

## CHAPTER 157

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**GOVERNMENT - LOCAL**

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**HOUSE BILL 26-1065**

BY REPRESENTATIVE(S) 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., Phillips, Ricks, Smith, Valdez;  
also SENATOR(S) Roberts and Exum, Hinrichsen, Jodeh, Kipp, Amabile, Bridges, Cutter, Daugherty, Gonzales J., Lindstedt, Wallace, Coleman.

**AN ACT**

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

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

**SECTION 1. Legislative declaration.** (1) The general assembly finds and declares that:

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

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

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

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

(e) Researchers have found that higher residential densities citywide increase cost-effectiveness for light rail and bus rapid transit services, as described in the

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*Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.*

article "Cost of a Ride: The Effects of Densities on Fixed-Guideway Transit Ridership and Costs" by Erick Guerra and Robert Cervero;

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

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

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

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

(j) The design of the built environment surrounding transit stations, including the presence of sidewalks, crosswalks, bike lanes, and other multimodal infrastructure, influences the accessibility to transit stations and overall transit ridership, as identified by studies such as "Travel and the Built Environment: A Meta-Analysis" by Reid Ewing and Robert Cervero, and "Transit commuting, the network accessibility effect, and the built environment in station areas across the United States" in the journal *Research in Transportation Economics*;

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

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

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

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

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

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

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

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

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

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

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

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

PART 4  
TRANSIT INVESTMENT AREA ACT

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

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

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

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

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

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

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

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

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

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

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

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

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

(9) "ELIGIBLE COSTS" MEANS THE COSTS OF:

(a) DESIGNING, CONSTRUCTING, FINANCING, AND MAINTAINING ELIGIBLE IMPROVEMENTS DESIGNATED BY THE COMMISSION AS PART OF AN APPROVED TRANSIT INVESTMENT PROJECT. THESE COSTS INCLUDE THE COSTS OF:

(I) ENGINEERING, INCLUDING CONSTRUCTION ENGINEERING;

- (II) SURVEYING, INCLUDING CONSTRUCTION SURVEYING;
- (III) CONSTRUCTION LABOR AND MATERIALS;
- (IV) DESIGN, INCLUDING BONDING, INSURANCE, AND PERMITTING FEES;
- (V) PLANNING;
- (VI) LEGAL SERVICES;
- (VII) ACCOUNTING;
- (VIII) OVERHEAD OR ADMINISTRATIVE STAFFING;
- (IX) FINANCING;
- (X) BOND ISSUANCE OR REISSUANCE AND UNDERWRITING;
- (XI) INTEREST PAYMENTS;
- (XII) LOAN ORIGATION FEES;
- (XIII) OPERATIONS; AND

(XIV) SIMILAR NECESSARY AND CONVENIENT COSTS INCURRED BY THE FINANCING ENTITY IN EXERCISING ITS POWERS PURSUANT TO THIS PART 4.

(b) FUNDS ADVANCED BY PRIVATE DEVELOPERS WITHIN THE TRANSIT INVESTMENT PROJECT TO, OR ON BEHALF OF, THE FINANCING ENTITY FOR ELIGIBLE IMPROVEMENTS, WHETHER A PRIVATE DEVELOPER ADVANCES THOSE FUNDS PURSUANT TO LOANS OR CONTRACTUAL FUNDING AND REIMBURSEMENT AGREEMENTS;

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

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

(e) COSTS AND EXPENSES INCURRED BY A FINANCING ENTITY PURSUANT TO SECTION 24-35-124 AND IN COMPLYING WITH ITS ANNUAL REPORT AND AUDIT OBLIGATIONS UNDER THIS PART 4.

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

- (a) ROADS;
- (b) STREETS;

