HOUSE COMMITTEE OF REFERENCE REPORT

			<u>April</u>	30, 2024
Chair of Committee Date				Date
Committee on <u>Transportation</u> , <u>Housing & Local Government</u> .				
After consideration on the merits, the Committee recommends the following:				
SB24-032	be amended as the Commit recommendation	tee on		ded, be referred to with favorable
Amend reengrossed bill, page 13, strike lines 10 through 27.				
Strike pages 14 through 21.				
Page 22, strike lines 1 through 4 and substitute: "SECTION 2. In Colorado Revised Statutes, 24-38.5-114, add (8)(e) as follows:				
24-38.5-114. Ozone season transit grant program - fund - creation - policies - report - definitions - repeal. (8) (e) THE STATE				
TREASURER SHALL TRANSFER ANY MONEY REMAINING IN THE FUND ON				
JUNE 30, 2024, INCLUDING MONEY THAT IS OBLIGATED OR ENCUMBERED,				
TO THE ZERO FARE TRANSIT FUND CREATED IN SECTION 24-38.5-114.5.				
ANY MONEY THAT IS OBLIGATED OR ENCUMBERED WHEN IT IS				
TRANSFERRED TO THE ZERO FARE TRANSIT FUND SHALL BE USED FOR THE				
SAME PURPOSE FOR WHICH IT WAS OBLIGATED OR ENCUMBERED PURSUANT				
TO THIS SECTION.				
SECT	TION 3. In Col	orado Revis	ed Statutes, a	dd 24-38.5-114.5
as follows:				
24-38.5-114.5. Zero fare transit grant programs - ozone season				
- youth fare free - zero fare transit fund - creation - policies - report				
- definitions - repeal. (1) As used in this section, unless the				
CONTEXT OTHERWISE REQUIRES: (a) "CASTA" MEANS THE COLORADO ASSOCIATION OF TRANSIT				
(a) "C AGENCIES.	LASTA" MEANS	S THE COLO	KADO ASSOCIA	ATION OF TRANSIT
(b) "ELIGIBLE TRANSIT AGENCY" MEANS A TRANSIT AGENCY THAT				
IS:	LIGIDLE IKANSI	I AUDINCI I	VILANO A IKAN	ISTI AGENCI ITAI
	A REGIONAL S	ERVICE AU	THORITY PRO	OVIDING SURFACE

TRANSPORTATION PURSUANT TO PART 1 OF ARTICLE 7 OF TITLE 32, A

REGIONAL TRANSPORTATION AUTHORITY CREATED PURSUANT TO PART 6 OF ARTICLE 4 OF TITLE 43, OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, PUBLIC ENTITY, OR NONPROFIT CORPORATION PROVIDING MASS TRANSPORTATION SERVICES TO THE GENERAL PUBLIC OTHER THAN THE REGIONAL TRANSPORTATION DISTRICT; AND

