2018

Colorado’s Transportation System
Infrastructure, Organization, Planning and Funding

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Introduction

Colorado’s transportation system consists of the state highway system, county and municipal roads, mass transit, airports, railroads, and bicycle and pedestrian routes. The system is primarily managed by the Colorado Department of Transportation (CDOT). Cities, counties, transit authorities, regional transportation authorities, public highway authorities, and the Colorado Public Utilities Commission (PUC) also manage portions of the system. The Colorado Transportation Commission provides direction to CDOT, a role authorized by the General Assembly in state law. Both state and local governments administer the transportation system using federal, state, and local funding.

This memorandum is divided into four sections. Section 1 provides an overview of the state’s transportation infrastructure. Section 2 highlights the state agencies involved in transportation issues, including the Transportation Planning Regions and Metropolitan Planning Organizations, the Statewide Transportation Advisory Committee, the Transportation Commission, CDOT, the PUC, and the General Assembly. Section 3 provides an overview of transportation planning in Colorado, including short- and long-term planning, and project prioritization. Section 4 provides an overview of the state’s transportation funding system, which primarily comes from the Highway Users Tax Fund, federal funds, General Fund, and local funding.

For information specific to motor vehicles, see the Colorado Legislative Council Staff’s Motor Vehicle Law Resource Book.
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Section 1: Colorado's Transportation Infrastructure

This section describes Colorado's transportation infrastructure, which consists of:

- the state highway system;
- county and municipal roads;
- public highway authorities — including E-470, Northwest Parkway, and Jefferson Parkway;
- Express Lanes;
- the Regional Transportation District (RTD);
- regional transportation authorities;
- aviation;
- railroads; and
- bicycle and pedestrian routes.

State Highway System

Colorado’s highway system includes interstate highways, U.S. highways, toll roads, and state highways. County and city roads are not part of the state highway system. As of 2018, the state highway system has over 9,100 centerline miles and 23,000 total lane miles. Lane miles are calculated by measuring the centerline length of a road, and multiplying that number by the total number of lanes on the road. On average per year, over 27 billion annual vehicle miles traveled (AVMT) are logged on the system. AVMT is a measurement that multiplies a daily traffic data count (collected through permanent automatic traffic recorders) by the length of a road segment and sums all segments in a geographical area of concern. The system also includes about 3,500 bridges.

County and Municipal Roads

CDOT is primarily responsible for the state highway system, while counties and municipalities maintain their own network of roadways within their jurisdictions.

County roads. There are 64 counties in Colorado. County commissioners have the power to design, alter, or discontinue any road running through their county. There are currently over 58,000 miles of county roads and over 3,000 county bridges in Colorado. A majority of counties have a road and bridge supervisor or engineer who oversees the county road department. However, commissioners in some rural counties may manage their own road departments. Counties may levy taxes and receive loans to build and repair county roads and bridges; any loans for this purpose must be approved by county voters.

Municipal roads. Colorado's 271 incorporated municipalities include 196 towns, 73 cities, and 2 consolidated city and county governments (Denver and Broomfield). The governing body of each municipality is responsible for the construction and maintenance of a city street system that includes all arterial and local service streets. Cities, city and counties, and incorporated towns are also responsible for the maintenance of underground facilities in the street system, street illumination, and street cleaning at their own expense.¹

¹Section 43-2-135, C.R.S.
**Intergovernmental agreements.** CDOT is responsible for constructing and maintaining the state highway system that runs through a city or incorporated town. However, CDOT may enter into a contract with a city or incorporated town for the maintenance or construction of sections of the state highway system that run through it. Any municipality, county, or political subdivision can enter into an intergovernmental agreement with CDOT to contribute necessary funds to the department to accelerate the completion of state highway projects. Both the Transportation Commission and the governing body of the municipality, county, or political subdivision must approve intergovernmental agreements for state highway maintenance.\(^2\)

**Public Highway Authorities**

Public highway authorities, authorized by the General Assembly in 1987, are political subdivisions that plan, design, and construct public highways.\(^3\) State law provides that two or more local governments may create an authority, and the state may also be a party to a contract establishing an authority. A public highway established by an authority is statutorily defined as a beltway or transportation improvement located in a metropolitan region that generally circumscribes a metropolitan region, and that will be utilized primarily for major traffic movement at higher traffic speeds. Authorities may establish, collect, and increase or decrease fees, tolls, rates, and charges on any public highway it finances, constructs, operates, or maintains. There are currently three public highway authorities organized in Colorado, two of which currently operate toll roads.

