL AUTHORITY THAT IS DESIGNATED AS A
15 FINANCING ENTITY PURSUANT TO PART 4 OF ARTICLE 46 OF TITLE 24 HAS
16 ALL OF THE POWERS NECESSARY OR CONVENIENT TO CARRY OUT PART 4 OF
17 ARTICLE 46 OF TITLE 24, INCLUDING THE POWERS TO RECEIVE STATE SALES
18 TAX INCREMENT REVENUE GENERATED WITHIN AN APPROVED TRANSIT
19 INVESTMENT AREA, AS DEFINED IN SECTION 24-46-402 (20), AND DISBURSE
20 AND OTHERWISE USE SUCH REVENUE FOR ALL LAWFUL PURPOSES,
21 INCLUDING FINANCING OF ELIGIBLE COSTS AND THE DESIGN,
22 CONSTRUCTION, MAINTENANCE, AND OPERATION OF ELIGIBLE
23 IMPROVEMENTS, AS SUCH TERMS ARE DEFINED IN SECTION 24-46-402, OR
24 OTHERWISE INCORPORATED INTO THE COLORADO ECONOMIC
25 DEVELOPMENT COMMISSION'S CONDITIONS OF APPROVAL.

26 (2) NOTWITHSTANDING SECTION 31-25-107 (7), AUTHORIZATION
27 TO RECEIVE STATE SALES TAX INCREMENT REVENUE, PURSUANT TO PART

1 4 OF ARTICLE 46 OF TITLE 24, IS NOT A SUBSTANTIAL MODIFICATION TO
2 THE PLAN AND CORRESPONDING CHANGES TO THE PLAN MAY BE MADE BY
3 THE GOVERNING BODY OF THE AUTHORITY TO INCORPORATE THE USE OF
4 STATE SALES TAX INCREMENT REVENUE WITHOUT THE REQUIREMENT OF
5 SUBMISSION TO OR APPROVAL BY THE GOVERNING BODY OF A
6 MUNICIPALITY THAT HAS ESTABLISHED THE AUTHORITY PURSUANT TO
7 SECTION 31-25-104 (1).

8 (3) AN URBAN RENEWAL AUTHORITY THAT RECEIVES STATE SALES
9 TAX INCREMENT REVENUE, WHETHER PURSUANT TO DESIGNATION AS A
10 FINANCING ENTITY PURSUANT TO PART 4 OF ARTICLE 46 OF TITLE 24, OR
11 PURSUANT TO A CONTRACT ENTERED INTO WITH ANY SUCH FINANCING
12 ENTITY, SHALL NOT USE THE STATE SALES TAX INCREMENT REVENUE TO
13 ACQUIRE PROPERTY THROUGH THE EXERCISE OF EMINENT DOMAIN.

14 (4) NOTHING IN THIS SECTION OBTVIATES OR OVERRIDES THE
15 REQUIREMENTS FOR THE AUTHORIZATION OF A NEW URBAN RENEWAL
16 AUTHORITY UNDER THIS PART 1.

17 (5) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
18 REQUIRES, "STATE SALES TAX INCREMENT REVENUE" HAS THE MEANING
19 SET FORTH IN SECTION 24-46-402 (17).

20 **SECTION 8.** In Colorado Revised Statutes, **add** 32-1-1010 as
21 follows:

22 **32-1-1010. Transit investment areas - definition.**

23 (1) IN ADDITION TO THE POWERS SPECIFIED IN THIS PART 10, AND
24 NOTWITHSTANDING ANY LIMITATION ON THE POWERS OF A METROPOLITAN
25 DISTRICT OTHERWISE SPECIFIED IN THIS PART 10 OR IN THE METROPOLITAN
26 DISTRICT'S SERVICE PLAN, ANY METROPOLITAN DISTRICT DESIGNATED AS
27 AN APPROVED FINANCING ENTITY, PURSUANT TO PART 4 OF ARTICLE 46 OF

1 TITLE 24, HAS ALL THE POWERS NECESSARY OR CONVENIENT TO CARRY
2 OUT PART 4 OF ARTICLE 46 OF TITLE 24, INCLUDING THE POWER TO
3 RECEIVE STATE SALES TAX INCREMENT REVENUE AND TO DISBURSE AND
4 OTHERWISE USE SUCH REVENUE FOR ALL LAWFUL PURPOSES PURSUANT TO
5 PART 4 OF ARTICLE 4 OF TITLE 24. LAWFUL PURPOSES INCLUDE THE
6 FINANCING OF ELIGIBLE COSTS AND THE DESIGN, CONSTRUCTION,
7 MAINTENANCE, AND OPERATION OF ELIGIBLE IMPROVEMENTS AS DEFINED
8 IN SECTION 24-46-402 (10) OR OTHERWISE INCORPORATED INTO THE
9 COLORADO ECONOMIC DEVELOPMENT COMMISSION'S CONDITIONS OF
10 APPROVAL PURSUANT TO PART 4 OF ARTICLE 46 OF TITLE 24.