- (c) STATE HIGHWAYS;
- (d) RIGHTS-OF-WAY;
- (e) LIGHTING;
- (f) DIRECTION AND LOCATION SIGNAGE AND SIMILAR SIGNAGE;
- (g) LAND ACQUISITION;
- (h) SURVEYING, ENGINEERING, SOILS TESTING, SITE PLANNING, GRADING, AND SIMILAR ACTIVITIES NECESSARY OR CONVENIENT FOR SITE PREPARATION AND DEVELOPMENT;
- (i) TRAILS AND PATHS;
- (j) PUBLIC SAFETY FACILITIES;
- (k) LANDSCAPING;
- (l) STREET TREES;
- (m) PUBLIC PLAZAS AND PEDESTRIAN SPACES;
- (n) TRANSPORTATION FACILITIES;
- (o) BICYCLE AND PEDESTRIAN INFRASTRUCTURE;
- (p) SURFACE AND STRUCTURED PARKING FACILITIES; AND
- (q) ANY OTHER FACILITIES OR IMPROVEMENTS NECESSARY OR CONVENIENT FOR THE COMPLETION OF AN APPROVED PROJECT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(22) "TRANSIT INVESTMENT PROJECT" OR "PROJECT" MEANS A DEVELOPMENT PROJECT THAT IS PLANNED TO INCLUDE A TRANSPORTATION FACILITY OR SIGNIFICANT IMPROVEMENTS TO A TRANSPORTATION FACILITY TOGETHER WITH ANCILLARY USES, STRUCTURES, AND IMPROVEMENTS, AND THAT THE COMMISSION APPROVES PURSUANT TO SECTION 24-46-404 (3).

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

(I) PUBLIC TRANSIT, SUCH AS BUSES;

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

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

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

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

(VI) PRIVATE VEHICLES.

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

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

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

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

(1) BEGINNING JANUARY 1, 2027, A LOCAL GOVERNMENT, EITHER ALONE OR IN PARTNERSHIP WITH A TRANSIT AGENCY THAT HAS JURISDICTION WITHIN A PROPOSED TRANSIT INVESTMENT AREA, MAY SUBMIT AN APPLICATION TO THE OFFICE OF ECONOMIC DEVELOPMENT FOR THE APPROVAL OF A TRANSIT INVESTMENT PROJECT, INCLUDING THE:

(a) DESIGNATION OF A TRANSIT INVESTMENT AREA;

(b) CREATION OF A TRANSIT INVESTMENT AUTHORITY, AS NECESSARY; AND

(c) DESIGNATION OF A FINANCING ENTITY TO RECEIVE, USE, AND DISBURSE STATE SALES TAX INCREMENT REVENUE FOR ELIGIBLE COSTS.

(2)(a) BEFORE A LOCAL GOVERNMENT SUBMITS AN APPLICATION FOR A TRANSIT INVESTMENT PROJECT TO THE OFFICE OF ECONOMIC DEVELOPMENT PURSUANT TO SUBSECTION (1) OF THIS SECTION, THE LOCAL GOVERNMENT MUST SUBMIT A MAP SHOWING THE PROPOSED BOUNDARIES OF A PROPOSED TRANSIT INVESTMENT AREA TO THE OFFICE OF ECONOMIC DEVELOPMENT, ALONG WITH DATA USED TO ESTIMATE THE STATE SALES TAX INCREMENT REVENUE AND A CALCULATION SHOWING THE PROJECTED BASELINE GROWTH RATE. THE OFFICE OF ECONOMIC DEVELOPMENT SHALL VERIFY WHETHER THE PROPOSED TRANSIT INVESTMENT AREA IS WITHIN A TRANSIT AND HOUSING INVESTMENT ZONE THAT IS ESTABLISHED IN RELATION TO A TRANSIT FACILITY THAT IS THE SUBJECT OF THE TRANSIT INVESTMENT PROJECT IN THE LOCAL GOVERNMENT'S APPLICATION SUBMITTED PURSUANT TO SUBSECTION (1) OF THIS SECTION, AND THE OFFICE OF ECONOMIC DEVELOPMENT SHALL ENTER INTO

A CONTRACT WITH A THIRD-PARTY ANALYST TO ESTIMATE THE BASELINE GROWTH RATE FOR THE PROPOSED TRANSIT INVESTMENT AREA. IN ESTIMATING THE BASELINE GROWTH RATE, THE THIRD-PARTY ANALYST SHALL CONSIDER THE GROWTH RATE FOR THE PROPOSED TRANSIT INVESTMENT AREA DURING AT LEAST THE PREVIOUS TEN CALENDAR YEARS, IF AVAILABLE. THE THIRD-PARTY ANALYST SHALL DELIVER ITS ESTIMATE TO THE OFFICE OF ECONOMIC DEVELOPMENT WHO SHALL PROVIDE THE ESTIMATE TO THE OFFICE OF THE STATE PLANNING AND BUDGETING AND THE COMMISSION FOR REVIEW.

