

Second Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO

**REREVISED**

*This Version Includes All Amendments  
Adopted in the Second House*

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, Bacon, Carter, Duran, English, Froelich, Hamrick, Lieder, Lukens, McCormick, Nguyen, Rutinel, Rydin, Stewart K.

**SENATE SPONSORSHIP**

**Roberts and Exum**, Hinrichsen, Jodeh, Kipp, Amabile, Bridges, Coleman, Cutter, Daugherty, Gonzales J., Lindstedt, Wallace

**House Committees**

Finance  
Appropriations

**Senate Committees**

Finance  
Appropriations

**A BILL FOR AN ACT**

101 **CONCERNING TRANSIT AND HOUSING INVESTMENT ZONES, AND, IN**  
102 **CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

**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,

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.*

SENATE  
3rd Reading Unamended  
May 12, 2026

SENATE  
Amended 2nd Reading  
May 11, 2026

HOUSE  
3rd Reading Unamended  
May 4, 2026

HOUSE  
Amended 2nd Reading  
May 1, 2026

and to create a transit investment authority (authority) or to designate other financing entities with the power to receive 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

1 services;

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

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

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

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

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

24 (j) The design of the built environment surrounding transit  
25 stations, including the presence of sidewalks, crosswalks, bike lanes, and  
26 other multimodal infrastructure, influences the accessibility to transit  
27 stations and overall transit ridership, as identified by studies such as

1 "Travel and the Built Environment: A Meta-Analysis" by Reid Ewing and  
2 Robert Cervero, and "Transit commuting, the network accessibility effect,  
3 and the built environment in station areas across the United States" in the  
4 journal Research in Transportation Economics;

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

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

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

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

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

1 transit investment area;

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

6 (c) According to the United States census bureau's Quarterly  
7 Retail E-Commerce Sales Report, approximately fifteen percent of sales  
8 nationally are made online, and therefore we assume that, to determine  
9 the allocated increment, the calculated increment based on in-person sales  
10 only should be inflated by twenty percent in order to account for sales that  
11 are unable to be captured due to technical limitations, but would  
12 otherwise be included in the allocated increment; and \_\_\_\_

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

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

25 (4) Given that communities across the state can use support to  
26 further invest in infrastructure, transit, and housing, the general assembly  
27 finds and declares that the new financing options created in this House

1 Bill 26-1065 are available to communities throughout the state, and this  
2 financing option should be used in a manner that considers geographic  
3 diversity.

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

10 **SECTION 2.** In Colorado Revised Statutes, **add** part 4 to article  
11 46 of title 24 as follows:

12 PART 4

13 TRANSIT INVESTMENT AREA ACT

14 **24-46-401. Short title.**

15 THE SHORT TITLE OF THIS PART 4 IS THE "TRANSIT INVESTMENT  
16 AREA ACT".

17 **24-46-402. Definitions.**

18 AS USED IN THIS PART 4, UNLESS THE CONTEXT OTHERWISE  
19 REQUIRES:

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

24 (2) (a) "BASE YEAR REVENUE" MEANS AN AMOUNT EQUAL TO THE  
25 STATE SALES TAX REVENUE COLLECTED ON IN-PERSON SALES MADE  
26 WITHIN A PROPOSED TRANSIT INVESTMENT AREA DURING THE  
27 TWELVE-MONTH PERIOD IMMEDIATELY PRIOR TO THE MONTH IN WHICH A

1 TRANSIT INVESTMENT PROJECT IS AUTHORIZED, AS DETERMINED BY THE  
2 DEPARTMENT.

3 (b) AFTER THE FIRST TWELVE MONTHS OF STATE SALES TAX  
4 COLLECTION PURSUANT TO SECTION 24-46-406 (1), AND ANNUALLY  
5 THEREAFTER, THE DEPARTMENT SHALL ADJUST THE BASE YEAR REVENUE  
6 BY THE AMOUNT OF THE BASELINE GROWTH RATE ESTABLISHED BY THE  
7 COMMISSION.

8 (3) "BASELINE GROWTH RATE" MEANS THE FORECASTED GROWTH  
9 IN STATE SALES TAX REVENUE COLLECTED ON IN-PERSON SALES MADE  
10 WITHIN A PROPOSED TRANSIT INVESTMENT AREA ABOVE THE BASE YEAR  
11 REVENUE THAT WOULD BE COLLECTED ON IN-PERSON SALES MADE WITHIN  
12 A PROPOSED TRANSIT INVESTMENT AREA IF THE PROPOSED TRANSIT  
13 INVESTMENT PROJECT DID NOT OCCUR, AS DETERMINED BY THE  
14 COMMISSION PURSUANT TO SECTION 24-46-404 (3).

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) STREET TREES;
- 27 (m) PUBLIC PLAZAS AND PEDESTRIAN SPACES;

1           (n) TRANSPORTATION FACILITIES;  
2           (o) BICYCLE AND PEDESTRIAN INFRASTRUCTURE;  
3           (p) SURFACE AND STRUCTURED PARKING FACILITIES; AND  
4           (q) ANY OTHER FACILITIES OR IMPROVEMENTS NECESSARY OR  
5 CONVENIENT FOR THE COMPLETION OF AN APPROVED PROJECT.

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

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

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

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

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

27           (15) "OFFICE OF ECONOMIC DEVELOPMENT" MEANS THE

1 COLORADO OFFICE OF ECONOMIC DEVELOPMENT CREATED IN SECTION  
2 24-48.5-101.

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

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

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

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

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

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

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

27 (II) AS USED IN THIS SUBSECTION (17)(b), UNLESS THE CONTEXT

1 OTHERWISE REQUIRES:

2

3 (A) "PAYABLE REGIONAL TOURISM ACT STATE SALES TAX  
4 INCREMENT REVENUE" MEANS THE AMOUNT OF REGIONAL TOURISM ACT  
5 STATE SALES TAX INCREMENT REVENUE THAT, PURSUANT TO SECTION  
6 24-46-307 (1)(b), THE DEPARTMENT ALLOCATES AND PAYS INTO A SPECIAL  
7 FUND CREATED BY A FINANCING ENTITY IN ACCORDANCE WITH THE  
8 AMOUNT OF REGIONAL TOURISM ACT STATE SALES TAX INCREMENT  
9 REVENUE AUTHORIZED FOR ALLOCATION BY THE DEPARTMENT TO THE  
10 FINANCING ENTITY BY THE \_\_\_\_\_ COMMISSION PURSUANT TO SECTION  
11 24-46-305 (4).

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

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

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

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

25 (20) "TRANSIT INVESTMENT AREA" MEANS A GEOGRAPHIC AREA  
26 THAT IS WITHIN A TRANSIT AND HOUSING INVESTMENT ZONE AND THAT  
27 THE COMMISSION APPROVES AS PART OF A TRANSIT INVESTMENT PROJECT

1 PURSUANT TO SECTION 24-46-404 (3)(d)(I)(B). A TRANSIT INVESTMENT  
2 AREA:

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

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

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

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

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

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

1 FACILITY OR SIGNIFICANT IMPROVEMENTS TO A TRANSPORTATION FACILITY  
2 TOGETHER WITH ANCILLARY USES, STRUCTURES, AND IMPROVEMENTS,  
3 AND THAT THE COMMISSION APPROVES PURSUANT TO SECTION 24-46-404  
4 (3).

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

- 8 (I) PUBLIC TRANSIT, SUCH AS BUSES;
- 9 (II) LIGHT RAIL, AERIAL TRANSIT, AND COMMUTER RAIL;
- 10 (III) ACTIVE TRANSPORTATION, SUCH AS BICYCLE AND PEDESTRIAN  
11 INFRASTRUCTURE;
- 12 (IV) SHARED MOBILITY SERVICES INCLUDING CAR SHARE, BIKE  
13 SHARE, AND SCOOTER SHARE;
- 14 (V) RIDE-HAILING AND DEMAND-RESPONSIVE SERVICES; AND
- 15 (VI) PRIVATE VEHICLES.

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

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

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

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

26 (1) BEGINNING JANUARY 1, 2027, A LOCAL GOVERNMENT, EITHER  
27 ALONE OR IN PARTNERSHIP WITH A TRANSIT AGENCY THAT HAS

1 JURISDICTION WITHIN A PROPOSED TRANSIT INVESTMENT AREA, MAY  
2 SUBMIT AN APPLICATION TO THE OFFICE OF ECONOMIC DEVELOPMENT FOR  
3 THE APPROVAL OF A TRANSIT INVESTMENT PROJECT, INCLUDING THE:

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

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

1 ANALYST SHALL DELIVER ITS ESTIMATE TO THE OFFICE OF ECONOMIC  
2 DEVELOPMENT WHO SHALL PROVIDE THE ESTIMATE TO THE OFFICE OF THE  
3 STATE PLANNING AND BUDGETING AND THE COMMISSION FOR REVIEW.

4 (b) THE OFFICE OF STATE PLANNING AND BUDGETING SHALL  
5 SUBMIT TO THE COMMISSION A REVIEW OF THE THIRD-PARTY ANALYST'S  
6 ESTIMATE WITHIN THIRTY CALENDAR DAYS OF RECEIPT OF THE ESTIMATE  
7 FROM THE OFFICE OF ECONOMIC DEVELOPMENT.

8 (c) THE COMMISSION SHALL TAKE INTO ACCOUNT THE ESTIMATE  
9 PROVIDED BY THE THIRD-PARTY ANALYST AND THE REVIEW PROVIDED BY  
10 THE OFFICE OF STATE PLANNING AND BUDGETING AND SHALL ESTABLISH  
11 A BASELINE GROWTH RATE FOR USE BY THE LOCAL GOVERNMENT AND THE  
12 THIRD-PARTY ANALYST IN THE COMMISSION'S APPLICATION ASSUMPTIONS  
13 AND BY THE DEPARTMENT.

14 (d) THE OFFICE OF ECONOMIC DEVELOPMENT MAY CHARGE A  
15 LOCAL GOVERNMENT A SUBMISSION FEE OF UP TO SEVEN THOUSAND FIVE  
16 HUNDRED DOLLARS PER SUBMISSION, AND THE STATE TREASURER SHALL  
17 CREDIT THAT FEE TO THE TRANSIT INVESTMENT ZONES CASH FUND  
18 CREATED IN SUBSECTION (6) OF THIS SECTION, FOR THE COSTS INCURRED  
19 IN CONTRACTING WITH A THIRD-PARTY ANALYST FOR THE ESTIMATION OF  
20 THE BASELINE GROWTH RATE FOR THE PROPOSED TRANSIT INVESTMENT  
21 AREA PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION. THE OFFICE OF  
22 ECONOMIC DEVELOPMENT SHALL ANNUALLY ADJUST FOR INFLATION OR  
23 DEFLATION THE FEE REQUIRED PURSUANT TO THIS SUBSECTION (2)(b) AND  
24 SHALL ROUND THE ADJUSTED AMOUNT UPWARD OR DOWNWARD TO THE  
25 NEAREST HUNDRED DOLLARS.

26 (e) THE LOCAL GOVERNMENT AND THE THIRD-PARTY ANALYST  
27 RETAINED PURSUANT TO SUBSECTION (3)(j) OF THIS SECTION SHALL USE

1 THE BASELINE GROWTH RATE DETERMINED BY THE COMMISSION IN THEIR  
2 ASSUMPTIONS AND ECONOMIC ANALYSES FOR THE PURPOSE OF  
3 CALCULATING THEIR ESTIMATE OF THE MAXIMUM ANNUAL AND TOTAL  
4 CUMULATIVE DOLLAR AMOUNTS OF STATE SALES TAX INCREMENT  
5 REVENUE AVAILABLE TO BE PLEDGED TO THE PROPOSED TRANSIT  
6 INVESTMENT PROJECT AS REQUIRED BY SUBSECTIONS (3)(i) AND (3)(j) OF  
7 THIS SECTION.