11 (2) NOTWITHSTANDING ANY PROVISION OF SECTION 32-1-207 OR
12 OF THE METROPOLITAN DISTRICT'S SERVICE PLAN, AUTHORIZATION TO
13 RECEIVE STATE SALES TAX INCREMENT REVENUE, PURSUANT TO PART 4 OF
14 ARTICLE 46 OF TITLE 24, IS NOT CONSIDERED A SUBSTANTIAL
15 MODIFICATION TO THE PLAN AND CORRESPONDING CHANGES TO THE PLAN
16 MAY BE MADE BY THE GOVERNING BODY TO INCORPORATE THE USE OF
17 STATE SALES TAX INCREMENT REVENUE OF THE METROPOLITAN DISTRICT
18 WITHOUT THE REQUIREMENT OF PETITION TO OR APPROVAL BY THE BOARD
19 OF COUNTY COMMISSIONERS OR THE GOVERNING BODY OF THE
20 MUNICIPALITY, AS APPLICABLE.

21 (3) A METROPOLITAN DISTRICT RECEIVING STATE SALES TAX
22 INCREMENT REVENUE, WHETHER PURSUANT TO DESIGNATION AS A
23 FINANCING ENTITY PURSUANT TO PART 4 OF ARTICLE 46 OF TITLE 24, OR
24 PURSUANT TO A CONTRACT ENTERED INTO WITH ANY SUCH ENTITY, SHALL
25 NOT USE THE STATE SALES TAX INCREMENT REVENUE TO ACQUIRE
26 PROPERTY THROUGH THE EXERCISE OF EMINENT DOMAIN.

27 (4) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE

1 REQUIRES, "STATE SALES TAX INCREMENT REVENUE" HAS THE MEANING
2 SET FORTH IN SECTION 24-46-402 (17).

3 **SECTION 9.** In Colorado Revised Statutes, 39-21-113, **add** (40)
4 as follows:

5 **39-21-113. Reports and returns - rule - repeal.**

6 (40) (a) NOTWITHSTANDING THE CONFIDENTIALITY REQUIREMENTS
7 IN THIS SECTION:

8 (I) THE EXECUTIVE DIRECTOR MAY PROVIDE THE COLORADO
9 OFFICE OF ECONOMIC DEVELOPMENT WITH ANY INFORMATION OBTAINED
10 PURSUANT TO THIS SECTION IN RELATION TO PART 4 OF ARTICLE 46 OF
11 TITLE 24; AND

12 (II) BOTH THE EXECUTIVE DIRECTOR AND THE COLORADO OFFICE
13 OF ECONOMIC DEVELOPMENT MAY PROVIDE INFORMATION OBTAINED
14 PURSUANT TO THIS SECTION IN RELATION TO PART 4 OF ARTICLE 46 OF
15 TITLE 24 TO A THIRD-PARTY ANALYST.

16 (b) ANY INFORMATION PROVIDED TO THE COLORADO OFFICE OF
17 ECONOMIC DEVELOPMENT OR A THIRD-PARTY ANALYST PURSUANT TO THIS
18 SUBSECTION (40) IS CONFIDENTIAL, AND ALL EMPLOYEES OF THE
19 COLORADO OFFICE OF ECONOMIC DEVELOPMENT AND THE THIRD-PARTY
20 ANALYST ARE SUBJECT TO THE LIMITATIONS SET FORTH IN SUBSECTION (4)
21 OF THIS SECTION AND THE PENALTIES SPECIFIED IN SUBSECTION (6) OF THIS
22 SECTION.