- (II) ELIGIBLE TO RECEIVE MONEY UNDER A GRANT AUTHORIZED BY 49 U.S.C. SEC. 5307 OR 49 U.S.C. SEC. 5311.
- (c) "FUND" MEANS THE ZERO FARE TRANSIT FUND CREATED IN SUBSECTION (8) OF THIS SECTION.
- (d) "OFFICE" MEANS THE COLORADO ENERGY OFFICE CREATED IN SECTION 24-38.5-101.
- (e) "Ozone season" means the period from June 1 to August 31 of a calendar year; except that, if an eligible transit agency operates in an area in which ozone-causing traffic levels are typically highest during a different period than June 1 to August 31 of a calendar year and the eligible transit agency identifies the different period in an application for a grant to offer fare-free service during the identified period that is submitted to CASTA in accordance with the requirements of this section, "ozone season" means, for that eligible transit agency, the different period identified in the grant application.
- (f) "PROGRAM" MEANS THE ZERO FARE TRANSIT GRANT PROGRAM CREATED IN SUBSECTION (2) OF THIS SECTION.
- (g) "REGIONAL TRANSPORTATION DISTRICT" MEANS THE REGIONAL TRANSPORTATION DISTRICT ESTABLISHED IN ARTICLE 9 OF TITLE 32.
- (h) "Transit agency" means a provider of public transportation, as defined in 49 U.S.C. sec. 5302 (15), as amended.
- (i) "YOUTH" MEANS AN INDIVIDUAL WHO IS NINETEEN YEARS OF AGE OR YOUNGER.
- (2) THE ZERO FARE TRANSIT GRANT PROGRAM IS CREATED IN THE OFFICE. THE PURPOSES OF THE PROGRAM ARE:
- (a) TO PROVIDE GRANTS TO CASTA FOR THE PURPOSE OF PROVIDING GRANTS TO ELIGIBLE TRANSIT AGENCIES TO OFFER EITHER:
- (I) FREE TRANSIT SERVICES FOR A MINIMUM OF THIRTY DAYS DURING OZONE SEASON; OR
- (II) YEAR-ROUND FARE FREE TRANSIT SERVICES TO YOUTH RIDERS; AND
- (b) TO PROVIDE GRANTS TO THE REGIONAL TRANSPORTATION DISTRICT FOR THE PURPOSE OF PROVIDING YEAR-ROUND FARE FREE TRANSIT SERVICES TO YOUTH RIDERS.
- (3) THE OFFICE SHALL ADMINISTER THE PROGRAM AND AWARD GRANTS IN ACCORDANCE WITH THIS SECTION AND THE POLICIES DEVELOPED BY THE OFFICE PURSUANT TO SUBSECTION (7) OF THIS

SECTION. SUBJECT TO AVAILABLE APPROPRIATIONS, GRANTS ARE PAID OUT OF THE FUND.

- (4) (a) TO RECEIVE A GRANT, CASTA OR THE REGIONAL TRANSPORTATION DISTRICT MUST SUBMIT AN APPLICATION TO THE OFFICE IN ACCORDANCE WITH THE REQUIREMENTS OF THIS SECTION AND THE POLICIES ESTABLISHED BY THE OFFICE IN ACCORDANCE WITH SUBSECTION (7) OF THIS SECTION.
- (b) THE OFFICE SHALL AWARD A GRANT OF FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS TO CASTA AND FIVE MILLION DOLLARS TO THE REGIONAL TRANSPORTATION DISTRICT.
- (c) CASTA, THE REGIONAL TRANSPORTATION DISTRICT, OR AN ELIGIBLE TRANSIT AGENCY THAT RECEIVES A GRANT FROM CASTA IS NOT REQUIRED TO EXPEND A GRANT IN THE YEAR IN WHICH IT IS RECEIVED AND RETAINS THE GRANT AMOUNT UNTIL IT IS EXPENDED; EXCEPT THAT ANY GRANT AGREEMENT PURSUANT TO THIS SECTION EXPIRES ON JUNE 30, 2026.
- (5) (a) CASTA MAY USE THE MONEY TO ESTABLISH A GRANT PROGRAM FOR ELIGIBLE TRANSIT AGENCIES IN ACCORDANCE WITH THIS SECTION. CASTA MAY USE A PORTION OF THE GRANT MONEY TO PAY ITS DIRECT AND INDIRECT COSTS IN ADMINISTERING THE GRANT PROGRAM INCLUDING REASONABLE COSTS TO CREATE A STATEWIDE MARKETING CAMPAIGN FOR USE BY ELIGIBLE TRANSIT AGENCIES.
- (b) TO RECEIVE A GRANT FROM CASTA, AN ELIGIBLE TRANSIT AGENCY MUST SUBMIT AN APPLICATION TO CASTA THAT SPECIFIES WHETHER IT IS APPLYING FOR A GRANT TO PROVIDE FREE TRANSIT SERVICES FOR A MINIMUM OF THIRTY DAYS DURING OZONE SEASON OR YEAR-ROUND FARE FREE TRANSIT SERVICES TO YOUTH RIDERS. AN ELIGIBLE TRANSIT AGENCY MAY NOT RECEIVE A GRANT FOR BOTH PURPOSES IN ANY CALENDAR YEAR. IN ADDITION THE APPLICATION MUST ALSO DESCRIBE, AT A MINIMUM, EITHER:
- (I) FOR A GRANT APPLICATION TO PROVIDE FREE TRANSIT SERVICES FOR A MINIMUM OF THIRTY DAYS DURING OZONE SEASON, THE FREE TRANSIT SERVICES THAT WILL BE NEWLY PROVIDED, EXPANDED TO INCLUDE ADDITIONAL FREE TYPES OF SERVICE, EXPANDED TO INCLUDE ADDITIONAL FREE ROUTES, OR PROVIDED MORE FREQUENTLY WITH THE GRANT MONEY, INDICATE TO WHAT EXTENT THE ELIGIBLE TRANSIT AGENCY WILL MATCH THE GRANT MONEY WITH OTHER MONEY, AND COMMIT TO PROVIDING THE NEW OR EXPANDED FREE SERVICES FOR AT LEAST THIRTY DAYS DURING THE OZONE SEASON; OR
- (II) FOR A GRANT APPLICATION TO PROVIDE YEAR-ROUND FARE FREE TRANSIT SERVICES TO YOUTH RIDERS, THE FREE TRANSIT SERVICES THAT WILL BE NEWLY PROVIDED TO YOUTH RIDERS WITH THE GRANT MONEY, THE ELIGIBLE TRANSIT AGENCY'S CURRENT YOUTH RIDERSHIP,