8 (3) A LOCAL GOVERNMENT THAT SUBMITS AN APPLICATION  
9 PURSUANT TO SUBSECTION (1) OF THIS SECTION MUST SUBMIT THE  
10 APPLICATION TO THE OFFICE OF ECONOMIC DEVELOPMENT IN A FORM AND  
11 MANNER TO BE DETERMINED BY THE COMMISSION. AN APPLICATION MUST  
12 INCLUDE AT LEAST:

13 (a) MAPS OF THE PROPOSED PROJECT AREA SHOWING BOTH  
14 CURRENT CONDITIONS AND A CONCEPTUAL RENDERING OF THE PROPOSED  
15 TRANSIT INVESTMENT PROJECT IN ITS ANTICIPATED BUILT CONDITION;

16 (b) A MAP SHOWING THE PROPOSED BOUNDARIES OF THE PROPOSED  
17 TRANSIT INVESTMENT AREA;

18 (c) A NARRATIVE DESCRIPTION OF THE PROPOSED TRANSIT  
19 INVESTMENT PROJECT, INCLUDING:

20 (I) THE LOCATION AND ESTIMATED OVERALL COST;

21 (II) ESTIMATED ELIGIBLE COSTS;

22 (III) THE ANTICIPATED SCOPE AND PHASING OF ELIGIBLE  
23 IMPROVEMENTS;

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

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

1 (d) A DISCUSSION OF THE APPLICATION AND PRIORITIZATION  
2 CRITERIA ESTABLISHED IN SUBSECTION (4) OF THIS SECTION AND SECTION  
3 24-46-404 (3)(f)(II) RESPECTIVELY AND HOW THE PROPOSED TRANSIT  
4 INVESTMENT PROJECT WILL MEET THESE CRITERIA. THIS DISCUSSION SHALL  
5 INCLUDE AN ECONOMIC ANALYSIS DETAILING:

6 (I) PROJECTED ECONOMIC DEVELOPMENT INCLUDING THE  
7 PROJECTED REAL ESTATE DEVELOPMENT, GROWTH IN COMMERCIAL  
8 ACTIVITY, TOURISM, INCREASES IN THE RESIDENTIAL POPULATION, JOBS,  
9 OR ANY OTHER ECONOMIC IMPROVEMENTS THAT WILL INCREASE STATE  
10 SALES TAX REVENUE THAT WILL BE CATALYZED, INDUCED, SUPPORTED, OR  
11 FACILITATED BY THE PROPOSED PROJECT IN THE PROPOSED TRANSIT AND  
12 INVESTMENT AREA;

13 (II) IMPACT OF THE PROJECT ON FUTURE STATE SALES TAX  
14 REVENUE IN THE TRANSIT INVESTMENT AREA DURING AND AFTER THE  
15 PROPOSED FINANCING TERM; AND

16 (III) ANY OTHER INFORMATION REASONABLY REQUESTED BY THE  
17 COMMISSION;

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

19 (II) A GENERAL DESCRIPTION OF THE PROPOSED FINANCING  
20 ENTITY'S PLAN FOR FINANCING THE ELIGIBLE COSTS AND PROVIDING THE  
21 PROPOSED ELIGIBLE IMPROVEMENTS;

22 (f) IF APPLICABLE, A REQUEST FOR AUTHORIZATION OF A TRANSIT  
23 INVESTMENT AUTHORITY, WHICH REQUEST SHALL INCLUDE A DESCRIPTION  
24 OF THE PROPOSED TRANSIT INVESTMENT AUTHORITY'S:

25 (I) GEOGRAPHIC BOUNDARIES;

26 (II) REQUESTED POWERS; AND

27 (III) ANTICIPATED SOURCES OF REVENUE, IF ANY, IN ADDITION TO

1 STATE SALES TAX INCREMENT REVENUE;

2 (g) IF IT IS ANTICIPATED THAT THE PROPOSED FINANCING ENTITY  
3 WILL ENTER INTO CONTRACTUAL ARRANGEMENTS WITH ONE OR MORE  
4 URBAN RENEWAL AUTHORITIES, METROPOLITAN DISTRICTS, AUTHORITIES  
5 FORMED BY INTERGOVERNMENTAL AGREEMENT AMONG TWO OR MORE  
6 METROPOLITAN DISTRICTS, LOCAL GOVERNMENTS, REGIONAL  
7 TRANSPORTATION AUTHORITIES, OR PRIVATE PARTIES WITH RESPECT TO  
8 THE METHOD OF FINANCING THE ELIGIBLE COSTS AND PROVIDING THE  
9 PROPOSED ELIGIBLE IMPROVEMENTS, A GENERAL DESCRIPTION OF THE  
10 CONTEMPLATED CONTRACTUAL ARRANGEMENTS;

11 (h) IF IT IS ANTICIPATED THAT THE PROPOSED ELIGIBLE  
12 IMPROVEMENTS WILL BE CONSTRUCTED IN PHASES OR THAT FINANCING OF  
13 THE ELIGIBLE COSTS WILL BE ACCOMPLISHED IN PHASES, A DESCRIPTION OF  
14 THE CONTEMPLATED PHASES AND THE ANTICIPATED TIMING OF THE  
15 PHASES;

16 (i) CONCERNING THE FINANCING OF THE PROPOSED ELIGIBLE  
17 PUBLIC IMPROVEMENTS BY THE FINANCING ENTITY, THE FOLLOWING  
18 PROPOSED ITEMS:

19 (I) THE FINANCING TERM;

20 (II) THE MAXIMUM ANNUAL DOLLAR AMOUNT OF STATE SALES TAX  
21 INCREMENT REVENUE THAT CAN BE ALLOCATED TO THE FINANCING  
22 ENTITY;

23 (III) THE TOTAL CUMULATIVE DOLLAR AMOUNT OF STATE SALES  
24 TAX INCREMENT REVENUE THAT CAN BE ALLOCATED TO THE FINANCING  
25 ENTITY; AND

26 (IV) WHETHER THE STATE SALES TAX INCREMENT REVENUE THAT  
27 EXCEEDS THE PROJECTED COSTS OF ELIGIBLE COSTS WILL BE SPENT ON

1 ADDITIONAL ELIGIBLE COSTS INCURRED IN CONNECTION WITH THE TRANSIT  
2 INVESTMENT PROJECT.

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

1 FUNDING WHICH IS AVAILABLE FOR THIS PURPOSE; EXCEPT THAT THE  
2 OFFICE SHALL NOT PAY THESE COSTS FOR MORE THAN TWO APPLICANTS IN  
3 AN APPLICATION CYCLE. AS PART OF CREATING THE REPORT, THE  
4 THIRD-PARTY ANALYST MUST:

5 (I) ESTIMATE THE TOTAL \_\_\_\_\_ STATE SALES TAX INCREMENT  
6 REVENUE DURING THE FINANCING TERM IN THE PROPOSED TRANSIT  
7 INVESTMENT AREA THAT THE FINANCING ENTITY IS ELIGIBLE TO RECEIVE;

8 (II) ESTIMATE THE MAXIMUM ANNUAL DOLLAR AMOUNT OF STATE  
9 SALES TAX INCREMENT REVENUE IN THE TRANSIT INVESTMENT AREA THAT  
10 THE FINANCING ENTITY IS ELIGIBLE TO RECEIVE; AND

11 (III) ASSESS THE APPLICATION'S SATISFACTION OF THE CRITERIA  
12 DESCRIBED IN SUBSECTION (4) OF THIS SECTION AND SECTION 24-46-404  
13 (3)(f)(II);

14 (IV) TAKE INTO ACCOUNT PROJECTED ECONOMIC DEVELOPMENT  
15 INCLUDING THE PROJECTED REAL ESTATE DEVELOPMENT, GROWTH IN  
16 COMMERCIAL ACTIVITY, TOURISM, INCREASE IN THE RESIDENTIAL  
17 POPULATION, JOBS OR ANY OTHER ECONOMIC IMPROVEMENTS THAT WILL  
18 INCREASE STATE SALES TAX REVENUE THAT WILL BE CATALYZED,  
19 INDUCED, SUPPORTED, OR FACILITATED BY THE PROPOSED PROJECT IN THE  
20 PROPOSED TRANSIT AND INVESTMENT AREA INCLUDED IN THE  
21 APPLICATION; AND

22 (V) PROVIDE OTHER RELEVANT INFORMATION REQUIRED BY THE  
23 OFFICE OF ECONOMIC DEVELOPMENT OR THE COMMISSION. \_\_\_\_\_

24 (k) A LOCAL GOVERNMENT THAT SUBMITS AN APPLICATION  
25 PURSUANT TO SUBSECTION (1) OF THIS SECTION MUST SHARE THE DATA  
26 AND ASSUMPTIONS IT USED IN ITS APPLICATION WITH THE THIRD-PARTY  
27 ANALYST, AND THE ANALYST SHALL RELY ON THE DATA AND REASONING

1 AS IT DEEMS APPROPRIATE IN THE EXERCISE OF ITS INDEPENDENT  
2 JUDGMENT. AN APPLICANT THAT IS DISSATISFIED WITH THE REPORT  
3 PRODUCED BY THE THIRD-PARTY ANALYST MAY REVISE ITS APPLICATION  
4 AND REQUEST THAT THE THIRD-PARTY ANALYST REVISE THE REPORT.

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

7 (a) THE PROPOSED TRANSIT INVESTMENT PROJECT IS REASONABLY  
8 ANTICIPATED TO RESULT IN A SUBSTANTIAL INCREASE IN TRANSIT  
9 UTILIZATION;

10 (b) THE BOUNDARIES OF THE PROPOSED TRANSIT INVESTMENT  
11 AREA ARE ONLY AS LARGE AS NECESSARY TO ACCOMPLISH THE PROPOSED  
12 TRANSIT INVESTMENT PROJECT GOALS;

13 (c) THE PROPOSED TRANSIT INVESTMENT PROJECT OR SUBSTANTIAL  
14 PORTIONS OF THE PROPOSED PROJECT HAVE BEEN IDENTIFIED AS PART OF  
15 A LOCAL PLANNING PROCESS;

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

18 ==  
19 (e) THE LOCAL GOVERNMENT THAT SUBMITTED THE APPLICATION  
20 FOR THE PROPOSED TRANSIT INVESTMENT PROJECT HAS PROVIDED  
21 RELIABLE ECONOMIC DATA DEMONSTRATING THAT, IN THE ABSENCE OF  
22 STATE SALES TAX INCREMENT REVENUE, THE PROPOSED PROJECT IS NOT  
23 REASONABLY ANTICIPATED TO BE DEVELOPED WITHIN THE FORESEEABLE  
24 FUTURE; AND

25 (f) THE PROPOSED TRANSIT INVESTMENT PROJECT WILL BE  
26 CARRIED OUT IN A MANNER CONSISTENT WITH THE HIRING,  
27 APPRENTICESHIP, AND WORKFORCE STANDARDS APPLICABLE TO

1 INFRASTRUCTURE PROJECTS THAT ARE FINANCED BY THE BUILDING  
2 URGENT INFRASTRUCTURE AND LEVERAGING DOLLARS AUTHORITY AS  
3 REQUIRED BY SECTION 24-117-105 (6), TO THE EXTENT THESE STANDARDS  
4 ARE NOT INCONSISTENT WITH THE REQUIREMENTS OF THIS PART 4.

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

8 (6) (a) THE TRANSIT INVESTMENT ZONES CASH FUND IS CREATED  
9 IN THE STATE TREASURY. THE FUND CONSISTS OF SUBMISSION FEES  
10 COLLECTED BY THE OFFICE OF ECONOMIC DEVELOPMENT AND CREDITED TO  
11 THE FUND PURSUANT TO SUBSECTION (2)(b) OF THIS SECTION, AND ANY  
12 OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR  
13 TRANSFER TO THE FUND.

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

18 (c) SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL  
19 ASSEMBLY, THE OFFICE OF ECONOMIC DEVELOPMENT MAY EXPEND MONEY  
20 FROM THE FUND TO PAY OR PARTIALLY PAY:

21 (I) THE COST INCURRED IN CONTRACTING WITH A THIRD-PARTY  
22 ANALYST TO ESTIMATE THE BASELINE GROWTH RATE FOR THE PROPOSED  
23 TRANSIT INVESTMENT AREA PURSUANT TO SUBSECTION (2)(a) OF THIS  
24 SECTION; AND

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

27 **24-46-404. Transit investment project approval - director -**

1 **commission - review.**

2 (1) UPON RECEIPT OF A LOCAL GOVERNMENT'S APPLICATION FOR  
3 THE APPROVAL OF A TRANSIT INVESTMENT PROJECT, THE DIRECTOR OR THE  
4 DIRECTOR'S DESIGNEE SHALL REVIEW THE APPLICATION AND MAKE AN  
5 INITIAL DETERMINATION AS TO WHETHER THE APPLICATION HAS MET THE  
6 CRITERIA FOR A TRANSIT INVESTMENT PROJECT SPECIFIED IN SECTION  
7 24-46-403 (4).

8 (2) AFTER REVIEWING AN APPLICATION FOR APPROVAL OF A  
9 TRANSIT INVESTMENT PROJECT FOR COMPLETENESS, THE DIRECTOR SHALL  
10 FORWARD THE APPLICATION:

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

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

18 (c) TO THE COMMISSION WITH A RECOMMENDATION THAT THE  
19 COMMISSION APPROVE, APPROVE WITH CONDITIONS, OR DENY THE  
20 APPLICATION.

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

26 (b) AFTER HOLDING A HEARING PURSUANT TO SUBSECTION (3)(a)  
27 OF THIS SECTION, WHILE GIVING CONSIDERATION TO THE DIRECTOR'S

1 RECOMMENDATIONS AND THE REPORT COMPLETED BY A THIRD-PARTY  
2 ANALYST PURSUANT TO SECTION 24-46-403 (3)(j), THE COMMISSION SHALL  
3 TIMELY APPROVE, APPROVE WITH CONDITIONS, OR DENY AN APPLICATION.