**E-470.** E-470 is primarily a 75 mile-per-hour (mph), four-lane toll highway that runs about 47 miles along the eastern perimeter of the Denver metropolitan area, connecting I-25 North to I-25 South. E-470 was formed in 1985, opened its first segment in 1991, and was completed in 2003.

- **Members.** E-470's board of directors is composed of eight voting member jurisdictions, including: Adams, Arapahoe, and Douglas counties, and the municipalities of Aurora, Brighton, Commerce City, Parker, and Thornton. Ex officio members include Weld County; the City and County of Broomfield; the cities of Arvada, Greeley, and Lone Tree; CDOT; the Denver Regional Council of Governments (DRCOG); and the RTD.

- **Cost of original construction.** The original construction cost of E-470 was $416 million.

- **Infrastructure.** E-470 includes 101 bridge structures, 24 interchanges, 4 maintenance yards, 1 administrative building, 21 solar sites, and 44 toll points.

- **Funding.** E-470 is financed from bonds, toll revenues, investment income, and other non-toll revenues.

- **Operator.** The E-470 Public Highway Authority operates E-470.

- **Rates.** **Toll rates** range from $1.25 to $13.50 depending on distance traveled, number of axles, and whether ExpressToll or License Plate Tolling is used.

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\(^2\)Section 43-2-144, C.R.S.

\(^3\)Section 43-4-501, *et seq.*, C.R.S.
Northwest Parkway. The Northwest Parkway is primarily a 75 mph, four-lane toll highway that runs about nine miles through the northwest Denver metropolitan area, connecting E-470 at I-25 with US 36 at State Highway 128 in Broomfield. The Northwest Parkway was established in July 1999, opened to traffic in November 2003, and began tolling in January 2004.

- Members. The Northwest Parkway’s board of directors includes the City and County of Broomfield and the City of Lafayette. Ex-officio members include Jefferson County, the City of Arvada, CDOT, RTD, and the Interlocken Metropolitan District.

- Cost of original construction. The original construction cost of the Northwest Parkway was $191 million.

- Infrastructure. The Northwest Parkway includes 23 bridge structures, 3 interchanges, 4 toll ramp plazas, 1 mainline toll plaza, 1 maintenance yard, 1 administrative building, and 7 solar sites.

- Funding. The Northwest Parkway is financed with revenue bonds and investment income. However, with traffic volumes less than forecast, the Northwest Parkway was leased to a private operator in 2007.

- Operator. The Northwest Parkway originally signed a 99-year concession and lease agreement with Northwest Parkway LLC — a joint venture between Brisa-AutoEstradas de Portugal, S.A., and Companhia de Concessões Rodoviárias — in November 2007. In 2017, a new ownership group assumed ownership of Northwest Parkway LLC. The new ownership is a joint venture between three companies: HICL Infrastructure Company Limited, based in Guernsey; DIF Infrastructure IV CooperatiefUA, a Dutch company; and Northleaf Infrastructure Capital Partners LP/Northleaf Infrastructure Capital Partners II LP, a Canadian company. The Northwest Parkway will still assume ownership at the end of the lease term, for which approximately 90 years remain.

- Rates. The toll rate is $3.90 for the length of the road for a two-axle vehicle, and an additional $3.90 per additional axle. In addition to accepting ExpressToll, the Northwest Parkway uses its own Go-Pass transponder system.