23 **SECTION 10.** In Colorado Revised Statutes, **add** part 57 to
24 article 22 of title 39 as follows:

25 PART 57
26 COLORADO AFFORDABLE HOUSING IN
27 TRANSIT AND HOUSING INVESTMENT ZONES

1 TAX CREDIT

2 **39-22-5701. Tax preference performance statement - report.**

3 (1) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH
4 REQUIRES EACH BILL THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE
5 A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY
6 LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY FINDS AND
7 DECLARES THAT THE PURPOSE OF THE TAX CREDIT PROVIDED IN THIS
8 SECTION IS TO INDUCE CERTAIN DESIGNATED BEHAVIOR BY TAXPAYERS BY
9 SUPPORTING THE DEVELOPMENT OF AFFORDABLE HOUSING WITHIN
10 TRANSIT AND HOUSING INVESTMENT ZONES.

11 (2) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL
12 MEASURE THE EFFECTIVENESS OF THE CREDIT IN ACHIEVING THE PURPOSE
13 SPECIFIED IN SUBSECTION (1) OF THIS SECTION BASED ON THE REPORT
14 DESCRIBED IN SUBSECTION (3) OF THIS SECTION.

15 (3) FOR EACH ALLOCATION YEAR, THE AUTHORITY SHALL, BY
16 DECEMBER 31 OF THAT YEAR, PROVIDE A WRITTEN REPORT TO THE
17 GENERAL ASSEMBLY AND MAKE THE REPORT AVAILABLE TO THE PUBLIC.
18 WITH RESPECT TO TAX CREDITS ALLOCATED PURSUANT TO THIS PART 57,
19 THE REPORT MUST:

20 (a) SPECIFY THE TOTAL NUMBER OF QUALIFIED DEVELOPMENTS
21 AND UNITS SUPPORTED BY EACH DEVELOPMENT IN CONNECTION WITH THE
22 CREDIT;

23 (b) DESCRIBE EACH QUALIFIED DEVELOPMENT IN CONNECTION
24 WITH WHICH THE AUTHORITY ISSUED CREDITS, INCLUDING IN THAT
25 DESCRIPTION THE GEOGRAPHIC LOCATION OF THE DEVELOPMENT, THE
26 HOUSEHOLD TYPE AND ANY SPECIFIC DEMOGRAPHIC INFORMATION
27 AVAILABLE ABOUT RESIDENTS INTENDED TO BE SERVED BY THE

1 DEVELOPMENT, THE INCOME LEVELS INTENDED TO BE SERVED BY THE
2 DEVELOPMENT, AND THE RENTS OR SET-ASIDES AUTHORIZED FOR EACH
3 DEVELOPMENT; AND

4 (c) PROVIDE HOUSING MARKET AND DEMOGRAPHIC INFORMATION
5 THAT DEMONSTRATES HOW THE QUALIFIED DEVELOPMENTS SUPPORTED BY
6 CREDITS ARE ADDRESSING THE NEED FOR AFFORDABLE HOUSING WITHIN
7 THE COMMUNITIES THEY ARE INTENDED TO SERVE AS WELL AS
8 INFORMATION ABOUT ANY REMAINING DISPARITIES IN THE AFFORDABILITY
9 OF HOUSING WITHIN THOSE COMMUNITIES.

10 **39-22-5702. Definitions.**

11 AS USED IN THIS PART 57, UNLESS THE CONTEXT OTHERWISE
12 REQUIRES:

13 (1) "ALLOCATION CERTIFICATE" MEANS A STATEMENT ISSUED BY
14 THE AUTHORITY CERTIFYING THAT A GIVEN DEVELOPMENT QUALIFIES FOR
15 THE CREDIT AND SPECIFYING THE AMOUNT OF THE CREDIT ALLOWED.

16 (2) "ALLOCATION PLAN" MEANS AN ALLOCATION PLAN ADOPTED
17 BY THE AUTHORITY THAT GOVERNS THE SELECTION CRITERIA AND
18 PREFERENCES FOR ALLOCATING THE TAX CREDIT ALLOWED PURSUANT TO
19 THIS PART 57.

20 (3) "AUTHORITY" MEANS THE COLORADO HOUSING AND FINANCE
21 AUTHORITY CREATED IN SECTION 29-4-704.

22 (4) "COMPLIANCE PERIOD" MEANS THE PERIOD OF FIFTEEN YEARS
23 BEGINNING WITH THE FIRST INCOME TAX YEAR OF A CREDIT PERIOD.

24 (5) "CREDIT" MEANS THE COLORADO AFFORDABLE HOUSING IN
25 TRANSIT AND HOUSING INVESTMENT ZONES TAX CREDIT ALLOWED
26 PURSUANT TO THIS PART 57.