4 (c) THE COMMISSION SHALL APPROVE A LOCAL GOVERNMENT'S  
5 APPLICATION FOR THE APPROVAL OF A TRANSIT INVESTMENT PROJECT IF A  
6 MAJORITY OF THE COMMISSIONERS PARTICIPATING IN THE REVIEW OF THE  
7 APPLICATION FINDS THAT THE APPLICATION DEMONSTRATES THAT EACH  
8 OF THE CRITERIA IDENTIFIED IN SECTION 24-46-403 (4) IS MATERIALLY MET  
9 AND HAS BEEN PRIORITIZED IN ACCORDANCE WITH SECTION 24-46-403  
10 (3)(f)(II).

11 (d) (I) IF THE COMMISSION APPROVES AN APPLICATION FOR A  
12 TRANSIT INVESTMENT PROJECT, IT SHALL ADOPT A RESOLUTION THAT  
13 SPECIFIES:

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

16 (B) THE BOUNDARY OF THE TRANSIT INVESTMENT AREA  
17 ESTABLISHED IN CONNECTION WITH THE TRANSIT INVESTMENT PROJECT;

18 (C) WHETHER THE COMMISSION HAS AUTHORIZED THE CREATION  
19 OF A TRANSIT INVESTMENT AUTHORITY;

20 (D) THE BASELINE GROWTH RATE, PURSUANT TO SECTION  
21 24-46-403 (2)(c);

22 (E) THE APPROVED FINANCING TERM;

23 (F) THE MAXIMUM DOLLAR AMOUNT OF STATE SALES TAX  
24 INCREMENT REVENUE THAT CAN BE ANNUALLY DEDICATED TO THE  
25 TRANSIT INVESTMENT PROJECT, AS DETERMINED PURSUANT TO  
26 SUBSECTION (3)(j)(II) OF THIS SECTION; AND

27 (G) THE TOTAL CUMULATIVE DOLLAR AMOUNT OF STATE SALES

1 TAX INCREMENT REVENUE THAT CAN BE DEDICATED TO THE TRANSIT  
2 INVESTMENT PROJECT, AS DETERMINED PURSUANT TO SUBSECTION (3)(i)(I)  
3 OF THIS SECTION.

4 (II) IN DETERMINING THE MAXIMUM ANNUAL DOLLAR AMOUNT OF  
5 STATE SALES TAX INCREMENT REVENUE THAT CAN BE DEDICATED TO THE  
6 TRANSIT INVESTMENT PROJECT PURSUANT TO SUBSECTION (3)(b)(I)(E) OF  
7 THIS SECTION, THE COMMISSION SHALL CONSIDER THE AMOUNT IDENTIFIED  
8 BY THE APPLICANT PURSUANT TO SECTION 24-46-403 (3)(i)(II) AND SHALL  
9 ATTEMPT TO ENSURE THAT THE MAXIMUM ANNUAL DOLLAR AMOUNT DOES  
10 NOT PREVENT DEDICATING THE TOTAL CUMULATIVE DOLLAR AMOUNT  
11 ESTABLISHED BY THE COMMISSION PURSUANT TO THIS SUBSECTION (3)(d)  
12 TO BE PAID TO THE TRANSIT INVESTMENT PROJECT. AFTER ADOPTING THE  
13 RESOLUTION REQUIRED PURSUANT TO THIS SUBSECTION (3)(d), THE  
14 COMMISSION MAY ADOPT A SUBSEQUENT RESOLUTION THAT INCREASES  
15 THE MAXIMUM ANNUAL DOLLAR AMOUNT THAT CAN BE DEDICATED TO THE  
16 TRANSIT INVESTMENT PROJECT, BUT THE COMMISSION SHALL NOT  
17 INCREASE THE MAXIMUM ANNUAL DOLLAR AMOUNT BY AN AMOUNT THAT  
18 WOULD RESULT IN DEDICATING A TOTAL DOLLAR AMOUNT TO THE TRANSIT  
19 INVESTMENT PROJECT THAT EXCEEDS THE TOTAL CUMULATIVE DOLLAR  
20 AMOUNT ESTABLISHED BY THE COMMISSION PURSUANT TO THIS  
21 SUBSECTION (3)(d).

22 (III) (A) IN DETERMINING THE TOTAL CUMULATIVE DOLLAR  
23 AMOUNT OF STATE SALES TAX INCREMENT REVENUE THAT CAN BE  
24 DEDICATED TO THE TRANSIT INVESTMENT PROJECT PURSUANT TO  
25 SUBSECTION (3)(d)(I)(F) OF THIS SECTION, THE COMMISSION SHALL AWARD  
26 AN AMOUNT EQUAL TO THE TOTAL CUMULATIVE DOLLAR AMOUNT OF  
27 STATE SALES TAX INCREMENT REVENUE THAT THE THIRD-PARTY ANALYST

1 DETERMINES CAN BE DEDICATED TO THE TRANSIT INVESTMENT PROJECT AS  
2 REPORTED PURSUANT TO SECTION 24-46-403 (3)(j).

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

19 (C) NOTWITHSTANDING SUBSECTION (3)(d)(III)(A) OF THIS  
20 SECTION, IF THE ESTIMATED ELIGIBLE COSTS IDENTIFIED PURSUANT TO  
21 SECTION 24-46-403 (3)(c)(II) ARE LESS THAN THE TOTAL CUMULATIVE  
22 DOLLAR AMOUNT OF STATE SALES TAX INCREMENT REVENUE THAT THE  
23 THIRD-PARTY ANALYST DETERMINES CAN BE DEDICATED TO THE TRANSIT  
24 INVESTMENT PROJECT AS REPORTED PURSUANT TO SECTION 24-46-403  
25 (3)(j) AND THE APPLICATION AFFIRMED THAT STATE SALES TAX  
26 INCREMENT REVENUE THAT EXCEEDS THE ESTIMATED ELIGIBLE COSTS  
27 WILL BE SPENT ON ADDITIONAL ELIGIBLE COSTS INCURRED IN CONNECTION

1 WITH THE TRANSIT INVESTMENT PROJECT, IN DETERMINING THE TOTAL  
2 CUMULATIVE DOLLAR AMOUNT OF STATE SALES TAX INCREMENT REVENUE  
3 THAT CAN BE DEDICATED TO THE TRANSIT INVESTMENT PROJECT  
4 PURSUANT TO SUBSECTION (3)(d)(I)(F) OF THIS SECTION, THE COMMISSION  
5 SHALL AWARD A TOTAL CUMULATIVE DOLLAR AMOUNT OF STATE SALES  
6 TAX INCREMENT REVENUE EQUAL TO THE ESTIMATED ELIGIBLE COSTS  
7 IDENTIFIED PURSUANT TO SECTION 24-46-403 (3)(c)(II) AND ALLOW FOR  
8 THE EXPENDITURE OF ADDITIONAL STATE SALES TAX INCREMENT REVENUE  
9 FOR ADDITIONAL ELIGIBLE COSTS INCURRED IN CONNECTION WITH THE  
10 TRANSIT INVESTMENT PROJECT BEYOND THOSE ESTIMATED IN THE  
11 APPLICATION SUCH THAT THE APPLICANT CAN SPEND IN TOTAL, ON  
12 ADDITIONAL AND ESTIMATED ELIGIBLE COSTS, UP TO THE TOTAL  
13 CUMULATIVE DOLLAR AMOUNT OF STATE SALES TAX INCREMENT REVENUE  
14 DETERMINED BY THE THIRD-PARTY ANALYST.

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

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

24 (II) IF THE COMMISSION DETERMINES MORE THAN THREE TRANSIT  
25 INVESTMENT PROJECT APPLICATIONS IN A GIVEN CALENDAR YEAR MEET  
26 EACH OF THE CRITERIA ESTABLISHED IN SECTION 24-46-403 (4), THE  
27 COMMISSION SHALL PRIORITIZE THE THREE PROJECTS THAT THE

1 COMMISSION WILL APPROVE USING THE FOLLOWING CRITERIA:

2 (A) INCLUSION IN OR FIT WITH LOCAL, REGIONAL, OR STATE  
3 TRANSPORTATION PLANS;

4 (B) STATEWIDE GEOGRAPHIC EQUITY;

5 (C) SCALE OF IMPACT; AND

6 (D) THE DEDICATION OF MATCHING LOCAL, SPECIAL DISTRICT, OR  
7 OTHER NONSTATE PROVIDED FUNDING FOR THE PROJECT.

8 (III) IF THE COMMISSION DOES NOT APPROVE A PROPOSED TRANSIT  
9 INVESTMENT PROJECT BECAUSE DOING SO WOULD CAUSE THE COMMISSION  
10 TO APPROVE MORE THAN THREE PROPOSED TRANSIT INVESTMENT  
11 PROJECTS IN THE SAME CALENDAR YEAR, THE COMMISSION MAY CONSIDER  
12 SUCH A PROJECT FOR APPROVAL, APPROVAL WITH CONDITIONS, OR DENIAL  
13 IN THE NEXT CALENDAR YEAR, SUBJECT TO THE PRIORITIZATION OF ALL  
14 APPLICATIONS RECEIVED IN THE NEXT YEAR AND ALL APPLICATIONS BEING  
15 RECONSIDERED FROM THE PRIOR YEAR BEING CONSIDERED IN A SINGLE  
16 POOL.

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

19 (I) THE DEPARTMENT TO COLLECT THE STATE SALES TAX  
20 INCREMENT REVENUE      IN CONNECTION WITH THE PROPOSED TRANSIT  
21 INVESTMENT PROJECT ON BEHALF OF THE RELEVANT FINANCING ENTITY  
22 FOR THE DURATION OF THE FINANCING TERM UP TO THE MAXIMUM ANNUAL  
23 AND TOTAL CUMULATIVE DOLLAR AMOUNTS OF STATE SALES TAX  
24 INCREMENT REVENUE THAT CAN BE DEDICATED TO THE TRANSIT  
25 INVESTMENT PROJECT;

26 (II) THE DEPARTMENT TO ADJUST THE BASE YEAR REVENUE BY THE  
27 AMOUNT OF THE BASELINE GROWTH RATE SPECIFIED IN THE RESOLUTION

1     APPROVING A TRANSIT INVESTMENT PROJECT;

2             (III) A FINANCING ENTITY TO RECEIVE AND USE THE STATE SALES  
3     TAX INCREMENT REVENUE UP TO THE MAXIMUM ANNUAL AND TOTAL  
4     CUMULATIVE DOLLAR AMOUNTS THAT CAN BE DEDICATED TO THE TRANSIT  
5     INVESTMENT PROJECT FOR THE DURATION OF THE FINANCING TERM; AND

6             (IV) THE USE OF THE STATE SALES TAX INCREMENT REVENUE BY  
7     THE FINANCING ENTITY PURSUANT TO THIS PART 4 AND ANY CONDITIONS  
8     OF APPROVAL IMPOSED BY THE COMMISSION AND INCORPORATED IN  
9     WRITING INTO THE COMMISSION'S RESOLUTION APPROVING THE PROPOSED  
10    TRANSIT INVESTMENT PROJECT.

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

15            (5) (a) FOR EACH YEAR OF THE FINANCING TERM, THE AMOUNT OF  
16    STATE SALES TAX INCREMENT REVENUE DEDICATED TO A TRANSIT  
17    INVESTMENT PROJECT MUST NOT EXCEED THE MAXIMUM ANNUAL DOLLAR  
18    AMOUNT SPECIFIED BY THE COMMISSION PURSUANT TO SUBSECTION (3) OF  
19    THIS SECTION. THE TOTAL AMOUNT OF STATE SALES TAX INCREMENT  
20    REVENUE DEDICATED TO A TRANSIT INVESTMENT PROJECT FOR THE ENTIRE  
21    DURATION OF THE PROJECT SHALL NOT EXCEED THE TOTAL CUMULATIVE  
22    DOLLAR AMOUNT SPECIFIED BY THE COMMISSION PURSUANT TO  
23    SUBSECTION (3) OF THIS SECTION. THE DEPARTMENT SHALL TRACK THE  
24    MAXIMUM ANNUAL AND TOTAL CUMULATIVE DOLLAR AMOUNTS OF STATE  
25    SALES TAX INCREMENT REVENUE REMITTED TO THE FINANCING ENTITY IN  
26    CONNECTION WITH A TRANSIT INVESTMENT PROJECT AND SHALL NOTIFY  
27    THE COMMISSION WHEN CUMULATIVE PAYMENTS EQUAL NINETY PERCENT

1 OF THE LIMITS SET BY THE COMMISSION PURSUANT TO SUBSECTION (3) OF  
2 THIS SECTION FOR THE COMMISSION'S CONCURRENCE REGARDING THE  
3 DOLLAR LIMITS.

4 (b) (I) AFTER THE DEPARTMENT HAS REMITTED THE MAXIMUM  
5 ANNUAL DOLLAR AMOUNT OF STATE SALES TAX INCREMENT REVENUE  
6 SPECIFIED BY THE COMMISSION PURSUANT TO SUBSECTION (3) OF THIS  
7 SECTION TO THE FINANCING ENTITY FOR A CALENDAR YEAR, THE  
8 DEPARTMENT SHALL NOT REMIT ANY ADDITIONAL STATE SALES TAX  
9 INCREMENT REVENUE FROM THE STATE TO THE FINANCING ENTITY UNTIL  
10 THE FOLLOWING YEAR.