AND THE METHOD THAT THE ELIGIBLE TRANSIT AGENCY USES TO TRACK YOUTH RIDERS.

- (c) (I) AN ELIGIBLE TRANSIT AGENCY THAT RECEIVES A GRANT THROUGH CASTA MAY USE THE GRANT MONEY AS SPECIFIED IN SUBSECTION (5)(c)(II) OR (5)(c)(III) OF THIS SECTION, AS APPLICABLE.
- (II) AN ELIGIBLE TRANSIT AGENCY THAT RECEIVES A GRANT TO PROVIDE FREE TRANSIT SERVICES DURING THE OZONE SEASON MAY USE GRANT MONEY TO COVER THE COSTS ASSOCIATED WITH PROVIDING NEW OR EXPANDED FREE TRANSIT SERVICES WITHIN ITS SERVICE AREA DURING OZONE SEASON, INCLUDING OFFERING ADDITIONAL FREE SERVICES OR FREE ROUTES OR INCREASING THE FREQUENCY OF SERVICE ON ROUTES FOR WHICH THE ELIGIBLE TRANSIT AGENCY CURRENTLY OFFERS FREE SERVICE. GRANT MONEY MAY BE USED TO REPLACE FARE BOX REVENUE AND TO PAY FOR OTHER EXPENSES NECESSARY TO IMPLEMENT AND MEASURE THE EFFECTIVENESS OF THE PROGRAM, INCLUDING REASONABLE MARKETING EXPENSES INCURRED TO RAISE AWARENESS OF FREE SERVICE AND INCREASE RIDERSHIP, EXPENSES INCURRED IN CONDUCTING RIDER SURVEYS TO BETTER MEASURE THE IMPACT OF THE PROGRAM ON RIDERSHIP AND VEHICLE MILES TRAVELED IN PRIVATE MOTOR VEHICLES, AND EXPENSES ASSOCIATED WITH AN INCREASE IN RIDERSHIP AS A RESULT OF THE PROGRAM. AN ELIGIBLE TRANSIT AGENCY SHALL NOT USE GRANT MONEY TO OFFSET OR REPLACE FUNDING FOR FREE TRANSIT SERVICES THAT THE ELIGIBLE TRANSIT AGENCY OFFERS AS OF JANUARY 1 OF THE FUNDING YEAR; EXCEPT THAT AN ELIGIBLE TRANSIT AGENCY MAY USE GRANT MONEY THAT WAS NOT EXPENDED IN THE YEAR IN WHICH IT WAS RECEIVED OR GRANT MONEY FROM A GRANT AWARDED FOR A SUBSEQUENT YEAR TO CONTINUE FUNDING FOR ANY SUCH FREE TRANSIT SERVICES THAT WERE PREVIOUSLY FUNDED WITH GRANT MONEY.
 - (III) AN ELIGIBLE TRANSIT AGENCY THAT RECEIVES A GRANT TO PROVIDE YEAR-ROUND FARE FREE TRANSIT SERVICES TO YOUTH RIDERS MAY USE GRANT MONEY TO PROVIDE OPERATING SUPPORT FOR ITS TRANSIT OPERATIONS AND GENERAL TRANSIT PROGRAMS AND TO PAY FOR OTHER EXPENSES NECESSARY TO IMPLEMENT AND MEASURE THE EFFECTIVENESS OF THE PROGRAM, INCLUDING REASONABLE MARKETING EXPENSES INCURRED TO RAISE AWARENESS OF FREE SERVICE AND INCREASE RIDERSHIP, EXPENSES INCURRED IN CONDUCTING RIDER SURVEYS TO BETTER MEASURE THE IMPACT OF THE PROGRAM ON RIDERSHIP AND VEHICLE MILES TRAVELED IN PRIVATE MOTOR VEHICLES, AND EXPENSES ASSOCIATED WITH AN INCREASE IN RIDERSHIP AS A RESULT OF THE PROGRAM SO LONG AS THE ELIGIBLE TRANSIT AGENCY PROVIDES UNINTERRUPTED FARE FREE YEAR-ROUND TRANSIT SERVICES FOR YOUTH RIDERS.
 - (d) IN AWARDING GRANTS PURSUANT TO THIS SUBSECTION (5),