27 (6) "CREDIT PERIOD" MEANS THE PERIOD OF SIX INCOME TAX

1 YEARS BEGINNING WITH THE INCOME TAX YEAR IN WHICH A QUALIFIED
2 DEVELOPMENT IS PLACED IN SERVICE. IF A QUALIFIED DEVELOPMENT IS
3 COMPRISED OF MORE THAN ONE BUILDING, THE DEVELOPMENT IS DEEMED
4 TO BE PLACED IN SERVICE IN THE INCOME TAX YEAR DURING WHICH THE
5 LAST BUILDING OF THE QUALIFIED DEVELOPMENT IS PLACED IN SERVICE.

6 (7) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.

7 (8) "FEDERAL TAX CREDIT" MEANS THE FEDERAL LOW-INCOME
8 HOUSING TAX CREDIT PROVIDED BY SECTION 42 OF THE INTERNAL
9 REVENUE CODE.

10 (9) "QUALIFIED BASIS" MEANS THE QUALIFIED BASIS OF THE
11 DEVELOPMENT AS DETERMINED PURSUANT TO SECTION 42 OF THE
12 INTERNAL REVENUE CODE.

13 (10) "QUALIFIED DEVELOPMENT" MEANS A HOUSING
14 DEVELOPMENT THAT IS LOCATED IN A TRANSIT AND HOUSING INVESTMENT
15 ZONE WITHIN THE STATE AND IS DETERMINED BY THE AUTHORITY TO MEET
16 THE CRITERIA ESTABLISHED IN THE ALLOCATION PLAN, INCLUDING
17 PROVIDING THE REQUIRED NUMBER OF AFFORDABLE HOUSING UNITS.

18 (11) "QUALIFIED TAXPAYER" MEANS AN INDIVIDUAL, A PERSON, A
19 FIRM, A CORPORATION, OR ANY OTHER ENTITY THAT OWNS AN INTEREST,
20 DIRECT OR INDIRECT, IN A QUALIFIED DEVELOPMENT AND IS SUBJECT TO
21 THE TAXES IMPOSED BY THIS ARTICLE 22.

22 (12) "TRANSIT AND HOUSING INVESTMENT ZONE" MEANS THE AREA
23 DESIGNATED BY THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT IN
24 THE TRANSIT AND HOUSING INVESTMENT ZONE MAP PURSUANT TO SECTION
25 24-48.5-136.

26 **39-22-5703. Credit against tax - affordable housing located in**
27 **a transit and housing investment zone.**

1 (1) FOR INCOME TAX YEARS DURING THE CREDIT PERIOD, THERE IS
2 ALLOWED TO ANY QUALIFIED TAXPAYER A CREDIT WITH RESPECT TO THE
3 INCOME TAXES IMPOSED BY THIS ARTICLE 22 IN THE AMOUNT DETERMINED
4 BY THE AUTHORITY PURSUANT TO THIS PART 57.

5 (2) (a) DURING EACH CALENDAR YEAR OF THE PERIOD BEGINNING
6 ON JANUARY 1, 2027, AND ENDING ON DECEMBER 31, 2033, THE
7 AUTHORITY MAY ALLOCATE A CREDIT, THE FULL AMOUNT OF WHICH MAY
8 BE CLAIMED AGAINST THE TAXES IMPOSED BY THIS ARTICLE 22, FOR EACH
9 INCOME TAX YEAR OF THE SIX-YEAR CREDIT PERIOD. DURING EACH
10 CALENDAR YEAR OF THE PERIOD BEGINNING ON JANUARY 1, 2027, AND
11 ENDING ON DECEMBER 31, 2033, THE AGGREGATE AMOUNT OF THE
12 CREDITS ALLOCATED BY THE AUTHORITY SHALL NOT EXCEED EIGHT
13 MILLION THREE HUNDRED THIRTY-THREE THOUSAND THREE HUNDRED
14 THIRTY-THREE DOLLARS.

15 (b) THE AUTHORITY MAY ALSO ALLOCATE NO MORE THAN HALF OF
16 ANY UNALLOCATED CREDITS FROM THE IMMEDIATELY PRECEDING
17 CALENDAR YEAR, AND THESE UNALLOCATED CREDITS ARE NOT INCLUDED
18 IN THE ANNUAL DOLLAR LIMITS SPECIFIED IN SUBSECTION (2)(a) OF THIS
19 SECTION.