11 (II) 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.

18 (III) AFTER THE FINANCING TERM SPECIFIED BY THE COMMISSION  
19 PURSUANT TO SUBSECTION (3) OF THIS SECTION IS COMPLETED, THE  
20 DEPARTMENT SHALL NOT REMIT ANY ADDITIONAL STATE SALES TAX  
21 INCREMENT REVENUE FROM THE STATE TO THE FINANCING ENTITY, EVEN  
22 IF THE TOTAL CUMULATIVE DOLLAR AMOUNT OF STATE SALES TAX  
23 INCREMENT REVENUE SPECIFIED BY THE COMMISSION PURSUANT TO  
24 SUBSECTION (3) OF THIS SECTION HAS NOT BEEN REACHED.

25 (IV) THE DEPARTMENT SHALL NOTIFY THE COMMISSION IF IT IS NO  
26 LONGER REMITTING STATE SALES TAX INCREMENT REVENUE TO THE  
27 FINANCING ENTITY PURSUANT TO THIS SUBSECTION (5)(b).

1 (6) FOLLOWING THE COMMISSION'S APPROVAL OF AN APPLICATION,  
2 AND THE ESTABLISHMENT OF THE TERMS OF AWARD INCLUDING THE ITEMS  
3 DESCRIBED IN SUBSECTION (3)(d)(I) OF THIS SECTION, THE COMMISSION  
4 SHALL PROMPTLY TRANSMIT WRITTEN NOTICE AND A COPY OF THE  
5 APPROVAL TO THE EXECUTIVE DIRECTOR OF THE DEPARTMENT. THE  
6 COMMISSION SHALL INCLUDE ANY INFORMATION DEEMED NECESSARY BY  
7 THE DEPARTMENT TO FULFILL ITS OBLIGATIONS PURSUANT TO THIS PART  
8 4 IN THE WRITTEN NOTICE.

9 **24-46-405. Transit investment authority - board - creation -**  
10 **powers and duties.**

11 (1) THE COMMISSION SHALL NOT DENY A REQUEST TO AUTHORIZE  
12 THE CREATION OF A TRANSIT INVESTMENT AUTHORITY IF THE COMMISSION  
13 OTHERWISE APPROVES AN APPLICATION FOR A TRANSIT INVESTMENT  
14 PROJECT THAT INCLUDES A REQUEST FOR THE FORMATION OF A TRANSIT  
15 INVESTMENT AUTHORITY.

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

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

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

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

24 (III) ONE MEMBER APPOINTED BY THE TRANSIT AGENCY OR ENTITY  
25 THAT OPERATES THE TRANSPORTATION FACILITY THAT IS THE SUBJECT OF  
26 THE PROPOSED TRANSIT INVESTMENT PROJECT.

27 (b) IF THE APPLICANT IS TWO LOCAL GOVERNMENTS:

1 (I) TWO MEMBERS APPOINTED BY THE COMMISSION WHO ARE  
2 OWNERS OF COMMERCIAL PROPERTY WITHIN THE TRANSIT INVESTMENT  
3 AREA;

4 (II) ONE MEMBER APPOINTED BY THE TRANSIT AGENCY OR ENTITY  
5 THAT OPERATES THE TRANSPORTATION FACILITY THAT IS THE SUBJECT OF  
6 THE PROPOSED TRANSIT INVESTMENT PROJECT; AND

7 (III) ONE MEMBER APPOINTED BY EACH OF THE TWO LOCAL  
8 GOVERNMENTS WHO IS AN ELECTED OFFICIAL OF ONE OF THE LOCAL  
9 GOVERNMENTS.

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

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

14 (II) THREE OR MORE MEMBERS, AS DETERMINED BY THE  
15 COMMISSION SO THAT THE TOTAL NUMBER OF MEMBERS ON A GOVERNING  
16 BOARD IS AN ODD NUMBER, REPRESENTING COMMERCIAL PROPERTY  
17 OWNERS WITHIN THE TRANSIT INVESTMENT AREA, APPOINTED BY THE  
18 COMMISSION; AND

19 (d) ONE MEMBER APPOINTED BY THE TRANSIT AGENCY OR ENTITY  
20 THAT OPERATES THE TRANSPORTATION FACILITY THAT IS THE SUBJECT OF  
21 THE PROPOSED TRANSIT INVESTMENT PROJECT.

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

26 (a) PERPETUAL EXISTENCE AND SUCCESSION;

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

1 (c) TO SUE AND BE SUED AND TO BE A PARTY TO SUITS, ACTIONS,  
2 AND PROCEEDINGS;

3 (d) TO UNDERTAKE TRANSIT INVESTMENT PROJECTS;

4 (e) TO ENTER INTO CONTRACTS AND AGREEMENTS AFFECTING THE  
5 AFFAIRS OF THE TRANSIT INVESTMENT AUTHORITY AS NECESSARY TO  
6 COMPLETE A TRANSIT INVESTMENT PROJECT;

7 (f) TO RECEIVE, INVEST, PLEDGE, SPEND, AND OTHERWISE USE AND  
8 EXPEND STATE SALES TAX INCREMENT REVENUE IN ACCORDANCE WITH AN  
9 APPROVED TRANSIT INVESTMENT PROJECT;

10 (g) TO ASSIGN AND PLEDGE TO ANY 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 HAVING ALL OR ANY PORTION OF THE TRANSIT INVESTMENT  
15 AREA WITHIN ITS BOUNDARIES OR SERVICE AREA THE TRANSIT  
16 INVESTMENT AUTHORITY'S RIGHT TO RECEIVE AND USE STATE SALES TAX  
17 INCREMENT REVENUE TO SUPPORT BONDS OR OTHER FINANCING  
18 INSTRUMENTS ISSUED OR ENTERED INTO BY THE COUNTY REVITALIZATION  
19 AUTHORITY, METROPOLITAN DISTRICT, AUTHORITY FORMED BY  
20 INTERGOVERNMENTAL AGREEMENT AMONG TWO OR MORE METROPOLITAN  
21 DISTRICTS, REGIONAL TRANSPORTATION AUTHORITY, OR URBAN RENEWAL  
22 AUTHORITY FOR ELIGIBLE COSTS OR TO ACQUIRE ELIGIBLE IMPROVEMENTS,  
23 INCLUDING LOANS OR FUNDING AND REIMBURSEMENT AGREEMENTS WITH  
24 DEVELOPERS INVOLVED IN THE TRANSIT INVESTMENT PROJECT OR OTHER  
25 THIRD PARTIES;

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

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

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

4 (k) TO DEPOSIT ANY FUNDS NOT REQUIRED FOR IMMEDIATE  
5 DISBURSEMENT IN ANY DEPOSITORY AUTHORIZED IN SECTION 24-75-603  
6 AND, FOR THE PURPOSE OF MAKING THE DEPOSITS, TO APPOINT BY WRITTEN  
7 RESOLUTION ONE OR MORE PERSONS TO ACT AS CUSTODIANS OF THE  
8 AUTHORITY'S FUND, WHICH PERSON SHALL GIVE SURETY BONDS IN THE  
9 AMOUNTS AND FORM AND FOR THE PURPOSES REQUIRED BY THE  
10 AUTHORITY;

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

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

17 (n) TO ACCEPT GIFTS AND CONVEYANCES MADE TO THE  
18 AUTHORITY UPON THE TERMS OR CONDITIONS APPROVED BY THE  
19 AUTHORITY'S BOARD;

20 (o) TO ADOPT, AMEND, AND ENFORCE BYLAWS AND RULES THAT  
21 ARE NOT IN CONFLICT WITH THE CONSTITUTION AND LAWS OF THE STATE  
22 FOR CARRYING OUT THE BUSINESS, OBJECTS, AND AFFAIRS OF THE  
23 AUTHORITY;

24 (p) TO HAVE AND EXERCISE ALL RIGHTS AND POWERS NECESSARY  
25 OR INCIDENTAL TO OR IMPLIED FROM THE SPECIFIC POWERS GRANTED TO  
26 THE TRANSIT INVESTMENT AUTHORITY BY THIS PART 4. THE SPECIFIC  
27 POWERS SHALL NOT BE CONSIDERED A LIMITATION UPON ANY POWER

1 NECESSARY OR APPROPRIATE TO CARRY OUT THIS PART 4.

2 (q) TO AUTHORIZE THE USE OF ELECTRONIC RECORDS OR  
3 SIGNATURES AND TO ADOPT RULES, STANDARDS, POLICIES, AND  
4 PROCEDURES FOR USE OF ELECTRONIC RECORDS OR SIGNATURES PURSUANT  
5 TO ARTICLE 71.3 OF THIS TITLE 24.

6 (r) TO ENSURE THAT EVERY CONTRACT, CONSTRUCTION ACTIVITY,  
7 PROCUREMENT, AND PROJECT DELIVERY FOR AN APPROVED TRANSIT  
8 INVESTMENT PROJECT COMPLIES WITH THE HIRING, APPRENTICESHIP, AND  
9 WORKFORCE STANDARDS APPLICABLE TO INFRASTRUCTURE PROJECTS  
10 THAT ARE FINANCED BY THE BUILDING URGENT INFRASTRUCTURE AND  
11 LEVERAGING DOLLARS AUTHORITY AS REQUIRED BY SECTION 24-117-105  
12 (6), TO THE EXTENT APPLICABLE, AND INCORPORATE THESE STANDARDS  
13 INTO SOLICITATIONS AND AGREEMENTS AS APPLICABLE.

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

17 (5) THE BOARD OF DIRECTORS OF A TRANSIT INVESTMENT  
18 AUTHORITY IS SUBJECT TO THE "COLORADO OPEN RECORDS ACT", PART  
19 2 OF ARTICLE 72 OF THIS TITLE 24, AND THE "COLORADO SUNSHINE ACT  
20 OF 1972", ARTICLE 6 OF THIS TITLE 24.

21 **24-46-406. State sales tax increment revenue.**

22 (1) IN ORDER TO IMPLEMENT THE COLLECTION OF STATE SALES TAX  
23 INCREMENT REVENUE, THE RESOLUTION ADOPTED BY THE COMMISSION  
24 APPROVING A TRANSIT INVESTMENT PROJECT SHALL STATE THAT THE  
25 DEPARTMENT SHALL, AFTER ANNUALLY RETAINING AN AMOUNT OF THE  
26 STATE SALES TAX INCREMENT REVENUE ESTABLISHED BY THE  
27 DEPARTMENT AS NECESSARY TO OFFSET THE DEPARTMENT'S ACTUAL

1 DIRECT COSTS AND EXPENSES INCURRED IN PERFORMING THE  
2 DEPARTMENT'S COLLECTION AND DISBURSEMENT FUNCTIONS ESTABLISHED  
3 IN THIS PART 4 IN CONNECTION WITH THE TRANSIT INVESTMENT PROJECT,  
4 DIVIDE AND DISTRIBUTE STATE SALES TAXES LEVIED AND COLLECTED ON  
5 IN-PERSON SALES MADE WITHIN THE TRANSIT INVESTMENT AREA  
6 COMMENCING ON THE FIRST DAY OF THE FIRST MONTH AFTER THE  
7 DEPARTMENT HAS COLLECTED THE BASE YEAR REVENUE FOR THE YEAR  
8 AFTER THE EFFECTIVE DATE OF THE COMMISSION'S APPROVAL OF THE  
9 PROJECT AS FOLLOWS:

10 (a) FIRST, THE PORTION OF STATE SALES TAXES COLLECTED ON  
11 IN-PERSON SALES MADE WITHIN THE BOUNDARIES OF THE TRANSIT  
12 INVESTMENT AREA EQUAL TO THE BASE YEAR REVENUE AS ADJUSTED FOR  
13 THE BASELINE GROWTH RATE, IF APPLICABLE, IS PAID INTO THE STATE  
14 TREASURY AS STATE SALES TAXES ARE NORMALLY COLLECTED AND PAID;

15 (b) SECOND, THE PORTION OF STATE SALES TAXES COLLECTED ON  
16 IN-PERSON SALES MADE WITHIN THE BOUNDARIES OF THE TRANSIT  
17 INVESTMENT AREA EQUAL TO THE STATE SALES TAX INCREMENT REVENUE  
18 ARE PAID INTO A SPECIAL FUND ESTABLISHED BY THE FINANCING  
19 ENTITY PURSUANT TO SUBSECTION (2) OF THIS SECTION; AND

20 (c) THIRD, EXCESS STATE SALES TAX COLLECTIONS ABOVE THE  
21 MAXIMUM ANNUAL DOLLAR AMOUNT OF STATE SALES TAX INCREMENT  
22 REVENUE IN ANY GIVEN YEAR AND ANY CUMULATIVE EXCESS STATE SALES  
23 TAX COLLECTIONS ABOVE THE TOTAL CUMULATIVE STATE SALES TAX  
24 INCREMENT REVENUE ARE PAID INTO THE STATE TREASURY AS SALES  
25 TAXES ARE NORMALLY COLLECTED AND PAID AND, IF THERE IS  
26 INSUFFICIENT STATE SALES TAXES COLLECTED ON IN-PERSON SALES MADE  
27 WITHIN THE BOUNDARIES OF THE TRANSIT INVESTMENT AREA TO MAKE

1 THE ALLOCATION DESCRIBED IN SUBSECTION (1)(b) OF THIS SECTION,  
2 TO THE EXTENT NECESSARY TO ACCOUNT FOR THE AMOUNT SET FORTH IN  
3 SECTION 24-46-402 (17)(a)(II), THE DEPARTMENT SHALL ALLOCATE STATE  
4 SALES TAX REVENUE IN EXCESS OF THE STATE SALES TAX COLLECTED ON  
5 IN-PERSON SALES MADE WITHIN THE TRANSIT INVESTMENT AREA, WHICH  
6 ALLOCATION IS NEVERTHELESS STATE SALES TAX INCREMENT REVENUE.