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

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

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

(e) THE LOCAL GOVERNMENT AND THE THIRD-PARTY ANALYST RETAINED PURSUANT TO SUBSECTION (3)(j) OF THIS SECTION SHALL USE THE BASELINE GROWTH RATE DETERMINED BY THE COMMISSION IN THEIR ASSUMPTIONS AND ECONOMIC ANALYSES FOR THE PURPOSE OF CALCULATING THEIR ESTIMATE OF THE MAXIMUM ANNUAL AND TOTAL CUMULATIVE DOLLAR AMOUNTS OF STATE SALES TAX INCREMENT REVENUE AVAILABLE TO BE PLEDGED TO THE PROPOSED TRANSIT INVESTMENT PROJECT AS REQUIRED BY SUBSECTIONS (3)(i) AND (3)(j) OF THIS SECTION.

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

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

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

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

(I) THE LOCATION AND ESTIMATED OVERALL COST;

(II) ESTIMATED ELIGIBLE COSTS;

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

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

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

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

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

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

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

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

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

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

(I) GEOGRAPHIC BOUNDARIES;

(II) REQUESTED POWERS; AND

(III) ANTICIPATED SOURCES OF REVENUE, IF ANY, IN ADDITION TO STATE SALES TAX INCREMENT REVENUE;

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

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

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

(I) THE FINANCING TERM;

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

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

(IV) WHETHER THE STATE SALES TAX INCREMENT REVENUE THAT EXCEEDS THE PROJECTED COSTS OF ELIGIBLE COSTS WILL BE SPENT ON ADDITIONAL ELIGIBLE COSTS INCURRED IN CONNECTION WITH THE TRANSIT INVESTMENT PROJECT.

(j) UPON RECEIPT OF AN APPLICATION, THE OFFICE OF ECONOMIC DEVELOPMENT SHALL COMMISSION A REPORT BY A THIRD-PARTY ANALYST WHO IS AN EXPERT IN THE FIELD OF ECONOMIC OR PUBLIC FINANCIAL ANALYSIS CALCULATING THE ANNUAL AND TOTAL CUMULATIVE DOLLAR AMOUNTS OF STATE SALES TAX INCREMENT REVENUE AVAILABLE TO BE PLEDGED TO THE PROPOSED TRANSIT INVESTMENT PROJECT TO BE SET BY THE COMMISSION PURSUANT TO SECTION 24-46-404 (3). THE REVIEWING THIRD-PARTY ANALYST MUST BE CHOSEN THROUGH A REQUEST FOR PROPOSALS ISSUED BY THE OFFICE OF ECONOMIC DEVELOPMENT TO ENSURE AN INDEPENDENT AND THOROUGH ANALYSIS, AND THE THIRD-PARTY ANALYST SHALL REPORT TO THAT OFFICE. THE OFFICE OF ECONOMIC DEVELOPMENT SHALL REQUIRE A LOCAL GOVERNMENT THAT SUBMITS AN APPLICATION PURSUANT TO SUBSECTION (1) OF THIS SECTION TO PAY THE COSTS FOR THE THIRD-PARTY ANALYST CHOSEN BY THE OFFICE OF ECONOMIC DEVELOPMENT PURSUANT TO THIS SUBSECTION (3)(j) TO COMMISSION THE REPORT; EXCEPT THAT, IF THE OFFICE OF ECONOMIC DEVELOPMENT DETERMINES THAT THE PAYMENT OF THESE COSTS BY A LOCAL GOVERNMENT WOULD CONSTITUTE AN EXTREME NEGATIVE FINANCIAL HARDSHIP FOR THE LOCAL GOVERNMENT, THE OFFICE OF ECONOMIC DEVELOPMENT MAY PAY THESE COSTS FROM THE TRANSIT INVESTMENT ZONES CASH FUND CREATED IN SUBSECTION (6) OF THIS SECTION OR, IF THERE IS INSUFFICIENT MONEY IN THE TRANSIT INVESTMENT

ZONES CASH FUND, THE OFFICE OF ECONOMIC DEVELOPMENT MAY PAY THESE COSTS FROM THE GENERAL FUND TO THE EXTENT THE GENERAL ASSEMBLY HAS SPECIFICALLY APPROPRIATED DEDICATED FUNDING WHICH IS AVAILABLE FOR THIS PURPOSE; EXCEPT THAT THE OFFICE SHALL NOT PAY THESE COSTS FOR MORE THAN TWO APPLICANTS IN AN APPLICATION CYCLE. AS PART OF CREATING THE REPORT, THE THIRD-PARTY ANALYST MUST:

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

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

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

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

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

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

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

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

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

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

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

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

(f) THE PROPOSED TRANSIT INVESTMENT PROJECT WILL BE CARRIED OUT IN A MANNER CONSISTENT WITH THE HIRING, APPRENTICESHIP, AND WORKFORCE STANDARDS APPLICABLE TO INFRASTRUCTURE PROJECTS THAT ARE FINANCED BY THE BUILDING URGENT INFRASTRUCTURE AND LEVERAGING DOLLARS AUTHORITY AS REQUIRED BY SECTION 24-117-105 (6), TO THE EXTENT THESE STANDARDS ARE NOT INCONSISTENT WITH THE REQUIREMENTS OF THIS PART 4.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(E) THE APPROVED FINANCING TERM;

(F) THE MAXIMUM DOLLAR AMOUNT OF STATE SALES TAX INCREMENT REVENUE

THAT CAN BE ANNUALLY DEDICATED TO THE TRANSIT INVESTMENT PROJECT, AS DETERMINED PURSUANT TO SUBSECTION (3)(j)(II) OF THIS SECTION; AND

(G) THE TOTAL CUMULATIVE DOLLAR AMOUNT OF STATE SALES TAX INCREMENT REVENUE THAT CAN BE DEDICATED TO THE TRANSIT INVESTMENT PROJECT, AS DETERMINED PURSUANT TO SUBSECTION (3)(j)(I) OF THIS SECTION.

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

(III) (A) IN DETERMINING THE TOTAL CUMULATIVE DOLLAR AMOUNT OF STATE SALES TAX INCREMENT REVENUE THAT CAN BE DEDICATED TO THE TRANSIT INVESTMENT PROJECT PURSUANT TO SUBSECTION (3)(d)(I)(F) OF THIS SECTION, THE COMMISSION SHALL AWARD AN AMOUNT EQUAL TO THE TOTAL CUMULATIVE DOLLAR AMOUNT OF STATE SALES TAX INCREMENT REVENUE THAT THE THIRD-PARTY ANALYST DETERMINES CAN BE DEDICATED TO THE TRANSIT INVESTMENT PROJECT AS REPORTED PURSUANT TO SECTION 24-46-403 (3)(j).

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

(C) NOTWITHSTANDING SUBSECTION (3)(d)(III)(A) OF THIS SECTION, IF THE ESTIMATED ELIGIBLE COSTS IDENTIFIED PURSUANT TO SECTION 24-46-403 (3)(c)(II) ARE LESS THAN THE TOTAL CUMULATIVE DOLLAR AMOUNT OF STATE SALES TAX INCREMENT REVENUE THAT THE THIRD-PARTY ANALYST DETERMINES CAN BE

DEDICATED TO THE TRANSIT INVESTMENT PROJECT AS REPORTED PURSUANT TO SECTION 24-46-403 (3)(j) AND THE APPLICATION AFFIRMED THAT STATE SALES TAX INCREMENT REVENUE THAT EXCEEDS THE ESTIMATED ELIGIBLE COSTS WILL BE SPENT ON ADDITIONAL ELIGIBLE COSTS INCURRED IN CONNECTION WITH THE TRANSIT INVESTMENT PROJECT, IN DETERMINING THE TOTAL CUMULATIVE DOLLAR AMOUNT OF STATE SALES TAX INCREMENT REVENUE THAT CAN BE DEDICATED TO THE TRANSIT INVESTMENT PROJECT PURSUANT TO SUBSECTION (3)(d)(I)(F) OF THIS SECTION, THE COMMISSION SHALL AWARD A TOTAL CUMULATIVE DOLLAR AMOUNT OF STATE SALES TAX INCREMENT REVENUE EQUAL TO THE ESTIMATED ELIGIBLE COSTS IDENTIFIED PURSUANT TO SECTION 24-46-403 (3)(c)(II) AND ALLOW FOR THE EXPENDITURE OF ADDITIONAL STATE SALES TAX INCREMENT REVENUE FOR ADDITIONAL ELIGIBLE COSTS INCURRED IN CONNECTION WITH THE TRANSIT INVESTMENT PROJECT BEYOND THOSE ESTIMATED IN THE APPLICATION SUCH THAT THE APPLICANT CAN SPEND IN TOTAL, ON ADDITIONAL AND ESTIMATED ELIGIBLE COSTS, UP TO THE TOTAL CUMULATIVE DOLLAR AMOUNT OF STATE SALES TAX INCREMENT REVENUE DETERMINED BY THE THIRD-PARTY ANALYST.