Jefferson Parkway. The Jefferson Parkway was established in May 2008 to complete the last unbuilt portion of the 470 beltway in the northwest quadrant of the Denver metropolitan area, connecting State Highway 128 to State Highway 93, through a public-private partnership. The right-of-way for the proposed toll road has been assembled, either through direct conveyance to Jefferson Parkway or to its member jurisdictions. The board of directors includes Jefferson County, Broomfield City and County, and the City of Arvada. RTD and the Regional Air Quality Council are ex officio members. The proposed highway is currently undergoing CDOT’s Section 1601 interchange permitting process. As part of this process, the Transportation Commission must approve Jefferson Parkway’s connection to any state highways. The process will examine three junctions where Jefferson Parkway will connect: State Highway 93, State Highway 72, and State Highway 128. The authority completed a traffic and revenue study in April 2018, and the board released a Request for Qualification in September 2018.
Express Lanes

CDOT, the High-Performance Transportation Enterprise (HPTE), and its partners manage several high-occupancy vehicle and/or toll (HOV/HOT) lanes in the Denver metropolitan area and on I-70 in the mountains. These Express Lanes permit only vehicles carrying a specified number of persons (HOV) or that pay a toll (HOT). Table 1 provides and overview of the HOV/HOT lanes currently operational in the state.

Express Lanes are currently in operation on:

- I-25 Central, from 20th Street to I-25/US 36 intersection;
- I-25 North from US 36 to 120th Avenue;
- US 36 from Denver to Boulder; and
- I-70 Mountain Corridor, from Empire to Idaho Springs.

Express Lanes are also under construction or planned for the following interstate sections:

- C-470 from I-25 to Wadsworth Boulevard;
- Central I-70 from I-25 to Chambers Road;
- North I-25 from 120th Avenue to Fort Collins; and
- South I-25 Gap from Castle Rock to Monument.

Express Lanes management. The following entities operate Express Lanes:

- Plenary Roads Denver. The HPTE contracts with Plenary Roads Denver for the operation and maintenance of Express Lanes on US 36 and Central I-25. Currently, US 36 has one HOT lane running in each direction from Table Mesa Drive in Boulder to the junction with I-25 in Denver, while there are two HOT switchable-direction lanes running seven miles from the junction of US 36 and I-25 to 20th Street in downtown Denver.

- High-Performance Transportation Enterprise. The HPTE operates a single express lane running in each direction on I-25 between US 36 and 120th Avenue.

- CDOT. CDOT manages the eastbound peak-period shoulder Express Lane on I-70 between Empire and Idaho Springs as part of a federal pilot project.

ExpressToll. State law requires CDOT to standardize automatic vehicle identification system use on HOV and HOT lanes to ensure that drivers can purchase and install one electronic identification device, such as a transponder, to use on all toll facilities. As a result, the HPTE entered into a tolling services agreement with E-470 to provide tolling services through ExpressToll. Switchable transponders cost $15, and a $20 balance is required to open an online account. Free transponders are available for HOV-only travelers. Any driver using the Express Lanes without an ExpressToll transponder receives a license plate toll bill sent to the registered owner of the vehicle.

Toll rates. Express Lane toll rates vary depending on time of day, and whether the vehicle owner uses an ExpressToll transponder or relies on license plate tolling. ExpressToll transponders also have an HOV setting that allows vehicles to travel toll-free.
Any traveler may use Express Lanes:

- for free with a motorcycle or if the vehicle has at least three passengers (visit CDOT’s website for more information on HOV3);
- through transit on either priority buses or bus rapid transit; or
- by paying a toll.

### Table 1
Express Lanes and Toll Roads in Colorado

<table>
<thead>
<tr>
<th>Corridor</th>
<th>Location</th>
<th>Year Opened/Opening</th>
</tr>
</thead>
<tbody>
<tr>
<td>I-25 Corridor</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I-25 Central</td>
<td>20th Street to I-25/US 36 (link)</td>
<td>2006</td>
</tr>
<tr>
<td>I-25 North</td>
<td>I-25/US 36 to 120th Avenue (link)</td>
<td>2016</td>
</tr>
<tr>
<td>I-25 North</td>
<td>120th to Northwest Parkway/E-470 (link)</td>
<td>2019</td>
</tr>
<tr>
<td>I-25 North</td>
<td>Johnstown to Fort Collins (link)</td>
<td>2022</td>
</tr>
<tr>
<td>I-25 South Gap</td>
<td>Monument to Castle Rock (link)</td>
<td>2022</td>
</tr>
<tr>
<td>US 36</td>
<td>I-25/US 36 to Table Mesa Drive (link)</td>
<td>2015</td>
</tr>
<tr>
<td>I-70 Mountain</td>
<td>Empire to Veterans Memorial Tunnels (link)</td>
<td>2015</td>
</tr>
<tr>
<td>I-70 Central</td>
<td>I-25 to Chambers Road (link)</td>
<td>2022</td>
</tr>
<tr>
<td>C-470</td>
<td>I-25 to Wadsworth Boulevard (link)</td>
<td>2019</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Public Highway Authority</th>
<th>Participating Local Governments</th>
</tr>
</thead>
<tbody>
<tr>
<td>E-470</td>
<td>Adams, Arapahoe, and Douglas Counties; the cities of Aurora, Brighton, Commerce City, and Thornton; and the Town of Parker</td>
</tr>
<tr>
<td>Northwest Parkway</td>
<td>City and County of Broomfield and the City of Lafayette</td>
</tr>
</tbody>
</table>