7 (2) (a) A FINANCING ENTITY MUST SEGREGATE REVENUE  
8 ALLOCATED TO THE FINANCING ENTITY BY THE DEPARTMENT PURSUANT  
9 TO SUBSECTION (1)(b) OF THIS SECTION IN A SPECIAL FUND. THE  
10 FINANCING ENTITY SHALL SEGREGATE THE SPECIAL FUND FROM THE  
11 FINANCING ENTITY'S OTHER FUNDS. THE FINANCING ENTITY MAY USE THE  
12 MONEY IN THE SPECIAL FUND TO PAY THE PRINCIPAL OF, THE INTEREST ON,  
13 AND ANY PREMIUMS DUE IN CONNECTION WITH THE BONDS OF, LOANS OR  
14 ADVANCES TO, OR INDEBTEDNESS INCURRED BY, WHETHER FUNDED,  
15 REFUNDED, ASSUMED, OR OTHERWISE, THE FINANCING ENTITY FOR  
16 FINANCING OR REFINANCING, IN WHOLE OR IN PART, A TRANSIT  
17 INVESTMENT PROJECT.

18 (b) A FINANCING ENTITY MAY USE REVENUE ALLOCATED TO THE  
19 FINANCING ENTITY BY THE DEPARTMENT PURSUANT TO SUBSECTION (1)(b)  
20 OF THIS SECTION SOLELY TO FINANCE ELIGIBLE COSTS INCURRED FOR THE  
21 PURPOSE OF CONSTRUCTING THE ELIGIBLE IMPROVEMENTS AND  
22 IMPLEMENTING THE TRANSIT INVESTMENT PROJECT.

23 (3) EXCEPT FOR THE AMOUNT RETAINED BY THE DEPARTMENT  
24 PURSUANT TO SUBSECTION (1) OF THIS SECTION, STATE SALES TAX  
25 INCREMENT REVENUE, TOGETHER WITH ANY INVESTMENT INCOME EARNED  
26 ON THAT REVENUE, IS FOR ALL PURPOSES ASSIGNED TO, THE PROPERTY OF,  
27 AND THE REVENUE OF THE APPLICABLE FINANCING ENTITY AND IS NOT FOR

1 ANY PURPOSE REVENUE OR PROPERTY OF THE STATE.

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

5 (a) ANTICIPATES ISSUING A SERIES OF BONDS OR OTHER FORMS OF  
6 DEBT; AND

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

11 (5) NO LOCAL GOVERNMENT SHALL BE LIABLE FOR ANY DEBT  
12 ISSUANCE OF THE FINANCING ENTITY, AND A DEBT ISSUANCE OF THE  
13 FINANCING ENTITY SHALL NOT CONSTITUTE A DEBT OF A LOCAL  
14 GOVERNMENT.

15 (6) ON OR BEFORE JULY 1, 2029, AND ON OR BEFORE JULY 1 EVERY  
16 THREE YEARS THEREAFTER, THE DEPARTMENT MUST SUBMIT A REPORT TO  
17 THE OFFICE OF STATE PLANNING AND BUDGETING AND THE COMMISSION ON  
18 TECHNOLOGICAL OR OTHER METHODS TO INCORPORATE SALES DELIVERED  
19 FROM WITHOUT THE TRANSIT INVESTMENT AREA INTO THE CALCULATION  
20 OF THE INCREMENT AND TO ALLOW FOR THE DESIGNATION OF ADDITIONAL  
21 TRANSIT AND HOUSING INVESTMENT ZONES AND TRANSIT INVESTMENT  
22 AREAS, INCLUDING COST ESTIMATES, ADMINISTRATIVE BURDEN, AND  
23 BURDEN ON TAXPAYERS.

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

25 (1) (a) WITHIN NINETY DAYS OF THE END OF THE FIRST FULL STATE  
26 FISCAL YEAR AFTER THE COMMISSION APPROVES A TRANSIT INVESTMENT  
27 PROJECT AND ON THE SAME DATE EACH YEAR THEREAFTER, THE

1 FINANCING ENTITY SHALL PREPARE AND SUBMIT TO THE COMMISSION AN  
2 ANNUAL REPORT DETAILING:

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

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

7 (III) PROJECTED STATE SALES TAX INCREMENT REVENUE FOR THE  
8 REMAINDER OF THE PERIOD FOR WHICH THE FINANCING ENTITY MAY  
9 RECEIVE STATE SALES TAX INCREMENT REVENUE; AND

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

12 (b) IN ADDITION TO THE INFORMATION DESCRIBED IN SUBSECTION  
13 (1)(a) OF THIS SECTION, A FINANCING ENTITY SUBMITTING A REPORT  
14 PURSUANT TO THIS SUBSECTION (1) SHALL ALSO INCLUDE IN THAT REPORT  
15 WHETHER THE FINANCIAL ENTITY IS USING ANY STATE SALES TAX  
16 INCREMENT REVENUE FOR PURPOSES OTHER THAN FOR ELIGIBLE COSTS  
17 AND ANY OTHER FINANCIAL INFORMATION THAT IS REASONABLY REQUIRED  
18 BY THE COMMISSION.

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

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

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

6           (b) IF THE AUDIT PREPARED PURSUANT TO SUBSECTION (2)(a) OF  
7 THIS SECTION FINDS THAT A FINANCING ENTITY HAS USED STATE SALES  
8 TAX INCREMENT REVENUE FOR UNAUTHORIZED PURPOSES, THE FINANCING  
9 ENTITY IS LIABLE FOR THE REPAYMENT TO THE GENERAL FUND OF THE  
10 STATE SALES TAX INCREMENT REVENUE THAT WAS INTENDED FOR THE  
11 TRANSIT INVESTMENT PROJECT. THE FINANCING ENTITY MAY MAKE THE  
12 REPAYMENT:

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

15           (II) BY OFFSETTING AGAINST FUTURE STATE SALES TAX  
16 INCREMENT REVENUE THAT THE DEPARTMENT WOULD OTHERWISE  
17 DISBURSE TO THE FINANCING ENTITY; OR

18           (III) FROM OTHER FUNDS THAT ARE LEGALLY AVAILABLE TO THE  
19 FINANCING ENTITY FOR SUCH PURPOSE.

20           (4) IF A FINANCING ENTITY IS A COUNTY REVITALIZATION  
21 AUTHORITY, A METROPOLITAN DISTRICT, AN AUTHORITY FORMED BY  
22 INTERGOVERNMENTAL AGREEMENT AMONG TWO OR MORE METROPOLITAN  
23 DISTRICTS, A REGIONAL TRANSPORTATION AUTHORITY, OR AN URBAN  
24 RENEWAL AUTHORITY, IT MAY COMPLY WITH THIS SECTION BY SUBMITTING  
25 TO THE COMMISSION A COPY OF THE REPORT THAT THE COUNTY  
26 REVITALIZATION AUTHORITY, METROPOLITAN DISTRICT, AUTHORITY  
27 FORMED BY INTERGOVERNMENTAL AGREEMENT AMONG TWO OR MORE

1 METROPOLITAN DISTRICTS, REGIONAL TRANSPORTATION AUTHORITY, OR  
2 URBAN RENEWAL AUTHORITY IS OTHERWISE REQUIRED TO SUBMIT TO A  
3 LOCAL GOVERNMENT PURSUANT TO LAW. THE FINANCING ENTITY SHALL  
4 DELIVER A COPY OF THE REPORT THAT THE COUNTY REVITALIZATION  
5 AUTHORITY, METROPOLITAN DISTRICT, AUTHORITY FORMED BY  
6 INTERGOVERNMENTAL AGREEMENT AMONG TWO OR MORE METROPOLITAN  
7 DISTRICTS, REGIONAL TRANSPORTATION AUTHORITY, OR URBAN RENEWAL  
8 AUTHORITY IS OTHERWISE REQUIRED TO SUBMIT TO A LOCAL GOVERNMENT  
9 PURSUANT TO LAW AT THE SAME TIME AS AN ANNUAL REPORT OR AUDIT  
10 OTHERWISE REQUIRED BY LAW.

11 (5) THE OFFICE OF ECONOMIC DEVELOPMENT AND THE  
12 DEPARTMENT SHALL PREPARE A REPORT FOR THE OFFICE OF ECONOMIC  
13 DEVELOPMENT TO SUBMIT NO LATER THAN NOVEMBER 1 OF THE  
14 APPLICABLE FISCAL YEAR TO THE FINANCE COMMITTEES OF THE HOUSE OF  
15 REPRESENTATIVES AND SENATE; THE BUSINESS AND ECONOMIC  
16 DEVELOPMENT COMMITTEE OF THE HOUSE OF REPRESENTATIVES; AND THE  
17 BUSINESS, LABOR, AND TECHNOLOGY COMMITTEE OF THE SENATE; OR ANY  
18 SUCCESSOR COMMITTEES. THE REPORT SHALL INCLUDE INFORMATION ON  
19 ALL STATE SALES TAX INCREMENT REVENUE COLLECTED FOR TRANSIT  
20 INVESTMENT DURING THE PRIOR STATE FISCAL YEAR AND INFORMATION  
21 FROM THE REPORTS REQUIRED PURSUANT TO SUBSECTION (6) OF THIS  
22 SECTION.

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

27 (b) EVERY TWO YEARS, NO LATER THAN NOVEMBER 1, THE OFFICE

1 OF ECONOMIC DEVELOPMENT AND THE DEPARTMENT SHALL REPORT TO  
2 THE COMMISSION DETAILED INFORMATION ON EACH TRANSIT INVESTMENT  
3 PROJECT APPROVED TO RECEIVE STATE SALES TAX INCREMENT REVENUE,  
4 INCLUDING:

5 (I) THE AMOUNT OF STATE SALES TAX INCREMENT REVENUE  
6 ALLOCATED FOR THE PROJECT;

7 (II) THE BOUNDARIES OF THE APPROVED TRANSIT INVESTMENT  
8 AREA AND NARRATIVE FOR THE TRANSIT INVESTMENT PROJECT;

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

11 (IV) THE ACTUAL STATE SALES TAX INCREMENT REVENUE  
12 COLLECTED WITHIN THE TRANSIT INVESTMENT AREA COMPARED TO THE  
13 PROJECTED REVENUES CONTAINED IN THE APPROVED APPLICATION THAT  
14 PROPOSED THE TRANSIT INVESTMENT AREA; AND

15 (V) AN ASSESSMENT OF THE OVERALL EFFECTIVENESS OF THE  
16 TRANSIT INVESTMENT PROJECT IN ACHIEVING INCREASED TRANSIT  
17 RIDERSHIP.

18 **24-46-408. Commencement of development.**

19 (1) SUBSTANTIAL WORK ON A TRANSIT INVESTMENT PROJECT,  
20 INCLUDING THE FINANCING ENTITY'S ISSUANCE OF BONDS OR OTHER DEBT  
21 INSTRUMENTS, THE REPAYMENT OF WHICH IS SECURED BY A PLEDGE OF  
22 THE STATE SALES TAX INCREMENT REVENUE OR THE COMMENCEMENT OF  
23 ACTUAL DEVELOPMENT OR PREDEVELOPMENT, SUCH AS ERECTING  
24 PERMANENT STRUCTURES, EXCAVATING THE GROUND TO LAY  
25 FOUNDATIONS, MASS GRADING OF THE SITE, OR WORK OF A SIMILAR  
26 DESCRIPTION THAT MANIFESTS AN INTENTION AND PURPOSE TO COMPLETE  
27 THE PROJECT MUST COMMENCE WITHIN FIVE YEARS FROM THE DATE OF

1 THE COMMISSION'S APPROVAL OF THE PROJECT.

2 (2) IF SUBSTANTIAL WORK ON THE TRANSIT INVESTMENT PROJECT  
3 TOWARD THE GOALS SPECIFIED IN THE APPLICATION PURSUANT TO SECTION  
4 24-46-403 DOES NOT COMMENCE WITHIN FIVE YEARS OF THE  
5 COMMISSION'S APPROVAL, THE COMMISSION MAY REVOKE OR MODIFY ITS  
6 APPROVAL OF THE FINANCING ENTITY OR THE PROJECT. REVOCATION OF  
7 APPROVAL MAY BE APPEALED TO THE COMMISSION, WHICH MAY  
8 REINSTATE ITS APPROVAL UPON A SHOWING OF GOOD CAUSE FOR THE  
9 DELAY. IF SUBSTANTIAL WORK ON THE PROJECT DOES NOT COMMENCE  
10 WITHIN ONE YEAR OF REINSTATEMENT OF APPROVAL FROM THE  
11 COMMISSION, THE COMMISSION SHALL REVOKE APPROVAL OF THE PROJECT.