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

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

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

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

(B) STATEWIDE GEOGRAPHIC EQUITY;

(C) SCALE OF IMPACT; AND

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

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

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

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

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

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

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

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

(5) (a) FOR EACH YEAR OF THE FINANCING TERM, THE AMOUNT OF STATE SALES TAX INCREMENT REVENUE DEDICATED TO A TRANSIT INVESTMENT PROJECT MUST NOT EXCEED THE MAXIMUM ANNUAL DOLLAR AMOUNT SPECIFIED BY THE COMMISSION PURSUANT TO SUBSECTION (3) OF THIS SECTION. THE TOTAL AMOUNT OF STATE SALES TAX INCREMENT REVENUE DEDICATED TO A TRANSIT INVESTMENT PROJECT FOR THE ENTIRE DURATION OF THE PROJECT SHALL NOT EXCEED THE TOTAL CUMULATIVE DOLLAR AMOUNT SPECIFIED BY THE COMMISSION PURSUANT TO SUBSECTION (3) OF THIS SECTION. THE DEPARTMENT SHALL TRACK THE MAXIMUM ANNUAL AND TOTAL CUMULATIVE DOLLAR AMOUNTS OF STATE SALES TAX INCREMENT REVENUE REMITTED TO THE FINANCING ENTITY IN CONNECTION WITH A TRANSIT INVESTMENT PROJECT AND SHALL NOTIFY THE COMMISSION WHEN CUMULATIVE PAYMENTS EQUAL NINETY PERCENT OF THE LIMITS SET BY THE COMMISSION PURSUANT TO SUBSECTION (3) OF THIS SECTION FOR THE COMMISSION'S CONCURRENCE REGARDING THE DOLLAR LIMITS.

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

(II) AFTER THE DEPARTMENT HAS REMITTED THE TOTAL CUMULATIVE DOLLAR AMOUNT OF STATE SALES TAX INCREMENT REVENUE SPECIFIED BY THE COMMISSION PURSUANT TO SUBSECTION (3) OF THIS SECTION TO THE FINANCING ENTITY, THE DEPARTMENT SHALL NOT REMIT ANY ADDITIONAL STATE SALES TAX INCREMENT REVENUE FROM THE STATE TO THE FINANCING ENTITY, EVEN IF THE APPROVED FINANCING TERM IS NOT COMPLETED.

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

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

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

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

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

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

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

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

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

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

(b) IF THE APPLICANT IS TWO LOCAL GOVERNMENTS:

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

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

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

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

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

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

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

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

(a) PERPETUAL EXISTENCE AND SUCCESSION;

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

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

(d) TO UNDERTAKE TRANSIT INVESTMENT PROJECTS;

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

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

(g) TO ASSIGN AND PLEDGE TO ANY COUNTY REVITALIZATION AUTHORITY, METROPOLITAN DISTRICT, AUTHORITY FORMED BY INTERGOVERNMENTAL AGREEMENT AMONG TWO OR MORE METROPOLITAN DISTRICTS, REGIONAL TRANSPORTATION AUTHORITY, OR URBAN RENEWAL AUTHORITY HAVING ALL OR ANY PORTION OF THE TRANSIT INVESTMENT AREA WITHIN ITS BOUNDARIES OR

SERVICE AREA THE TRANSIT INVESTMENT AUTHORITY'S RIGHT TO RECEIVE AND USE STATE SALES TAX INCREMENT REVENUE TO SUPPORT BONDS OR OTHER FINANCING INSTRUMENTS ISSUED OR ENTERED INTO BY THE COUNTY REVITALIZATION AUTHORITY, METROPOLITAN DISTRICT, AUTHORITY FORMED BY INTERGOVERNMENTAL AGREEMENT AMONG TWO OR MORE METROPOLITAN DISTRICTS, REGIONAL TRANSPORTATION AUTHORITY, OR URBAN RENEWAL AUTHORITY FOR ELIGIBLE COSTS OR TO ACQUIRE ELIGIBLE IMPROVEMENTS, INCLUDING LOANS OR FUNDING AND REIMBURSEMENT AGREEMENTS WITH DEVELOPERS INVOLVED IN THE TRANSIT INVESTMENT PROJECT OR OTHER THIRD PARTIES;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(1) IN ORDER TO IMPLEMENT THE COLLECTION OF STATE SALES TAX INCREMENT REVENUE, THE RESOLUTION ADOPTED BY THE COMMISSION APPROVING A TRANSIT INVESTMENT PROJECT SHALL STATE THAT THE DEPARTMENT SHALL, AFTER ANNUALLY RETAINING AN AMOUNT OF THE STATE SALES TAX INCREMENT REVENUE ESTABLISHED BY THE DEPARTMENT AS NECESSARY TO OFFSET THE DEPARTMENT'S ACTUAL DIRECT COSTS AND EXPENSES INCURRED IN PERFORMING THE DEPARTMENT'S COLLECTION AND DISBURSEMENT FUNCTIONS ESTABLISHED IN THIS PART 4 IN CONNECTION WITH THE TRANSIT INVESTMENT PROJECT, DIVIDE AND DISTRIBUTE STATE SALES TAXES LEVIED AND COLLECTED ON IN-PERSON SALES MADE WITHIN THE TRANSIT INVESTMENT AREA COMMENCING ON THE FIRST DAY OF THE FIRST MONTH AFTER THE DEPARTMENT HAS COLLECTED THE BASE YEAR REVENUE FOR THE YEAR AFTER THE EFFECTIVE DATE OF THE COMMISSION'S APPROVAL OF THE PROJECT AS FOLLOWS:

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

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

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

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

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

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

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

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

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

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

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

(6) ON OR BEFORE JULY 1, 2029, AND ON OR BEFORE JULY 1 EVERY THREE YEARS THEREAFTER, THE DEPARTMENT MUST SUBMIT A REPORT TO THE OFFICE OF STATE PLANNING AND BUDGETING AND THE COMMISSION ON TECHNOLOGICAL OR OTHER METHODS TO INCORPORATE SALES DELIVERED FROM WITHOUT THE TRANSIT INVESTMENT AREA INTO THE CALCULATION OF THE INCREMENT AND TO ALLOW FOR THE DESIGNATION OF ADDITIONAL TRANSIT AND HOUSING INVESTMENT ZONES AND

TRANSIT INVESTMENT AREAS, INCLUDING COST ESTIMATES, ADMINISTRATIVE BURDEN, AND BURDEN ON TAXPAYERS.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(4) IF A FINANCING ENTITY IS A COUNTY REVITALIZATION AUTHORITY, A METROPOLITAN DISTRICT, AN AUTHORITY FORMED BY INTERGOVERNMENTAL AGREEMENT AMONG TWO OR MORE METROPOLITAN DISTRICTS, A REGIONAL TRANSPORTATION AUTHORITY, OR AN URBAN RENEWAL AUTHORITY, IT MAY COMPLY WITH THIS SECTION BY SUBMITTING TO THE COMMISSION A COPY OF THE REPORT THAT THE COUNTY REVITALIZATION AUTHORITY, METROPOLITAN DISTRICT, AUTHORITY FORMED BY INTERGOVERNMENTAL AGREEMENT AMONG TWO OR MORE METROPOLITAN DISTRICTS, REGIONAL TRANSPORTATION AUTHORITY, OR URBAN RENEWAL AUTHORITY IS OTHERWISE REQUIRED TO SUBMIT TO A LOCAL GOVERNMENT PURSUANT TO LAW. THE FINANCING ENTITY SHALL DELIVER A COPY OF THE REPORT THAT THE COUNTY REVITALIZATION AUTHORITY, METROPOLITAN DISTRICT, AUTHORITY FORMED BY INTERGOVERNMENTAL AGREEMENT AMONG TWO OR MORE METROPOLITAN DISTRICTS, REGIONAL TRANSPORTATION AUTHORITY, OR URBAN RENEWAL AUTHORITY IS OTHERWISE REQUIRED TO SUBMIT TO A LOCAL GOVERNMENT PURSUANT TO LAW AT THE SAME TIME AS AN ANNUAL REPORT OR AUDIT OTHERWISE REQUIRED BY LAW.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(7) BONDS ISSUED UNDER THIS SECTION SHALL BE AUTHORIZED BY A RESOLUTION, INDENTURE, OR OTHER DOCUMENT PURSUANT TO WHICH SUCH OBLIGATIONS ARE ISSUED OF THE FINANCING ENTITY AND MAY BE ISSUED IN ONE OR MORE SERIES AND SHALL BEAR SUCH DATE; BE PAYABLE UPON DEMAND OR MATURE AT SUCH TIME AS MAY BE DETERMINED BY THE FINANCING ENTITY NOT TO EXCEED THIRTY YEARS, EXCEPT AS THE MATURITY MAY BE EXTENDED IN ACCORDANCE WITH SECTION 24-46-406 (4) AND IN ACCORDANCE WITH ARTICLE 57 OF TITLE 11; BEAR INTEREST AT A RATE PAYABLE OR COMPOUNDABLE AT INTERVALS DETERMINED BY THE FINANCING ENTITY; BE IN SUCH DENOMINATION; BE IN SUCH FORM, EITHER COUPON OR REGISTERED OR OTHERWISE; CARRY SUCH CONVERSION OR REGISTRATION PRIVILEGES; HAVE