Sources: Colorado Department of Transportation, E-470, and Northwest Parkway.

### Regional Transportation District

The General Assembly created the RTD in 1969 to create, operate, and maintain a transit system in the RTD’s service area.\(^4\) The RTD service area currently serves 2.92 million people in 2,342 square miles of service area, including all or part of the following eight counties: Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, Jefferson, and Weld. RTD has a governing board of directors with 15 elected members. Each director serves a four-year term representing districts of approximately 175,000 residents. For up-to-date facts and figures, visit RTD by the Numbers on RTD’s website.

**FasTracks.** Voters in the district approved RTD’s multi-billion dollar FasTracks program in 2004 to expand transit across the Denver metro region. This plan included 122 miles of new light and commuter rail and 18 miles of rapid transit bus service. FasTracks is funded through a combination of a voter-approved sales tax of 0.4 percent, public-private partnerships, and federal funding.

As a result, RTD’s light and commuter rail system is comprised of 9 rail lines and 54 stations. One additional line, the G Line to Wheat Ridge, is scheduled to open pending testing and federal approval. The RTD rail map is shown in Figure 1.

\(^4\)Section 32-9-101, et seq., C.R.S.
Figure 1
RTD Rail and Bus Rapid Transit System

Source: Regional Transportation District.
Fares. RTD fares depend on several factors, including zone of travel, discounts, and type of ticket package purchased. In addition, rides are free for children under five riding with a fare-paying adult and active duty members of the U.S. military. Fares and fare payment options are discussed in detail on the RTD website’s Fares page.

2019 fare changes. A 25-member working group recently completed an evaluation of RTD’s pass programs and drafted recommendations. The Fare Pass Working Group’s recommendations included adding a low-income pass, which would discount fares by 40 percent for riders who have incomes at or below 185 percent of the Federal Poverty Level; and a youth pass, which would discount fares for riders who are 13 to 19 years old by 70 percent. More information on the fare study can be found here.

The RTD board approved the recommendations made by the working group on September 18, 2018. Starting January 1, 2019, RTD fares are as follows: $3.00 for local trips, $5.25 for regional trips, and $10.50 for airport trips. More information on the new fare structure can be found here.

Regional Transportation Authorities

Municipalities and counties can join together to create regional transportation authorities to finance, construct, operate, or maintain regional transportation systems, if the proposal is approved by registered electors within the boundaries of the proposed authority. Through a board, regional transportation authorities finance, construct, operate, or maintain regional transportation systems within or outside of their established boundaries. If an authority’s proposed transportation system affects, alters, or negatively affects the road systems controlled by CDOT, RTD, or any bordering entities, the impacted entity may enter into an intergovernmental agreement with the authority to address the identified services before submitting a proposal to registered electors. Regional transportation authority boards may also create local improvement districts (LIDs) within their boundaries to facilitate the financing, construction, operation, or maintenance of regional transportation system improvements.

State law authorizes regional transportation authorities to establish, collect, and increase or decrease tolls, rates, and charges to finance a transportation system. Authorities may levy sales taxes, impose an annual motor vehicle registration fee, levy a visitor benefit tax, impose a property tax, establish regional transportation activity enterprises, and issue bonds. Authority taxation questions and multi-year debt questions must be submitted to the registered electors residing within the authority’s boundaries for approval. The Colorado Department of Revenue collects and administers the sales tax on behalf of the authorities.