CASTA SHALL:

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- (I) FOR A RECIPIENT OF A GRANT TO PROVIDE FREE TRANSIT SERVICES DURING THE OZONE SEASON:
- (A) ALLOCATE MONEY AMONG APPLICANTS WITH THE GOALS OF REDUCING OZONE FORMATION, INCREASING RIDERSHIP ON TRANSIT, AND REDUCING VEHICLE MILES TRAVELED IN THE STATE; AND
- (B) CONSIDER THE EXTENT TO WHICH THE APPLICANT WILL MATCH GRANT MONEY WITH OTHER MONEY; AND
- (II) FOR A RECIPIENT OF A GRANT TO PROVIDE YEAR-ROUND FARE FREE TRANSIT TO YOUTH RIDERS:
- (A) ALLOCATE MONEY AMONG APPLICANTS WITH THE GOALS OF INCREASING YOUTH RIDERSHIP ON TRANSIT, REDUCING OZONE FORMATION, AND REDUCING VEHICLE MILES TRAVELED IN THE STATE; AND
- (B) CONSIDER DISTRIBUTING GRANT MONEY USING A FORMULA DEVELOPED BY CASTA THAT TAKES INTO ACCOUNT YOUTH RIDERSHIP IN THE SERVICE AREA OF THE APPLICANT AND THE EXTENT TO WHICH THE APPLICANT WILL MATCH GRANT MONEY WITH OTHER MONEY; EXCEPT THAT AN APPLICANT IS NOT REQUIRED TO MATCH GRANT MONEY TO BE ELIGIBLE TO RECEIVE A GRANT.
- (e) (I) EACH ELIGIBLE TRANSIT AGENCY THAT RECEIVES A GRANT SHALL REPORT ON THE USE OF THE MONEY TO CASTA IN ACCORDANCE WITH POLICIES ESTABLISHED BY CASTA AND THE OFFICE. THE REPORT MUST INCLUDE THE INFORMATION SPECIFIED IN SUBSECTION (5)(e)(II) OR (5)(e)(III) OF THIS SECTION, AS APPLICABLE.
- (II) FOR A RECIPIENT OF A GRANT TO PROVIDE FREE TRANSIT SERVICES DURING THE OZONE SEASON, THE REPORT REQUIRED IN THIS SUBSECTION (5)(e) MUST INCLUDE, AT A MINIMUM, INFORMATION ON HOW THE GRANT MONEY WAS SPENT; THE FREE SERVICES THAT WERE OFFERED USING THE GRANT MONEY; AND ESTIMATES OF THE CHANGE IN RIDERSHIP DURING THE PERIOD THAT FREE SERVICES WERE OFFERED COMPARED TO PREVIOUS MONTHS, THE SAME MONTH IN PREVIOUS YEARS, AND THE MONTHS AFTER THE PROGRAM CONCLUDED. THE REPORT MAY INCLUDE ADDITIONAL INFORMATION, INCLUDING A NARRATIVE ANALYSIS, TO PROVIDE CONTEXT ON THE RIDERSHIP DATA INCLUDED IN THE REPORT.
- (III) FOR A RECIPIENT OF A GRANT TO PROVIDE YEAR-ROUND FARE FREE TRANSIT TO YOUTH RIDERS, THE REPORT REQUIRED IN THIS SUBSECTION (5)(e) MUST INCLUDE, AT A MINIMUM, ESTIMATES OF THE CHANGE IN YOUTH RIDERSHIP DURING THE YEAR IN WHICH FARE FREE SERVICES WERE OFFERED TO YOUTH RIDERS COMPARED TO PREVIOUS YEARS, ANY CHANGES THAT THE ELIGIBLE TRANSIT AGENCY WOULD MAKE IN HOW IT PROVIDES FARE FREE TRANSIT SERVICES TO YOUTH RIDERS OR IN ITS USE OF THE GRANT MONEY BASED ON ITS EXPERIENCES, AND HOW THE ELIGIBLE TRANSIT AGENCY MARKETED THE FARE FREE TRANSIT