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

14 (a) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (3)(b) OF  
15 THIS SECTION, THE COMMISSION MAY REQUIRE THE FINANCING ENTITY TO  
16 REFUND TO THE STATE TREASURER ANY STATE SALES TAX INCREMENT  
17 REVENUE THAT THE PROJECT HAS GENERATED OR THAT THE FINANCING  
18 ENTITY HAS COLLECTED FROM THE TIME OF THE ORIGINAL APPROVAL FOR  
19 THE PROJECT OR FINANCING ENTITY;

20 (b) ANY STATE SALES TAX INCREMENT REVENUE THAT THE  
21 TRANSIT INVESTMENT PROJECT HAS GENERATED OR THAT THE FINANCING  
22 ENTITY HAS COLLECTED FROM THE TIME OF THE ORIGINAL APPROVAL FOR  
23 THE PROJECT OR FINANCING ENTITY MAY REMAIN DEDICATED TO THE  
24 PROJECT ONLY TO THE EXTENT THAT IT HAS BEEN PREVIOUSLY EXPENDED  
25 OR PLEDGED BY THE FINANCING ENTITY FOR THE FINANCING OF ELIGIBLE  
26 COSTS; AND

27 (c) THE STATE SHALL NOT REMIT FURTHER FUNDS TO THE REVOKED

1 FINANCIAL ENTITY OR TRANSIT INVESTMENT PROJECT.

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

8 (5) FAILURE OF A PROJECT TO COMPLY WITH THE HIRING,  
9 APPRENTICESHIP, AND WORKFORCE STANDARDS APPLICABLE TO  
10 INFRASTRUCTURE PROJECTS THAT ARE FINANCED BY THE BUILDING  
11 URGENT INFRASTRUCTURE AND LEVERAGING DOLLARS AUTHORITY AS  
12 REQUIRED BY SECTION 24-117-105 (6), TO THE EXTENT APPLICABLE,  
13 CONSTITUTES GROUNDS FOR THE COMMISSION TO REVOKE OR MODIFY  
14 PROJECT APPROVAL PURSUANT TO THIS SECTION. PRIOR TO REVOKING  
15 PROJECT APPROVAL PURSUANT TO THIS SUBSECTION (5), THE COMMISSION  
16 SHALL PROVIDE NOTICE AND AN OPPORTUNITY TO CURE.

17 (6) 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;       

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; AND

1           (c) RETAIN ANNUALLY AN AMOUNT OF THE STATE SALES TAX  
2           INCREMENT REVENUE ESTABLISHED BY THE DEPARTMENT AS NECESSARY  
3           TO OFFSET THE DEPARTMENT'S ACTUAL DIRECT COSTS AND EXPENSES  
4           INCURRED IN PERFORMING THE COLLECTION AND DISBURSEMENT  
5           FUNCTIONS ESTABLISHED IN PART 4 OF ARTICLE 46 OF THIS TITLE 24.

6           (3) EXCEPT FOR THE AMOUNT RETAINED BY THE DEPARTMENT  
7           PURSUANT TO SECTION 24-46-406 (1), ALL STATE SALES TAX INCREMENT  
8           REVENUE COLLECTED BY THE DEPARTMENT ON BEHALF OF A FINANCING  
9           ENTITY IS FOR ALL PURPOSES ASSIGNED TO, THE PROPERTY OF, AND THE  
10          REVENUE OF THE APPLICABLE FINANCING ENTITY AND IS NOT TO BE  
11          CONSTRUED OR TREATED FOR ANY PURPOSE AS REVENUE OR PROPERTY OF  
12          THE STATE.

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

21          (5) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
22          REQUIRES:

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

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

27               (c) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF

1 THE DEPARTMENT.

2 (d) "FINANCING ENTITY" HAS THE MEANING SET FORTH IN SECTION  
3 24-46-402 (11).

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

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

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

10 **24-48.5-136. Transit and housing investment zones map -**  
11 **transit and housing investment zone criteria - definitions.**

12 (1) ON OR BEFORE OCTOBER 30, 2026, THE COLORADO OFFICE OF  
13 ECONOMIC DEVELOPMENT, IN CONSULTATION WITH THE DEPARTMENT OF  
14 LOCAL AFFAIRS AND THE DEPARTMENT OF TRANSPORTATION, SHALL  
15 PUBLISH A TRANSIT AND HOUSING INVESTMENT ZONE MAP BASED ON THE  
16 CRITERIA FOR IDENTIFYING TRANSIT AND HOUSING INVESTMENT ZONES  
17 ESTABLISHED IN SUBSECTION (2) OF THIS SECTION.

18 (2) THE OFFICE SHALL DESIGNATE TRANSIT AND HOUSING  
19 INVESTMENT ZONES, FOR PURPOSES OF SUBSECTION (1) OF THIS SECTION,  
20 AND SHALL DO SO BASED ON THE LOCATION OF TRANSPORTATION  
21 FACILITIES AS IDENTIFIED IN A PUBLISHED TRANSIT PLAN AND MAY, IN  
22 CONSULTATION WITH LOCAL GOVERNMENTS AND TRANSIT AGENCIES, USE  
23 PREEXISTING ROUTES, MAPS, AND SCHEDULES TO INFORM THE OFFICE'S  
24 DESIGNATION OF TRANSIT AND HOUSING INVESTMENT ZONES.

25 (3) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
26 REQUIRES:

27 (a) "OFFICE" MEANS THE COLORADO OFFICE OF ECONOMIC

1 DEVELOPMENT CREATED IN SECTION 24-48.5-101.

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

4 (c) "TRANSIT AND HOUSING INVESTMENT ZONE" MEANS THE AREA  
5 WITHIN TWO MILES OF A TRANSPORTATION FACILITY AS IDENTIFIED BY THE  
6 OFFICE IN THE TRANSIT AND HOUSING INVESTMENT ZONES MAP CREATED  
7 PURSUANT TO SUBSECTION (1) OF THIS SECTION.

8 (d) "TRANSIT STATION" HAS THE MEANING SET FORTH IN SECTION  
9 24-46-402 (23).

10 (e) "TRANSPORTATION FACILITY" MEANS A TRANSIT STATION OR  
11 PASSENGER RAIL STATION.

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

14 **29-1-102. Definitions.**

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

16 (13) "Local government" means any authority, county,  
17 municipality, city and county, district, or other political subdivision of the  
18 state of Colorado; any institution, department, agency, or authority of any  
19 of the foregoing; and any other entity, organization, or corporation  
20 formed by intergovernmental agreement or other contract between or  
21 among any of the foregoing. The office of the county public trustee shall  
22 be deemed an agency of the county for the purposes of this part 1. "Local  
23 government" does not include the Colorado educational and cultural  
24 facilities authority, the university of Colorado hospital authority,  
25 collegeinvest, the Colorado health facilities authority, the Colorado  
26 housing and finance authority, the Colorado agricultural development  
27 authority, the Colorado sheep and wool authority, the Colorado beef

1 council authority, the Colorado horse development authority, the building  
2 urgent infrastructure and leveraging dollars authority, the middle-income  
3 housing authority, the fire and police pension association, A TRANSIT  
4 INVESTMENT AUTHORITY, any public entity insurance or investment pool  
5 formed pursuant to state law, any county or municipal housing authority,  
6 any association of political subdivisions formed pursuant to section  
7 29-1-401, or any home rule city or town, home rule city and county, cities  
8 and towns operating under a territorial charter, school district, or local  
9 college district.

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

12 **30-31-116.5. Transit investment areas - definition.**

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

25 (2) NOTWITHSTANDING SECTION 30-31-109 (8), AUTHORIZATION  
26 TO RECEIVE STATE SALES TAX INCREMENT REVENUE, PURSUANT TO PART  
27 4 OF ARTICLE 46 OF TITLE 24, IS NOT A SUBSTANTIAL MODIFICATION TO

1 THE PLAN, AND CORRESPONDING CHANGES TO THE PLAN MAY BE MADE BY  
2 THE GOVERNING BODY OF THE AUTHORITY TO INCORPORATE THE USE OF  
3 STATE SALES TAX INCREMENT REVENUE WITHOUT THE REQUIREMENT OF  
4 SUBMISSION TO OR APPROVAL BY THE GOVERNING BODY OF THE COUNTY  
5 THAT HAS ESTABLISHED THE AUTHORITY.

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

12 (4) NOTHING IN THIS SECTION OBIVIATES OR OVERRIDES THE  
13 REQUIREMENTS FOR THE AUTHORIZATION OF A NEW COUNTY  
14 REVITALIZATION AUTHORITY PURSUANT TO THIS ARTICLE 31.

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

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

20 **31-25-117. Transit investment areas - definition.**

21 (1) AN URBAN RENEWAL AUTHORITY THAT IS DESIGNATED AS A  
22 FINANCING ENTITY PURSUANT TO PART 4 OF ARTICLE 46 OF TITLE 24 HAS  
23 ALL OF THE POWERS NECESSARY OR CONVENIENT TO CARRY OUT PART 4 OF  
24 ARTICLE 46 OF TITLE 24, INCLUDING THE POWERS TO RECEIVE STATE SALES  
25 TAX INCREMENT REVENUE GENERATED WITHIN AN APPROVED TRANSIT  
26 INVESTMENT AREA, AS DEFINED IN SECTION 24-46-402 (20), AND DISBURSE  
27 AND OTHERWISE USE SUCH REVENUE FOR ALL LAWFUL PURPOSES,

1 INCLUDING FINANCING OF ELIGIBLE COSTS AND THE DESIGN,  
2 CONSTRUCTION, MAINTENANCE, AND OPERATION OF ELIGIBLE  
3 IMPROVEMENTS, AS SUCH TERMS ARE DEFINED IN SECTION 24-46-402, OR  
4 OTHERWISE INCORPORATED INTO THE COLORADO ECONOMIC  
5 DEVELOPMENT COMMISSION'S CONDITIONS OF APPROVAL.

6 (2) NOTWITHSTANDING SECTION 31-25-107 (7), AUTHORIZATION  
7 TO RECEIVE STATE SALES TAX INCREMENT REVENUE, PURSUANT TO PART  
8 4 OF ARTICLE 46 OF TITLE 24, IS NOT A SUBSTANTIAL MODIFICATION TO  
9 THE PLAN AND CORRESPONDING CHANGES TO THE PLAN MAY BE MADE BY  
10 THE GOVERNING BODY OF THE AUTHORITY TO INCORPORATE THE USE OF  
11 STATE SALES TAX INCREMENT REVENUE WITHOUT THE REQUIREMENT OF  
12 SUBMISSION TO OR APPROVAL BY THE GOVERNING BODY OF A  
13 MUNICIPALITY THAT HAS ESTABLISHED THE AUTHORITY PURSUANT TO  
14 SECTION 31-25-104 (1).

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

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

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

27 **SECTION 8.** In Colorado Revised Statutes, **add** 32-1-1010 as

1 follows:

2 **32-1-1010. Transit investment areas - definition.**

3 (1) IN ADDITION TO THE POWERS SPECIFIED IN THIS PART 10, AND  
4 NOTWITHSTANDING ANY LIMITATION ON THE POWERS OF A METROPOLITAN  
5 DISTRICT OTHERWISE SPECIFIED IN THIS PART 10 OR IN THE METROPOLITAN  
6 DISTRICT'S SERVICE PLAN, ANY METROPOLITAN DISTRICT DESIGNATED AS  
7 AN APPROVED FINANCING ENTITY, PURSUANT TO PART 4 OF ARTICLE 46 OF  
8 TITLE 24, HAS ALL THE POWERS NECESSARY OR CONVENIENT TO CARRY  
9 OUT PART 4 OF ARTICLE 46 OF TITLE 24, INCLUDING THE POWER TO  
10 RECEIVE STATE SALES TAX INCREMENT REVENUE AND TO DISBURSE AND  
11 OTHERWISE USE SUCH REVENUE FOR ALL LAWFUL PURPOSES PURSUANT TO  
12 PART 4 OF ARTICLE 4 OF TITLE 24. LAWFUL PURPOSES INCLUDE THE  
13 FINANCING OF ELIGIBLE COSTS AND THE DESIGN, CONSTRUCTION,  
14 MAINTENANCE, AND OPERATION OF ELIGIBLE IMPROVEMENTS AS DEFINED  
15 IN SECTION 24-46-402 (10) OR OTHERWISE INCORPORATED INTO THE  
16 COLORADO ECONOMIC DEVELOPMENT COMMISSION'S CONDITIONS OF  
17 APPROVAL PURSUANT TO PART 4 OF ARTICLE 46 OF TITLE 24.