Five regional transportation authorities currently exist in the state. Table 2 provides an outline of current and past authorities, with a description of their membership and current tax rates. Further information on regional transportation authorities is available in this Legislative Council Staff memorandum.

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5Section 43-4-601, et seq., C.R.S.
### Active Regional Transportation Authorities

<table>
<thead>
<tr>
<th>Authority</th>
<th>Member Municipalities and Counties</th>
<th>Sales Tax Rate</th>
<th>Use Tax Rate</th>
<th>Property Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gunnison Valley Rural Transportation Authority</td>
<td>Gunnison County, excluding the municipalities of Marble, Ohio, Pitkin, and Somerset</td>
<td>1.0%</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Pikes Peak Rural Transportation Authority</td>
<td>El Paso County, excluding the municipalities of Calhan, Fountain, Monument, and Palmer Lake</td>
<td>1.0%</td>
<td>1.0%</td>
<td>None</td>
</tr>
<tr>
<td>Roaring Fork Transportation Authority</td>
<td>Cities of Basalt and New Castle, Cities of Carbondale and Glenwood Springs, Cities of Aspen and Snowmass Village, and unincorporated Pitkin County Areas of unincorporated Eagle County in the El Jebel area and outside the city limits of Carbondale</td>
<td>0.8%</td>
<td>0.8%</td>
<td>2.65 mills</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1.0%</td>
<td>1.0%</td>
<td>2.65 mills</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.4%</td>
<td>0.4%</td>
<td>2.65 mills</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.6%</td>
<td>0.6%</td>
<td>2.65 mills</td>
</tr>
<tr>
<td>San Miguel Authority for Regional Transportation</td>
<td>City of Telluride and eastern San Miguel County (excluding towns of Ophir and Sawpit)</td>
<td>0.25%</td>
<td>None</td>
<td>0.75 mills</td>
</tr>
<tr>
<td>South Platte Valley Regional Transportation Authority</td>
<td>City of Sterling</td>
<td>0.1%</td>
<td>0.1%</td>
<td>None</td>
</tr>
</tbody>
</table>

### Former Regional Transportation Authorities

<table>
<thead>
<tr>
<th>Authority</th>
<th>Member Municipalities and Counties</th>
<th>Sales Tax Rate</th>
<th>Use Tax Rate</th>
<th>Property Tax Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baptist Road Rural Transportation Authority*</td>
<td>A portion of the city of Monument. It stopped collecting sales and use tax on July 1, 2016, and dissolved in December 2016.</td>
<td>1.0%</td>
<td>1.0%</td>
<td>None</td>
</tr>
</tbody>
</table>

*Source: Colorado Department of Revenue.

### Aviation

There are currently 74 public-use airports in Colorado. Of these, 14 are commercial service airports and 60 are general aviation airports (51 publicly owned and 9 privately owned). The map in Figure 2 shows where these public-use airports are located.
Division of Aeronautics — CDOT. The state’s Division of Aeronautics’ mission is to develop an effective air transportation system and enhance aviation safety and education. It does this through the administration of the Colorado Aviation Fund under the direction of the Colorado Aeronautical Board. See the transportation funding section later in this memorandum for more information about the aviation fund. The division’s annual report provides an overview of current statewide aviation initiatives.

Colorado Aeronautical Board. The Colorado Aeronautical Board is the policymaking body that oversees the operation of the Division of Aeronautics and has responsibility for the Colorado Discretionary Aviation Grant program. It is comprised of seven Governor-appointees representing defined constituencies in the aviation community. Board members are limited to no more than two, three-year terms.

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6Section 43-10-101, et seq., C.R.S.
**Denver International Airport.** Denver City and County owns and operates Denver International Airport (DIA). Under Denver’s municipal code, Denver’s Department of Aviation is responsible for the management, operation, and control of the airport, which is managed by a mayoral appointee. DIA is an enterprise for the purposes of the Taxpayer’s Bill of Rights (TABOR) and has the authority to issue its own revenue bonds. Beginning in 2014, an Airport Management Advisory Committee, composed of industry, business, and government members, advises DIA and the mayor about management, policy, and strategic planning. Committee members serve voluntary one-year terms.