SERVICES FOR YOUTH RIDERS. THE REPORT MAY INCLUDE ADDITIONAL INFORMATION, INCLUDING A NARRATIVE ANALYSIS, TO PROVIDE CONTEXT ON THE RIDERSHIP DATA INCLUDED IN THE REPORT.

- (IV) EACH ELIGIBLE TRANSIT AGENCY THAT RECEIVES A GRANT THROUGH CASTA SHALL SUBMIT ITS REPORT TO CASTA BY NOVEMBER 1, 2024, AND BY NOVEMBER 1 OF EACH YEAR THEREAFTER.
- (f) By December 1, 2024, and by December 1 of each year thereafter, CASTA shall submit a report to the office compiling and summarizing the reported information for all eligible transit agencies that received a grant through CASTA.
- (g) (I) CASTA SHALL DEVELOP AND PUBLICIZE POLICIES FOR THE GRANT, INCLUDING THE PROCESS AND DEADLINES FOR AN ELIGIBLE TRANSIT AGENCY TO APPLY FOR AND RECEIVE A GRANT, THE INFORMATION AND DOCUMENTATION REQUIRED FOR THE APPLICATION, REPORTING REQUIREMENTS AND DEADLINES, AND ANY ADDITIONAL REQUIREMENTS NECESSARY TO ADMINISTER THE GRANT.
- (II) IN ADDITION TO THE REQUIREMENTS SPECIFIED IN SUBSECTION (5)(g)(I) OF THIS SECTION, CASTA SHALL PROVIDE NOTICE THAT IF A TRANSIT AGENCY IS APPLYING FOR A GRANT TO PROVIDE FREE TRANSIT SERVICES DURING THE OZONE SEASON, THE ELIGIBLE TRANSIT AGENCY MUST IDENTIFY ANY PERIOD OTHER THAN JUNE 1 TO AUGUST 31 OF A CALENDAR YEAR FOR ITS OZONE SEASON IN THE APPLICATION.
- (6) (a) The regional transportation district may use grant money to provide operating support for its transit operations and general transit programs and to pay for other expenses necessary to implement and measure the effectiveness of the program, including reasonable marketing expenses incurred to raise awareness of free service and increase ridership, expenses incurred in conducting rider surveys to better measure the impact of the program on ridership and vehicle miles traveled in private motor vehicles, and expenses associated with an increase in ridership as a result of the program so long as the regional transportation district provides uninterrupted fare free year-round transit services for youth riders.
- (b) On or before December 1 of each year for which the regional transportation district receives a grant, the regional transportation district shall submit a report to the office on the implementation of the program in accordance with the policies established by the office. The report must include, at a minimum, estimates of the change in youth ridership during the year in which fare free services were offered to youth riders compared to previous years, any changes that the regional transportation district would make in how it provides fare free