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

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

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

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

12 **39-21-113. Reports and returns - rule - repeal.**

13 (40)(a) NOTWITHSTANDING THE CONFIDENTIALITY REQUIREMENTS  
14 IN THIS SECTION:

15 (I) THE EXECUTIVE DIRECTOR MAY PROVIDE THE COLORADO  
16 OFFICE OF ECONOMIC DEVELOPMENT WITH ANY INFORMATION OBTAINED  
17 PURSUANT TO THIS SECTION IN RELATION TO PART 4 OF ARTICLE 46 OF  
18 TITLE 24; AND

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

23 (b) ANY INFORMATION PROVIDED TO THE COLORADO OFFICE OF  
24 ECONOMIC DEVELOPMENT OR A THIRD-PARTY ANALYST PURSUANT TO THIS  
25 SUBSECTION (40) IS CONFIDENTIAL, AND ALL EMPLOYEES OF THE  
26 COLORADO OFFICE OF ECONOMIC DEVELOPMENT AND THE THIRD-PARTY  
27 ANALYST ARE SUBJECT TO THE LIMITATIONS SET FORTH IN SUBSECTION (4)

1 OF THIS SECTION AND THE PENALTIES SPECIFIED IN SUBSECTION (6) OF THIS  
2 SECTION.

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

5 **PART 57**  
6 **COLORADO AFFORDABLE HOUSING IN**  
7 **TRANSIT AND HOUSING INVESTMENT ZONES**  
8 **TAX CREDIT**

9 **39-22-5701. Tax preference performance statement - report.**

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

18 (2) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL  
19 MEASURE THE EFFECTIVENESS OF THE CREDIT IN ACHIEVING THE PURPOSE  
20 SPECIFIED IN SUBSECTION (1) OF THIS SECTION BASED ON THE REPORT  
21 DESCRIBED IN SUBSECTION (3) OF THIS SECTION.

22 (3) FOR EACH ALLOCATION YEAR, THE AUTHORITY SHALL, BY  
23 DECEMBER 31 OF THAT YEAR, PROVIDE A WRITTEN REPORT TO THE  
24 GENERAL ASSEMBLY AND MAKE THE REPORT AVAILABLE TO THE PUBLIC.  
25 WITH RESPECT TO TAX CREDITS ALLOCATED PURSUANT TO THIS PART 57,  
26 THE REPORT MUST:

27 (a) SPECIFY THE TOTAL NUMBER OF QUALIFIED DEVELOPMENTS

1 AND UNITS SUPPORTED BY EACH DEVELOPMENT IN CONNECTION WITH THE  
2 CREDIT;

3 (b) DESCRIBE EACH QUALIFIED DEVELOPMENT IN CONNECTION  
4 WITH WHICH THE AUTHORITY ISSUED CREDITS, INCLUDING IN THAT  
5 DESCRIPTION THE GEOGRAPHIC LOCATION OF THE DEVELOPMENT, THE  
6 HOUSEHOLD TYPE AND ANY SPECIFIC DEMOGRAPHIC INFORMATION  
7 AVAILABLE ABOUT RESIDENTS INTENDED TO BE SERVED BY THE  
8 DEVELOPMENT, THE INCOME LEVELS INTENDED TO BE SERVED BY THE  
9 DEVELOPMENT, AND THE RENTS OR SET-ASIDES AUTHORIZED FOR EACH  
10 DEVELOPMENT; AND

11 (c) PROVIDE HOUSING MARKET AND DEMOGRAPHIC INFORMATION  
12 THAT DEMONSTRATES HOW THE QUALIFIED DEVELOPMENTS SUPPORTED BY  
13 CREDITS ARE ADDRESSING THE NEED FOR AFFORDABLE HOUSING WITHIN  
14 THE COMMUNITIES THEY ARE INTENDED TO SERVE AS WELL AS  
15 INFORMATION ABOUT ANY REMAINING DISPARITIES IN THE AFFORDABILITY  
16 OF HOUSING WITHIN THOSE COMMUNITIES.

17 **39-22-5702. Definitions.**

18 AS USED IN THIS PART 57, UNLESS THE CONTEXT OTHERWISE  
19 REQUIRES:

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

23 (2) "ALLOCATION PLAN" MEANS AN ALLOCATION PLAN ADOPTED  
24 BY THE AUTHORITY THAT GOVERNS THE SELECTION CRITERIA AND  
25 PREFERENCES FOR ALLOCATING THE TAX CREDIT ALLOWED PURSUANT TO  
26 THIS PART 57.

27 (3) "AUTHORITY" MEANS THE COLORADO HOUSING AND FINANCE

1 AUTHORITY CREATED IN SECTION 29-4-704.

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

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

7 (6) "CREDIT PERIOD" MEANS THE PERIOD OF SIX INCOME TAX  
8 YEARS BEGINNING WITH THE INCOME TAX YEAR IN WHICH A QUALIFIED  
9 DEVELOPMENT IS PLACED IN SERVICE. IF A QUALIFIED DEVELOPMENT IS  
10 COMPRISED OF MORE THAN ONE BUILDING, THE DEVELOPMENT IS DEEMED  
11 TO BE PLACED IN SERVICE IN THE INCOME TAX YEAR DURING WHICH THE  
12 LAST BUILDING OF THE QUALIFIED DEVELOPMENT IS PLACED IN SERVICE.

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

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

17 (9) "QUALIFIED BASIS" MEANS THE QUALIFIED BASIS OF THE  
18 DEVELOPMENT AS DETERMINED PURSUANT TO SECTION 42 OF THE  
19 INTERNAL REVENUE CODE.

20 (10) "QUALIFIED DEVELOPMENT" MEANS A HOUSING  
21 DEVELOPMENT THAT IS LOCATED IN A TRANSIT AND HOUSING INVESTMENT  
22 ZONE WITHIN THE STATE AND IS DETERMINED BY THE AUTHORITY TO MEET  
23 THE CRITERIA ESTABLISHED IN THE ALLOCATION PLAN, INCLUDING  
24 PROVIDING THE REQUIRED NUMBER OF AFFORDABLE HOUSING UNITS.

25 (11) "QUALIFIED TAXPAYER" MEANS AN INDIVIDUAL, A PERSON, A  
26 FIRM, A CORPORATION, OR ANY OTHER ENTITY THAT OWNS AN INTEREST,  
27 DIRECT OR INDIRECT, IN A QUALIFIED DEVELOPMENT AND IS SUBJECT TO

1 THE TAXES IMPOSED BY THIS ARTICLE 22.

2 (12) "TRANSIT AND HOUSING INVESTMENT ZONE" MEANS THE AREA  
3 DESIGNATED BY THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT IN  
4 THE TRANSIT AND HOUSING INVESTMENT ZONE MAP PURSUANT TO SECTION  
5 24-48.5-136.

6 (13) "TRANSFEREE" MEANS A TAXPAYER SUBJECT TO THE TAXES  
7 IMPOSED BY THIS ARTICLE 22 THAT ACQUIRES CREDITS FROM A  
8 GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY PURSUANT TO  
9 SECTION 39-22-5703 (5).

10 **39-22-5703. Credit against tax - affordable housing located in**  
11 **a transit and housing investment zone.**

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

16 (2) (a) DURING EACH CALENDAR YEAR OF THE PERIOD BEGINNING  
17 ON JANUARY 1, 2027, AND ENDING ON DECEMBER 31, 2033, THE  
18 AUTHORITY MAY ALLOCATE A CREDIT, THE FULL AMOUNT OF WHICH MAY  
19 BE CLAIMED AGAINST THE TAXES IMPOSED BY THIS ARTICLE 22, FOR EACH  
20 INCOME TAX YEAR OF THE SIX-YEAR CREDIT PERIOD. DURING EACH  
21 CALENDAR YEAR OF THE PERIOD BEGINNING ON JANUARY 1, 2027, AND  
22 ENDING ON DECEMBER 31, 2033, THE AGGREGATE AMOUNT OF THE  
23 CREDITS ALLOCATED BY THE AUTHORITY SHALL NOT EXCEED EIGHT  
24 MILLION THREE HUNDRED THIRTY-THREE THOUSAND THREE HUNDRED  
25 THIRTY-THREE DOLLARS.

26 (b) THE AUTHORITY MAY ALSO ALLOCATE \_\_\_ ANY UNALLOCATED  
27 CREDITS FROM THE IMMEDIATELY PRECEDING CALENDAR YEAR SO LONG

1 AS UNALLOCATED CREDITS DO NOT EXCEED MORE THAN HALF OF THE  
2 ANNUAL DOLLAR LIMITS SPECIFIED IN SUBSECTION (2)(a) OF THIS SECTION,  
3 AND THESE UNALLOCATED CREDITS ARE NOT INCLUDED IN THE ANNUAL  
4 DOLLAR LIMITS SPECIFIED IN SUBSECTION (2)(a) OF THIS SECTION.

5 (c) THE AGGREGATE AMOUNT OF CREDITS ALLOCATED BY THE  
6 AUTHORITY IN EACH OF THE 2027 THROUGH 2033 CALENDAR YEARS MUST  
7 NOT EXCEED THE AGGREGATE AMOUNT OF ANY CREDIT RECAPTURED OR  
8 OTHERWISE RETURNED TO THE AUTHORITY IN THE CALENDAR YEAR.

9 (3) THE AUTHORITY MAY ALLOCATE CREDITS TO AN OWNER OF A  
10 QUALIFIED DEVELOPMENT BY ISSUING TO THE OWNER AN ALLOCATION  
11 CERTIFICATE. THE AUTHORITY MAY DETERMINE THE TIME AT WHICH THE  
12 ALLOCATION CERTIFICATE IS ISSUED. THE CREDIT MUST BE IN AN AMOUNT  
13 DETERMINED BY THE AUTHORITY, SUBJECT TO THE FOLLOWING  
14 GUIDELINES:

15 (a) THE CREDIT MUST BE NECESSARY FOR THE FINANCIAL  
16 FEASIBILITY OF THE DEVELOPMENT; AND

17 (b) THE AGGREGATE SUM OF CREDITS ALLOCATED ANNUALLY  
18 MUST NOT EXCEED THE LIMITS SET FORTH IN SUBSECTION (2) OF THIS  
19 SECTION.

20 (4) IF AN OWNER OF A QUALIFIED DEVELOPMENT RECEIVING AN  
21 ALLOCATION OF A CREDIT IS A PARTNERSHIP, LIMITED LIABILITY COMPANY,  
22 S CORPORATION, OR SIMILAR PASS-THROUGH ENTITY, THE OWNER MAY  
23 ALLOCATE THE CREDIT AMONG ITS PARTNERS, SHAREHOLDERS, MEMBERS,  
24 OR OTHER QUALIFIED TAXPAYERS IN ANY MANNER AGREED TO BY SUCH  
25 PERSONS REGARDLESS OF WHETHER ANY SUCH PERSONS ARE DEEMED A  
26 PARTNER FOR FEDERAL INCOME TAX PURPOSES. THE OWNER SHALL  
27 CERTIFY TO THE DEPARTMENT THE AMOUNT OF CREDIT ALLOCATED TO

1 EACH PARTNER, SHAREHOLDER, MEMBER, OR OTHER QUALIFIED TAXPAYER.  
2 EACH PARTNER, SHAREHOLDER, MEMBER, OR OTHER QUALIFIED TAXPAYER  
3 ADMITTED AS A PARTNER, SHAREHOLDER, MEMBER, OR OTHER QUALIFIED  
4 TAXPAYER OF THE OWNER PRIOR TO THE FILING OF A TAX RETURN  
5 CLAIMING THE CREDIT IS ALLOWED TO CLAIM SUCH AMOUNT SUBJECT TO  
6 ANY RESTRICTIONS SET FORTH IN THIS PART 57.

7 (5) (a) THE AUTHORITY MAY ALLOCATE CREDITS TO A  
8 GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY, INCLUDING THE  
9 MIDDLE-INCOME HOUSING AUTHORITY CREATED IN SECTION 29-4-1104,  
10 WITH RESPECT TO A QUALIFIED DEVELOPMENT THAT IS OWNED BY SUCH  
11 ENTITY.

12 (b) (I) A GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY MAY  
13 TRANSFER CREDITS THAT THE AUTHORITY HAS ALLOCATED TO IT  
14 PURSUANT TO THIS SUBSECTION (5) TO A TRANSFEREE.

15 (II) A GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY THAT  
16 TRANSFERS A CREDIT PURSUANT TO SUBSECTION (5)(b)(I) OF THIS SECTION  
17 SHALL INVEST IN THE RELEVANT QUALIFIED DEVELOPMENT ANY  
18 COMPENSATION RECEIVED IN CONNECTION WITH THE TRANSFER MADE  
19 PURSUANT TO SUBSECTION (5)(b)(I) OF THIS SECTION AND SHALL NOTIFY  
20 THE DEPARTMENT OF THE IDENTITY OF THE TRANSFEREE.