20 (c) THE AGGREGATE AMOUNT OF CREDITS ALLOCATED BY THE
21 AUTHORITY IN EACH OF THE 2027 THROUGH 2033 CALENDAR YEARS MUST
22 NOT EXCEED THE AGGREGATE AMOUNT OF ANY CREDIT RECAPTURED OR
23 OTHERWISE RETURNED TO THE AUTHORITY IN THE CALENDAR YEAR.

24 (3) THE AUTHORITY MAY ALLOCATE CREDITS TO AN OWNER OF A
25 QUALIFIED DEVELOPMENT BY ISSUING TO THE OWNER AN ALLOCATION
26 CERTIFICATE. THE AUTHORITY MAY DETERMINE THE TIME AT WHICH THE
27 ALLOCATION CERTIFICATE IS ISSUED. THE CREDIT MUST BE IN AN AMOUNT

1 DETERMINED BY THE AUTHORITY, SUBJECT TO THE FOLLOWING
2 GUIDELINES:

3 (a) THE CREDIT MUST BE NECESSARY FOR THE FINANCIAL
4 FEASIBILITY OF THE DEVELOPMENT; AND

5 (b) THE AGGREGATE SUM OF CREDITS ALLOCATED ANNUALLY
6 MUST NOT EXCEED THE LIMITS SET FORTH IN SUBSECTION (2) OF THIS
7 SECTION.

8 (4) IF AN OWNER OF A QUALIFIED DEVELOPMENT RECEIVING AN
9 ALLOCATION OF A CREDIT IS A PARTNERSHIP, LIMITED LIABILITY COMPANY,
10 S CORPORATION, OR SIMILAR PASS-THROUGH ENTITY, THE OWNER MAY
11 ALLOCATE THE CREDIT AMONG ITS PARTNERS, SHAREHOLDERS, MEMBERS,
12 OR OTHER QUALIFIED TAXPAYERS IN ANY MANNER AGREED TO BY SUCH
13 PERSONS REGARDLESS OF WHETHER ANY SUCH PERSONS ARE DEEMED A
14 PARTNER FOR FEDERAL INCOME TAX PURPOSES. THE OWNER SHALL
15 CERTIFY TO THE DEPARTMENT THE AMOUNT OF CREDIT ALLOCATED TO
16 EACH PARTNER, SHAREHOLDER, MEMBER, OR OTHER QUALIFIED TAXPAYER.
17 EACH PARTNER, SHAREHOLDER, MEMBER, OR OTHER QUALIFIED TAXPAYER
18 ADMITTED AS A PARTNER, SHAREHOLDER, MEMBER, OR OTHER QUALIFIED
19 TAXPAYER OF THE OWNER PRIOR TO THE FILING OF A TAX RETURN
20 CLAIMING THE CREDIT IS ALLOWED TO CLAIM SUCH AMOUNT SUBJECT TO
21 ANY RESTRICTIONS SET FORTH IN THIS PART 57.

22 (5) (a) THE AUTHORITY MAY ALLOCATE CREDITS TO A
23 GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY, INCLUDING THE
24 MIDDLE-INCOME HOUSING AUTHORITY CREATED IN SECTION 29-4-1104,
25 WITH RESPECT TO A QUALIFIED DEVELOPMENT THAT IS OWNED BY SUCH
26 ENTITY.

27 (b) (I) A GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY MAY

1 TRANSFER CREDITS THAT THE AUTHORITY HAS ALLOCATED TO IT
2 PURSUANT TO THIS SUBSECTION (5) TO AN INDIVIDUAL, PERSON, FIRM,
3 CORPORATION, OR OTHER ENTITY SUBJECT TO THE TAXES IMPOSED BY THIS
4 ARTICLE 22.

5 (II) A GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY THAT
6 TRANSFERS A CREDIT PURSUANT TO SUBSECTION (5)(b)(I) OF THIS SECTION
7 SHALL INVEST IN THE RELEVANT QUALIFIED DEVELOPMENT ANY
8 COMPENSATION RECEIVED IN CONNECTION WITH THE TRANSFER MADE
9 PURSUANT TO SUBSECTION (5)(b)(I) OF THIS SECTION AND SHALL NOTIFY
10 THE DEPARTMENT OF THE IDENTITY OF THE TRANSFEREE.

11 (III) A TRANSFEREE TO WHICH A CREDIT IS TRANSFERRED BY A
12 GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY PURSUANT TO THIS
13 SUBSECTION (5)(b) IS ENTITLED TO CLAIM THE CREDIT IN THE SAME
14 MANNER AND SUBJECT TO THE SAME CONDITIONS AND ALLOCATION
15 RIGHTS AS AN OWNER OF A QUALIFIED DEVELOPMENT TO WHICH THE
16 AUTHORITY HAS ALLOCATED A CREDIT PURSUANT TO SUBSECTION (3) OF
17 THIS SECTION.