TRANSIT SERVICES TO YOUTH RIDERS OR IN ITS USE OF THE GRANT MONEY BASED ON ITS EXPERIENCES, AND HOW THE REGIONAL TRANSPORTATION DISTRICT MARKETED THE FARE FREE TRANSIT SERVICES FOR YOUTH RIDERS. THE REPORT MAY INCLUDE ADDITIONAL INFORMATION, INCLUDING A NARRATIVE ANALYSIS, TO PROVIDE CONTEXT ON THE RIDERSHIP DATA INCLUDED IN THE REPORT.

- (c) The State Auditor shall audit the regional transportation district's use of the grant money as part of its performance audit of the regional transportation district conducted pursuant to section 32-9-115 (3).
- (7) THE OFFICE SHALL ESTABLISH AND PUBLICIZE POLICIES FOR THE PROGRAM. AT A MINIMUM, THE POLICIES MUST ADDRESS THE PROCESS AND ANY DEADLINES FOR APPLYING FOR AND RECEIVING A GRANT UNDER THE PROGRAM, THE INFORMATION AND DOCUMENTATION REQUIRED FOR THE APPLICATION, REPORTING REQUIREMENTS AND DEADLINES, AND ANY ADDITIONAL POLICIES NECESSARY TO ADMINISTER THE PROGRAM.
- (8) (a) The zero fare transit fund is hereby created in the state treasury. The fund consists of money transferred to the fund pursuant to section 24-38.5-114 (8)(e), as it existed prior to its repeal on July 1, 2024, money transferred to the fund pursuant to section 43-4-1103 (2)(e), any other money that the general assembly appropriates or transfers to the fund, and any gifts, grants, or donations credited to the fund pursuant to subsection (9) of this section.
- (b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO THE FUND.
- (c) Money in the fund is continuously appropriated to the office for the purposes specified in this section.
- (d) Any money that is transferred from the ozone season transit grant program fund to the fund on June 30, 2024, pursuant to section 24-38.5-114 (8)(e), as it existed prior to its repeal on July 1, 2024, that is obligated or encumbered when it is transferred shall be used for the same purpose for which it was obligated or encumbered pursuant to section 24-38.5-114, as it existed prior to its repeal on July 1, 2024.
- (e) On June 30, 2026, the state treasurer shall transfer any unexpended and unencumbered money remaining in the fund that was transferred pursuant to section 43-4-1103 (2)(e) to the portion of the multimodal transportation options fund that is allocated pursuant to section 43-4-1103 (2)(a)(I)(A).
- (9) THE OFFICE MAY SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR THE PURPOSES OF

THIS SECTION. THE OFFICE SHALL TRANSMIT ALL MONEY RECEIVED THROUGH GIFTS, GRANTS, OR DONATIONS TO THE STATE TREASURER, WHO SHALL CREDIT THE MONEY TO THE FUND.

(10) ON OR BEFORE DECEMBER 31 OF EACH YEAR OF THE PROGRAM, THE OFFICE SHALL SUBMIT A REPORT ON THE IMPLEMENTATION OF THE PROGRAM TO THE HOUSE OF REPRESENTATIVES TRANSPORTATION, HOUSING AND LOCAL GOVERNMENT COMMITTEE AND THE SENATE TRANSPORTATION AND ENERGY COMMITTEE, OR THEIR SUCCESSOR COMMITTEES. THE REPORT MUST SUMMARIZE AND COMPILE THE INFORMATION SUBMITTED TO THE OFFICE PURSUANT TO SUBSECTIONS (5)(e) AND (6)(b) OF THIS SECTION.".

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