SUCH RANK OR PRIORITY; BE EXECUTED IN THE NAME OF THE FINANCING ENTITY IN SUCH MANNER, BE PAYABLE IN SUCH MEDIUM OF PAYMENT; BE PAYABLE AT SUCH PLACE; BE SUBJECT TO SUCH CALLABILITY PROVISIONS OR TERMS OF REDEMPTION, WITH OR WITHOUT PREMIUMS; BE SECURED IN SUCH MANNER; BE OF SUCH DESCRIPTION; CONTAIN OR BE SUBJECT TO SUCH COVENANTS, PROVISIONS, TERMS, CONDITIONS, AND AGREEMENTS, INCLUDING PROVISIONS CONCERNING EVENTS OF DEFAULT; AND HAVE OTHER CHARACTERISTICS THAT MAY BE PROVIDED BY THE RESOLUTION OR BY THE TRUST AGREEMENT, INDENTURE, OR MORTGAGE, IF ANY, ISSUED PURSUANT TO THE RESOLUTION. THE SEAL, OR A FACSIMILE THEREOF, OF THE FINANCING ENTITY SHALL BE AFFIXED, IMPRINTED, ENGRAVED, OR OTHERWISE REPRODUCED UPON EACH OF ITS BONDS ISSUED UNDER THIS SECTION. BONDS ISSUED UNDER THIS SECTION SHALL BE EXECUTED IN THE NAME OF THE FINANCING ENTITY BY THE MANUAL OR FACSIMILE SIGNATURES OF OFFICIALS THAT MAY BE DESIGNATED IN SAID RESOLUTION OR TRUST AGREEMENT, INDENTURE, OR MORTGAGE. COUPONS, IF ANY, ATTACHED TO THE BONDS SHALL BEAR THE FACSIMILE SIGNATURE OF THE OFFICIAL OF THE FINANCING ENTITY THAT MAY BE DESIGNATED AS PROVIDED IN THIS SUBSECTION (7). SAID RESOLUTION OR TRUST AGREEMENT, INDENTURE, OR MORTGAGE MAY PROVIDE FOR THE AUTHENTICATION OF THE PERTINENT BONDS BY THE TRUSTEE.

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

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

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

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

(12) PENDING THE PREPARATION OF ANY DEFINITIVE BONDS UNDER THIS SECTION, A FINANCING ENTITY MAY ISSUE ITS INTERIM CERTIFICATES OR RECEIPTS OR ITS TEMPORARY BONDS, WITH OR WITHOUT COUPONS, EXCHANGEABLE FOR DEFINITIVE BONDS WHEN THE LATTER HAVE BEEN EXECUTED AND ARE AVAILABLE FOR DELIVERY.

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

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

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

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

**SECTION 3.** In Colorado Revised Statutes, **add 24-35-124** as follows:

**24-35-124. Transit investment area - authority of department - definitions.**

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

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

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

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

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

(2) THE EXECUTIVE DIRECTOR HAS THE AUTHORITY TO:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(2) THE OFFICE SHALL DESIGNATE TRANSIT AND HOUSING INVESTMENT ZONES, FOR PURPOSES OF SUBSECTION (1) OF THIS SECTION, AND SHALL DO SO BASED ON THE LOCATION OF TRANSPORTATION FACILITIES AS IDENTIFIED IN A PUBLISHED TRANSIT PLAN AND MAY, IN CONSULTATION WITH LOCAL GOVERNMENTS AND TRANSIT

AGENCIES, USE PREEXISTING ROUTES, MAPS, AND SCHEDULES TO INFORM THE OFFICE'S DESIGNATION OF TRANSIT AND HOUSING INVESTMENT ZONES.