21 (III) A TRANSFEREE TO WHICH A CREDIT IS TRANSFERRED BY A  
22 GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY PURSUANT TO THIS  
23 SUBSECTION (5)(b) IS ENTITLED TO CLAIM THE CREDIT IN THE SAME  
24 MANNER AND SUBJECT TO THE SAME CONDITIONS AND ALLOCATION  
25 RIGHTS AS AN OWNER OF A QUALIFIED DEVELOPMENT TO WHICH THE  
26 AUTHORITY HAS ALLOCATED A CREDIT PURSUANT TO SUBSECTION (3) OF  
27 THIS SECTION.

1           (c) (I) CREDITS THAT THE AUTHORITY HAS ALLOCATED TO A  
2 GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY PURSUANT TO  
3 SUBSECTION (5)(a) OF THIS SECTION OR A CREDIT THAT A GOVERNMENTAL  
4 OR QUASI-GOVERNMENTAL ENTITY TRANSFERS PURSUANT TO SUBSECTION  
5 (5)(b) OF THIS SECTION ARE SUBJECT TO RECAPTURE IF, AS OF THE LAST  
6 DAY OF ANY TAXABLE YEAR DURING THE COMPLIANCE PERIOD, THE  
7 AMOUNT OF THE QUALIFIED BASIS OF THE GOVERNMENTAL OR  
8 QUASI-GOVERNMENTAL ENTITY IS LESS THAN THE QUALIFIED BASIS OF THE  
9 GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY AS OF THE LAST DAY  
10 OF THE PRIOR TAXABLE YEAR. \_\_\_

11           (II) IF A CREDIT TRANSFERRED BY A GOVERNMENTAL OR  
12 QUASI-GOVERNMENTAL ENTITY IS RECAPTURED PURSUANT TO SUBSECTION  
13 (5)(c)(I) OF THIS SECTION, THE GOVERNMENT OR QUASI-GOVERNMENTAL  
14 ENTITY SHALL NOTIFY THE DEPARTMENT OF THE IDENTITY OF THE  
15 TRANSFeree TO WHICH IT TRANSFERRED THE CREDIT AND \_\_\_ THE  
16 TRANSFeree MUST INCREASE THE TRANSFeree'S STATE INCOME TAX  
17 LIABILITY PURSUANT TO SECTION 39-22-5704 IN THE SAME MANNER AND  
18 TO THE SAME EXTENT AS A PARTNER, SHAREHOLDER, MEMBER, OR OTHER  
19 QUALIFIED TAXPAYER OF AN OWNER ALLOCATED A CREDIT PURSUANT TO  
20 SUBSECTION (4) OF THIS SECTION. \_\_\_

21           (6) NO CREDIT SHALL BE ALLOCATED PURSUANT TO THIS PART 57  
22 UNLESS THE QUALIFIED DEVELOPMENT IS THE SUBJECT OF A RECORDED  
23 DEED RESTRICTION REQUIRING THE DEVELOPMENT TO BE MAINTAINED AND  
24 OPERATED AS A QUALIFIED DEVELOPMENT, AND IS IN ACCORDANCE WITH  
25 THE ACCESSIBILITY AND ADAPTABILITY REQUIREMENTS OF THE FEDERAL  
26 TAX CREDITS AND TITLE VIII OF THE "CIVIL RIGHTS ACT OF 1968", AS  
27 AMENDED BY THE "FAIR HOUSING AMENDMENTS ACT OF 1988", 42 U.S.C.

1 SEC. 3601 ET SEQ., FOR A PERIOD OF FIFTEEN INCOME TAX YEARS, OR A  
2 LONGER PERIOD AS MAY BE AGREED TO BETWEEN THE AUTHORITY AND  
3 THE OWNER, BEGINNING WITH THE FIRST INCOME TAX YEAR OF THE CREDIT  
4 PERIOD UNLESS CORRECTED WITHIN THE TIME THAT IS APPLICABLE TO  
5 DEVELOPMENTS RECEIVING FEDERAL TAX CREDITS PURSUANT TO SECTION  
6 42(h)(6)(J) OF THE INTERNAL REVENUE CODE AS APPLICABLE TO THE  
7 COVENANT DESCRIBED IN THIS SUBSECTION (6).

8 (7) THE ALLOCATED CREDIT AMOUNT MAY BE TAKEN AGAINST THE  
9 TAXES IMPOSED BY THIS ARTICLE 22 FOR EACH INCOME TAX YEAR OF THE  
10 CREDIT PERIOD AS SET FORTH IN SUBSECTION (2) OF THIS SECTION. ANY  
11 AMOUNT OF CREDIT THAT EXCEEDS THE TAX DUE FOR AN INCOME TAX  
12 YEAR MAY BE CARRIED FORWARD AS A TAX CREDIT AGAINST THE INCOME  
13 TAX LIABILITY FOR THE THREE SUBSEQUENT TAX YEARS AND MUST BE  
14 APPLIED FIRST TO THE EARLIEST YEARS POSSIBLE. ANY AMOUNT OF THE  
15 CREDIT THAT IS NOT USED MUST NOT BE REFUNDED TO THE TAXPAYER.

16 (8) UNLESS OTHERWISE PROVIDED IN THIS PART 57 OR THE  
17 CONTEXT CLEARLY REQUIRES OTHERWISE, THE AUTHORITY SHALL  
18 DETERMINE ELIGIBILITY FOR A CREDIT AND ALLOCATE CREDITS IN  
19 ACCORDANCE WITH THE STANDARDS AND REQUIREMENTS SET FORTH IN  
20 THE ALLOCATION PLAN; HOWEVER, THE AUTHORITY SHALL ADMINISTER  
21 THE CREDIT ALLOWED PURSUANT TO THIS PART 57 CONSISTENTLY WITH  
22 THE CREDIT PURSUANT TO PART 21 OF THIS ARTICLE 22 EXCEPT TO THE  
23 EXTENT THE ALLOCATION PLAN IS INCONSISTENT WITH PART 21 OF THIS  
24 ARTICLE 22, IN WHICH CASE THE ALLOCATION PLAN CONTROLS.  
25 NOTWITHSTANDING THE FOREGOING, ANY COMBINATION OF FEDERAL AND  
26 STATE CREDITS, OR STANDALONE AMOUNT OF STATE CREDITS, ALLOWED  
27 MUST BE THE LEAST AMOUNT NECESSARY TO ENSURE THE FINANCIAL

1 FEASIBILITY OF A QUALIFIED DEVELOPMENT.

2 **39-22-5704. Recapture.**

3 (1) AS OF THE LAST DAY OF ANY INCOME TAX YEAR DURING THE  
4 COMPLIANCE PERIOD, IF THE AMOUNT OF THE QUALIFIED BASIS OF A  
5 QUALIFIED DEVELOPMENT WITH RESPECT TO A QUALIFIED TAXPAYER IS  
6 LESS THAN THE AMOUNT OF THE QUALIFIED BASIS AS OF THE LAST DAY OF  
7 THE PRIOR INCOME TAX YEAR, THEN THE AMOUNT OF THE QUALIFIED  
8 TAXPAYER'S STATE INCOME TAX LIABILITY FOR THAT TAXABLE YEAR MUST  
9 BE INCREASED BY THE CREDIT RECAPTURE AMOUNT.

10 (2) FOR PURPOSES OF SUBSECTION (1) OF THIS SECTION, THE  
11 CREDIT RECAPTURE AMOUNT IS AN AMOUNT EQUAL TO THE AGGREGATE  
12 DECREASE IN THE CREDIT ALLOWED TO THE TAXPAYER PURSUANT TO THIS  
13 PART 57 FOR ALL PRIOR INCOME TAX YEARS THAT WOULD HAVE RESULTED  
14 IF THE ACCELERATED PORTION OF THE CREDIT ALLOWABLE BY REASON OF  
15 THIS PART 57 WAS NOT ALLOWED FOR ALL PRIOR INCOME TAX YEARS WITH  
16 RESPECT TO THE REDUCED AMOUNT OF QUALIFIED BASIS DESCRIBED IN  
17 SUBSECTION (1) OF THIS SECTION.

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

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

25 (b) THE AGGREGATE AMOUNT OF THE CREDIT THAT WOULD BE  
26 ALLOWED PURSUANT TO THIS PART 57 FOR THE YEARS WITH RESPECT TO  
27 THE QUALIFIED BASIS IF THE AGGREGATE CREDIT THAT WOULD HAVE BEEN

1 ALLOWABLE, BUT FOR THIS SUBSECTION (3), FOR THE ENTIRE COMPLIANCE  
2 PERIOD WERE ALLOWABLE RATABLY OVER FIFTEEN YEARS.

3 (4) IN THE EVENT THAT RECAPTURE OF ANY CREDIT IS REQUIRED  
4 IN ANY TAX YEAR, THE RETURN SUBMITTED FOR THAT TAX YEAR TO THE  
5 DEPARTMENT SHALL INCLUDE THE PROPORTION OF CREDIT REQUIRED TO  
6 BE RECAPTURED, THE IDENTITY OF EACH QUALIFIED TAXPAYER SUBJECT TO  
7 THE RECAPTURE, AND THE AMOUNT OF CREDIT PREVIOUSLY ALLOCATED  
8 TO THE QUALIFIED TAXPAYER.

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

13 **39-22-5705. Filing requirements.**

14 AN OWNER OF A QUALIFIED DEVELOPMENT TO WHICH A CREDIT HAS  
15 BEEN ALLOCATED AND EACH QUALIFIED TAXPAYER TO WHICH THE OWNER  
16 HAS ALLOCATED A PORTION OF SAID CREDIT, IF ANY, SHALL FILE WITH  
17 THEIR STATE INCOME TAX RETURN A COPY OF THE ALLOCATION  
18 CERTIFICATE ISSUED BY THE AUTHORITY WITH RESPECT TO THE  
19 DEVELOPMENT AND A COPY OF THE OWNER'S CERTIFICATION TO THE  
20 DEPARTMENT AS TO THE ALLOCATION OF THE CREDIT AMONG THE  
21 QUALIFIED TAXPAYERS HAVING OWNERSHIP INTERESTS IN THE  
22 DEVELOPMENT.

23 **39-22-5706. Parallel credits - insurance premium taxes -**  
24 **definition.**

25 (1) ANY TAXPAYER WHO IS SUBJECT TO THE TAX ON INSURANCE  
26 PREMIUMS ESTABLISHED BY SECTIONS 10-3-209, 10-5-111, AND 10-6-128  
27 AND THEREFORE EXEMPT FROM THE PAYMENT OF INCOME TAX AND WHO

1 IS OTHERWISE ELIGIBLE TO CLAIM A CREDIT PURSUANT TO THIS PART 57  
2 MAY CLAIM THE CREDIT AND CARRY THE CREDIT FORWARD AGAINST THE  
3 INSURANCE PREMIUM TAX ON ITS CALENDAR QUARTER ESTIMATED TAX  
4 PAYMENTS MADE IN ACCORDANCE WITH SECTION 10-3-209 TO THE SAME  
5 EXTENT AS THE TAXPAYER WOULD HAVE BEEN ABLE TO CLAIM OR CARRY  
6 FORWARD THE CREDIT OR REFUND AGAINST INCOME TAX. ALL OTHER  
7 PROVISIONS OF THIS PART 57 WITH RESPECT TO THE CREDIT, INCLUDING  
8 THE AMOUNT, ALLOCATION, AND RECAPTURE OF THE CREDIT AND THE  
9 YEARS FOR WHICH THE CREDIT MAY BE CLAIMED, APPLY TO A CREDIT  
10 CLAIMED PURSUANT TO THIS SECTION.

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

14 **39-22-5707. Compliance monitoring.**

15 THE AUTHORITY, IN CONSULTATION WITH THE DEPARTMENT, SHALL  
16 MONITOR AND OVERSEE COMPLIANCE WITH THIS PART 57 AND SHALL  
17 REPORT SPECIFIC OCCURRENCES OF NONCOMPLIANCE TO THE  
18 DEPARTMENT.

19 **39-22-5708. Repeal.**

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

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

23 **39-26-901. Temporary adjustment of rates of state sales and**  
24 **use taxes - refund of excess state revenues - legislative declaration -**  
25 **definition - repeal.**

26 (4) Any temporary state sales and use tax rate reduction pursuant  
27 to subsection (1) of this section does not affect the calculation of the

1 amount of:

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

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

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

8 **SECTION 12. Appropriation.** For the 2026-27 state fiscal year,  
9 \$213,349 is appropriated to the office of the governor for use by  
10 economic development programs. This appropriation consists of  
11 \$190,849 from the general fund and \$22,500 from the transit investment  
12 zones cash fund created in section 24-46-403 (6)(a), C.R.S., and is based  
13 on an assumption that the office will require an additional 1.0 FTE. To  
14 implement this act, the office may use this appropriation for transit and  
15 housing investment zones.

16 **SECTION 13. Safety clause.** The general assembly finds,  
17 determines, and declares that this act is necessary for the immediate  
18 preservation of the public peace, health, or safety or for appropriations for  
19 the support and maintenance of the departments of the state and state  
20 institutions.