18 (c) (I) CREDITS THAT THE AUTHORITY HAS ALLOCATED TO A
19 GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY PURSUANT TO
20 SUBSECTION (5)(a) OF THIS SECTION OR A CREDIT THAT A GOVERNMENTAL
21 OR QUASI-GOVERNMENTAL ENTITY TRANSFERS PURSUANT TO SUBSECTION
22 (5)(b) OF THIS SECTION ARE SUBJECT TO RECAPTURE PURSUANT TO
23 SECTION 39-22-5704.

24 (II) IF A CREDIT TRANSFERRED BY A GOVERNMENTAL OR
25 QUASI-GOVERNMENTAL ENTITY IS RECAPTURED PURSUANT TO SECTION
26 39-22-5704, THE TRANSFEREE MUST INCREASE THE TRANSFEREE'S STATE
27 INCOME TAX LIABILITY PURSUANT TO SECTION 39-22-5704 IN THE MANNER

1 AND TO THE SAME EXTENT AS A PARTNER, SHAREHOLDER, MEMBER, OR
2 OTHER QUALIFIED TAXPAYER ALLOCATED A CREDIT PURSUANT TO SECTION
3 39-22-5703 (4).

4 (6) NO CREDIT SHALL BE ALLOCATED PURSUANT TO THIS PART 57
5 UNLESS THE QUALIFIED DEVELOPMENT IS THE SUBJECT OF A RECORDED
6 DEED RESTRICTION REQUIRING THE DEVELOPMENT TO BE MAINTAINED AND
7 OPERATED AS A QUALIFIED DEVELOPMENT, AND IS IN ACCORDANCE WITH
8 THE ACCESSIBILITY AND ADAPTABILITY REQUIREMENTS OF THE FEDERAL
9 TAX CREDITS AND TITLE VIII OF THE "CIVIL RIGHTS ACT OF 1968", AS
10 AMENDED BY THE "FAIR HOUSING AMENDMENTS ACT OF 1988", 42 U.S.C.
11 SEC. 3601 ET SEQ., FOR A PERIOD OF FIFTEEN INCOME TAX YEARS, OR A
12 LONGER PERIOD AS MAY BE AGREED TO BETWEEN THE AUTHORITY AND
13 THE OWNER, BEGINNING WITH THE FIRST INCOME TAX YEAR OF THE CREDIT
14 PERIOD UNLESS CORRECTED WITHIN THE TIME THAT IS APPLICABLE TO
15 DEVELOPMENTS RECEIVING FEDERAL TAX CREDITS PURSUANT TO SECTION
16 42(h)(6)(J) OF THE INTERNAL REVENUE CODE AS APPLICABLE TO THE
17 COVENANT DESCRIBED IN THIS SUBSECTION (6).

18 (7) THE ALLOCATED CREDIT AMOUNT MAY BE TAKEN AGAINST THE
19 TAXES IMPOSED BY THIS ARTICLE 22 FOR EACH INCOME TAX YEAR OF THE
20 CREDIT PERIOD AS SET FORTH IN SUBSECTION (2) OF THIS SECTION. ANY
21 AMOUNT OF CREDIT THAT EXCEEDS THE TAX DUE FOR AN INCOME TAX
22 YEAR MAY BE CARRIED FORWARD AS A TAX CREDIT AGAINST THE INCOME
23 TAX LIABILITY FOR THE THREE SUBSEQUENT TAX YEARS AND MUST BE
24 APPLIED FIRST TO THE EARLIEST YEARS POSSIBLE. ANY AMOUNT OF THE
25 CREDIT THAT IS NOT USED MUST NOT BE REFUNDED TO THE TAXPAYER.