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

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

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

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

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

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

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

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

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

(13) "Local government" means any authority, county, municipality, city and county, district, or other political subdivision of the state of Colorado; any institution, department, agency, or authority of any of the foregoing; and any other entity, organization, or corporation formed by intergovernmental agreement or other contract between or among any of the foregoing. The office of the county public trustee shall be deemed an agency of the county for the purposes of this part 1. "Local government" does not include the Colorado educational and cultural facilities authority, the university of Colorado hospital authority, collegeinvest, the Colorado health facilities authority, the Colorado housing and finance authority, the Colorado agricultural development authority, the Colorado sheep and wool authority, the Colorado beef council authority, the Colorado horse development authority, the building urgent infrastructure and leveraging dollars authority, the middle-income housing authority, the fire and police pension association, A TRANSIT INVESTMENT AUTHORITY, any public entity insurance or investment pool formed pursuant to state law, any county or municipal housing authority, any association of political subdivisions formed pursuant to section 29-1-401, or any home rule city or town, home rule city and county, cities and towns operating under a territorial charter, school district, or local college district.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

PART 57  
COLORADO AFFORDABLE HOUSING IN  
TRANSIT AND HOUSING INVESTMENT ZONES  
TAX CREDIT

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

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

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

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

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

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

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

#### **39-22-5702. Definitions.**

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

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

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

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

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

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

(6) "CREDIT PERIOD" MEANS THE PERIOD OF SIX INCOME TAX YEARS BEGINNING WITH THE INCOME TAX YEAR IN WHICH A QUALIFIED DEVELOPMENT IS PLACED IN SERVICE. IF A QUALIFIED DEVELOPMENT IS COMPRISED OF MORE THAN ONE BUILDING,

THE DEVELOPMENT IS DEEMED TO BE PLACED IN SERVICE IN THE INCOME TAX YEAR DURING WHICH THE LAST BUILDING OF THE QUALIFIED DEVELOPMENT IS PLACED IN SERVICE.

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

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

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

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

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

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

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

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

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

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

(b) THE AUTHORITY MAY ALSO ALLOCATE ANY UNALLOCATED CREDITS FROM THE IMMEDIATELY PRECEDING CALENDAR YEAR SO LONG AS UNALLOCATED CREDITS DO NOT EXCEED MORE THAN HALF OF THE ANNUAL DOLLAR LIMITS SPECIFIED IN

SUBSECTION (2)(a) OF THIS SECTION, AND THESE UNALLOCATED CREDITS ARE NOT INCLUDED IN THE ANNUAL DOLLAR LIMITS SPECIFIED IN SUBSECTION (2)(a) OF THIS SECTION.

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

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

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

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

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

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

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

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

(III) A TRANSFEREE TO WHICH A CREDIT IS TRANSFERRED BY A GOVERNMENTAL OR QUASI-GOVERNMENTAL ENTITY PURSUANT TO THIS SUBSECTION (5)(b) IS

ENTITLED TO CLAIM THE CREDIT IN THE SAME MANNER AND SUBJECT TO THE SAME CONDITIONS AND ALLOCATION RIGHTS AS AN OWNER OF A QUALIFIED DEVELOPMENT TO WHICH THE AUTHORITY HAS ALLOCATED A CREDIT PURSUANT TO SUBSECTION (3) OF THIS SECTION.

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

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

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

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

(8) UNLESS OTHERWISE PROVIDED IN THIS PART 57 OR THE CONTEXT CLEARLY REQUIRES OTHERWISE, THE AUTHORITY SHALL DETERMINE ELIGIBILITY FOR A CREDIT AND ALLOCATE CREDITS IN ACCORDANCE WITH THE STANDARDS AND REQUIREMENTS SET FORTH IN THE ALLOCATION PLAN; HOWEVER, THE AUTHORITY SHALL ADMINISTER THE CREDIT ALLOWED PURSUANT TO THIS PART 57 CONSISTENTLY WITH

THE CREDIT PURSUANT TO PART 21 OF THIS ARTICLE 22 EXCEPT TO THE EXTENT THE ALLOCATION PLAN IS INCONSISTENT WITH PART 21 OF THIS ARTICLE 22, IN WHICH CASE THE ALLOCATION PLAN CONTROLS. NOTWITHSTANDING THE FOREGOING, ANY COMBINATION OF FEDERAL AND STATE CREDITS, OR STANDALONE AMOUNT OF STATE CREDITS, ALLOWED MUST BE THE LEAST AMOUNT NECESSARY TO ENSURE THE FINANCIAL FEASIBILITY OF A QUALIFIED DEVELOPMENT.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) The aviation fund created in section 43-10-109; ~~or~~

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

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

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

Approved: May 27, 2026