**Railroads**

Colorado’s rail system consists of a freight rail network and a limited passenger rail network.

**Freight rail system.** Fourteen privately owned freight railroads operate in Colorado, as shown in Figure 3. These freight railroads collectively own more than 2,800 miles of track. BNSF Railway and Union Pacific Railroad carry a majority of the freight in the state and operate over 80 percent of the miles of track. The other 12 freight railroads are short line railroads that provide localized connections between BNSF and Union Pacific, and primarily serve the agricultural industry. The freight rail network currently serves 48 out of 64 Colorado counties. Figure 3 provides an overview of Colorado’s rail system.

**Figure 3**
**Colorado’s Rail System**
*Last revised 2012*

Source: Colorado Department of Transportation.
**Passenger railroads.** Amtrak is currently the only provider of long-distance passenger rail service in Colorado. The two Amtrak lines that provide service in Colorado are the California Zephyr, which runs between Chicago and San Francisco, and the Southwest Chief, which operates between Chicago and Los Angeles.

**Southwest Chief and Front Range Passenger Rail Commission.** In 2017, the 9-member Southwest Chief Rail Line Economic Development, Rural Tourism, and Infrastructure Repair and Maintenance Commission, which was created in 2014, was replaced with the 13-member Southwest Chief and Front Range Passenger Rail Commission. The new commission assumed the powers and duties of the old commission, which include the coordination of efforts to ensure that track repairs and upgrades required for the continuation of existing Southwest Chief Rail service in Colorado are completed; extending rail service to Pueblo; and exploring the benefits of extending service to Walsenberg. In addition, the commission is tasked with developing draft legislation that facilitates the development of a passenger rail system to provide service along the I-25 corridor. The commission's recent report on the development of a Front Range passenger rail can be found here.

**Scenic railroads.** Colorado has eight scenic railroads that operate on standard or narrow gauge tracks (with one operating on a cog rail system), as shown in Table 3 below.

<table>
<thead>
<tr>
<th>Scenic Railroad</th>
<th>Route Miles Operated</th>
<th>Period of Operation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cripple Creek and Victor Narrow Gauge Railroad</td>
<td>4</td>
<td>Mid-May through Mid-October</td>
</tr>
<tr>
<td>Cumbres and Toltec Railroad</td>
<td>63</td>
<td>Late-May through Mid-October</td>
</tr>
<tr>
<td>Durango and Silverton Narrow Gage</td>
<td>45</td>
<td>Year-round</td>
</tr>
<tr>
<td>Georgetown Loop Railroad</td>
<td>4</td>
<td>Late April through December</td>
</tr>
<tr>
<td>Leadville Colorado and Southern Railroad</td>
<td>22</td>
<td>Late May through Early October</td>
</tr>
<tr>
<td>Manitou and Pikes Peak Railway Company</td>
<td>9</td>
<td>Year-round</td>
</tr>
<tr>
<td>Rio Grande Scenic Railroad</td>
<td>62</td>
<td>Late May through October</td>
</tr>
<tr>
<td>Royal Gorge Route Railroad</td>
<td>12</td>
<td>Late May through December</td>
</tr>
</tbody>
</table>

*Source: Colorado Department of Transportation.*

**Bicycle and Pedestrian Routes**

The Transportation Commission routinely considers the needs of bicyclists and pedestrians when planning, designing, and operating transportation facilities in the state, and integrates existing and potential bicycle and pedestrian use into the overall statewide transportation planning process. CDOT also administers federal bicycle and pedestrian programs, like Safe Routes to School.

CDOT has committed to spend at least 2.5 percent of the state's construction budget on bike and pedestrian programs, including infrastructure. In addition, a portion of Great Outdoors Colorado’s lottery revenue is used for trails. CDOT’s Bicycle and Pedestrian program manages two public awareness campaigns — Share the Road and a pedestrian safety awareness campaign — and

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*Section 43-4-1002, C.R.S.*
maintains a variety of publications, including the Colorado Bicycling Manual and an interactive and printed Bicycling and Byways map.