26 (8) UNLESS OTHERWISE PROVIDED IN THIS PART 57 OR THE
27 CONTEXT CLEARLY REQUIRES OTHERWISE, THE AUTHORITY SHALL

1 DETERMINE ELIGIBILITY FOR A CREDIT AND ALLOCATE CREDITS IN
2 ACCORDANCE WITH THE STANDARDS AND REQUIREMENTS SET FORTH IN
3 THE ALLOCATION PLAN; HOWEVER, THE AUTHORITY SHALL ADMINISTER
4 THE CREDIT ALLOWED PURSUANT TO THIS PART 57 CONSISTENTLY WITH
5 THE CREDIT PURSUANT TO PART 21 OF THIS ARTICLE 22 EXCEPT TO THE
6 EXTENT THE ALLOCATION PLAN IS INCONSISTENT WITH PART 21 OF THIS
7 ARTICLE 22, IN WHICH CASE THE ALLOCATION PLAN CONTROLS.
8 NOTWITHSTANDING THE FOREGOING, ANY COMBINATION OF FEDERAL AND
9 STATE CREDITS, OR STANDALONE AMOUNT OF STATE CREDITS, ALLOWED
10 MUST BE THE LEAST AMOUNT NECESSARY TO ENSURE THE FINANCIAL
11 FEASIBILITY OF A QUALIFIED DEVELOPMENT.

12 **39-22-5704. Recapture.**

13 (1) AS OF THE LAST DAY OF ANY INCOME TAX YEAR DURING THE
14 COMPLIANCE PERIOD, IF THE AMOUNT OF THE QUALIFIED BASIS OF A
15 QUALIFIED DEVELOPMENT WITH RESPECT TO A TAXPAYER IS LESS THAN
16 THE AMOUNT OF THE QUALIFIED BASIS AS OF THE LAST DAY OF THE PRIOR
17 INCOME TAX YEAR, THEN THE AMOUNT OF THE TAXPAYER'S STATE INCOME
18 TAX LIABILITY FOR THAT TAXABLE YEAR MUST BE INCREASED BY THE
19 CREDIT RECAPTURE AMOUNT.

20 (2) FOR PURPOSES OF SUBSECTION (1) OF THIS SECTION, THE
21 CREDIT RECAPTURE AMOUNT IS AN AMOUNT EQUAL TO THE AGGREGATE
22 DECREASE IN THE CREDIT ALLOWED TO THE TAXPAYER PURSUANT TO THIS
23 PART 57 FOR ALL PRIOR INCOME TAX YEARS THAT WOULD HAVE RESULTED
24 IF THE ACCELERATED PORTION OF THE CREDIT ALLOWABLE BY REASON OF
25 THIS PART 57 WAS NOT ALLOWED FOR ALL PRIOR INCOME TAX YEARS WITH
26 RESPECT TO THE REDUCED AMOUNT OF QUALIFIED BASIS DESCRIBED IN
27 SUBSECTION (1) OF THIS SECTION.

1 (3) FOR PURPOSES OF SUBSECTION (2) OF THIS SECTION, THE
2 ACCELERATED PORTION OF THE CREDIT FOR THE PRIOR INCOME TAX YEARS
3 WITH RESPECT TO ANY AMOUNT OF QUALIFIED BASIS IS THE DIFFERENCE
4 BETWEEN:

5 (a) THE AGGREGATE AMOUNT OF THE CREDIT ALLOWED PURSUANT
6 TO THIS PART 57, NOTWITHSTANDING THIS SUBSECTION (3), FOR THE YEARS
7 WITH RESPECT TO THE QUALIFIED BASIS; AND

8 (b) THE AGGREGATE AMOUNT OF THE CREDIT THAT WOULD BE
9 ALLOWED PURSUANT TO THIS PART 57 FOR THE YEARS WITH RESPECT TO
10 THE QUALIFIED BASIS IF THE AGGREGATE CREDIT THAT WOULD HAVE BEEN
11 ALLOWABLE, BUT FOR THIS SUBSECTION (3), FOR THE ENTIRE COMPLIANCE
12 PERIOD WERE ALLOWABLE RATABLY OVER FIFTEEN YEARS.

13 (4) IN THE EVENT THAT RECAPTURE OF ANY CREDIT IS REQUIRED
14 IN ANY TAX YEAR, THE RETURN SUBMITTED FOR THAT TAX YEAR TO THE
15 DEPARTMENT SHALL INCLUDE THE PROPORTION OF CREDIT REQUIRED TO
16 BE RECAPTURED, THE IDENTITY OF EACH TAXPAYER SUBJECT TO THE
17 RECAPTURE, AND THE AMOUNT OF CREDIT PREVIOUSLY ALLOCATED TO THE
18 TAXPAYER.

19 (5) NOTWITHSTANDING SUBSECTION (1) OF THIS SECTION, CREDITS
20 ISSUED PURSUANT TO THIS PART 57 MUST NOT BE RECAPTURED IF A
21 QUALIFIED DEVELOPMENT, AFTER THE INITIAL AWARD OF CREDITS, CEASES
22 BEING LOCATED IN A TRANSIT AND HOUSING INVESTMENT ZONE.

23 **39-22-5705. Filing requirements.**

24 AN OWNER OF A QUALIFIED DEVELOPMENT TO WHICH A CREDIT HAS
25 BEEN ALLOCATED AND EACH QUALIFIED TAXPAYER TO WHICH THE OWNER
26 HAS ALLOCATED A PORTION OF SAID CREDIT, IF ANY, SHALL FILE WITH
27 THEIR STATE INCOME TAX RETURN A COPY OF THE ALLOCATION

1 CERTIFICATE ISSUED BY THE AUTHORITY WITH RESPECT TO THE
2 DEVELOPMENT AND A COPY OF THE OWNER'S CERTIFICATION TO THE
3 DEPARTMENT AS TO THE ALLOCATION OF THE CREDIT AMONG THE
4 QUALIFIED TAXPAYERS HAVING OWNERSHIP INTERESTS IN THE
5 DEVELOPMENT.

6 **39-22-5706. Parallel credits - insurance premium taxes -**
7 **definition.**

8 (1) ANY TAXPAYER WHO IS SUBJECT TO THE TAX ON INSURANCE
9 PREMIUMS ESTABLISHED BY SECTIONS 10-3-209, 10-5-111, AND 10-6-128
10 AND THEREFORE EXEMPT FROM THE PAYMENT OF INCOME TAX AND WHO
11 IS OTHERWISE ELIGIBLE TO CLAIM A CREDIT PURSUANT TO THIS PART 57
12 MAY CLAIM THE CREDIT AND CARRY THE CREDIT FORWARD AGAINST THE
13 INSURANCE PREMIUM TAX ON ITS CALENDAR QUARTER ESTIMATED TAX
14 PAYMENTS MADE IN ACCORDANCE WITH SECTION 10-3-209 TO THE SAME
15 EXTENT AS THE TAXPAYER WOULD HAVE BEEN ABLE TO CLAIM OR CARRY
16 FORWARD THE CREDIT OR REFUND AGAINST INCOME TAX. ALL OTHER
17 PROVISIONS OF THIS PART 57 WITH RESPECT TO THE CREDIT, INCLUDING
18 THE AMOUNT, ALLOCATION, AND RECAPTURE OF THE CREDIT AND THE
19 YEARS FOR WHICH THE CREDIT MAY BE CLAIMED, APPLY TO A CREDIT
20 CLAIMED PURSUANT TO THIS SECTION.

21 (2) FOR PURPOSES OF ADMINISTERING THIS SECTION, ANY
22 REFERENCE IN THIS ARTICLE 22 TO "INCOME TAX YEAR" MEANS CALENDAR
23 YEAR.

24 **39-22-5707. Compliance monitoring.**

25 THE AUTHORITY, IN CONSULTATION WITH THE DEPARTMENT, SHALL
26 MONITOR AND OVERSEE COMPLIANCE WITH THIS PART 57 AND SHALL
27 REPORT SPECIFIC OCCURRENCES OF NONCOMPLIANCE TO THE

1 DEPARTMENT.

2 **39-22-5708. Repeal.**

3 THIS PART 57 IS REPEALED, EFFECTIVE DECEMBER 31, 2063.

4 **SECTION 11.** In Colorado Revised Statutes, 39-26-901, **amend**
5 (4)(b) and (4)(c); and **add** (4)(d) as follows:

6 **39-26-901. Temporary adjustment of rates of state sales and**
7 **use taxes - refund of excess state revenues - legislative declaration -**
8 **definition - repeal.**

9 (4) Any temporary state sales and use tax rate reduction pursuant
10 to subsection (1) of this section does not affect the calculation of the
11 amount of:

12 (b) The state sales tax increment revenue for regional tourism
13 zones in accordance with part 3 of article 46 of title 24; ~~or~~

14 (c) The aviation fund created in section 43-10-109; OR

15 (d) THE STATE SALES TAX INCREMENT REVENUE FOR TRANSIT AND
16 HOUSING INVESTMENT AREAS IN ACCORDANCE WITH PART 4 OF ARTICLE 46
17 OF TITLE 24.

18 **SECTION 12. Safety clause.** The general assembly finds,
19 determines, and declares that this act is necessary for the immediate
20 preservation of the public peace, health, or safety or for appropriations for
21 the support and maintenance of the departments of the state and state
22 institutions.