State law classifies bicycles as vehicles and details the rules for operating a bicycle. The law does not require the licensing of bicycles, but when operating bicycles on streets and highways within incorporated cities and towns, cyclists are subject to local ordinances regulating the operation of bicycles. 

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8Section 42-4-1412, C.R.S.
9Section 42-4-1412 (1), C.R.S.
Section 2: State Entities Involved in Transportation

This section highlights the entities involved in transportation planning, including:

- Transportation Planning Regions and Metropolitan Planning Organizations;
- the Statewide Transportation Advisory Committee;
- the Colorado Transportation Commission;
- the Colorado Department of Transportation;
- the Colorado Public Utilities Commission; and
- the General Assembly.

Transportation Planning Regions and Metropolitan Planning Organizations

There are ten Transportation Planning Regions (TPRs) and five Metropolitan Planning Organizations (MPOs) in Colorado. These planning regions identify transportation priorities within their region, which are incorporated into the statewide transportation plan. Figure 4 provides a map of these regions.

Figure 4
Colorado’s Transportation Planning Regions

![Map of Colorado Transportation Planning Regions](image)

Source: Colorado Department of Transportation.

For the regions identified below, a government organization represents the planning region:

- **Central Front Range TPR** – Upper Arkansas Area Council of Governments
- **Greater Denver Area MPO** – Denver Regional Council of Governments
- **Gunnison Valley TPR** – Region 10 League for Economic Assistance and Planning
One member of each region serves on the Statewide Transportation Advisory Committee (STAC).

**Statewide Transportation Advisory Committee**

The 17-member advisory committee advises CDOT on statewide transportation needs and offers review and comments on all regional transportation plans, as well as the Statewide Transportation Plan. In addition to a representative from each of the state’s planning regions, a representative from both the Southern Ute Indian Tribe and the Ute Mountain Ute Indian Tribe in southwest Colorado serve on the committee. The committee meets monthly in Denver.

**Colorado Transportation Commission**

The decision-making authority for the majority of state transportation revenue rests with the Transportation Commission, created in state law in 1913. The commission sets budgetary priorities for and gives policy direction to CDOT.

The Transportation Commission consists of 11 nonpartisan commissioners, appointed by the Governor and confirmed by the Senate, each representing a corresponding district whose boundaries are defined in state law and shown in Figure 5.

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10Section 43-1-106, C.R.S.
Commission members serve four-year terms and must reside in the districts they represent. Term expiration dates are staggered every two years to provide continuity. The commission must meet at least eight times per year. The Governor, CDOT’s executive director, the commission chair, or a majority of the commission’s members may call special meetings. Commission members receive $75 per meeting, along with expenses.

The Transportation Commission has the following powers and duties, listed below by category.

**General powers and duties.** The Transportation Commission is responsible for formulating the general policy related to the management, construction, and maintenance of the state highway system. The commission promulgates and adopts CDOT’s budgets and programs. It has the authority to set and change short-term and long-term budget priorities, allowing it to shift funding among projects and regions within the state.

**CDOT oversight.** The Transportation Commission prescribes the administrative policies for the executive director and chief engineer of CDOT. These officials are required to provide the commission information it requests for studying transportation problems or regarding departmental operations. The commission is also responsible for:

- preparing an inventory of property held by CDOT, determining the benefits of disposing of properties, and directing CDOT to dispose of properties that are unlikely to be used;
- cooperating with CDOT in complying with capital construction long-range planning;
- defining the succession process for CDOT administrative officers; and
- maintaining two CDOT oversight committees, including the Audit Review Committee and the Efficiency and Accountability Committee.

**Interagency and intergovernmental cooperation.** The Transportation Commission is responsible for working with agencies and local government entities as follows:

- providing services, information, and consultation with boards of county commissioners;
- cooperating with the Division of Parks and Wildlife and its associated commission in the construction, maintenance, and improvement of roads serving state parks and recreation areas, and recreational trails along the state highway system;
- cooperating with other states or independent entities to develop transportation studies and new transportation technology; and
- seeking intergovernmental agreements between CDOT and local governments to maximize the efficiency of state transportation systems.

**Rulemaking.** The Transportation Commission is responsible for general rulemaking to carry out its duties. The General Assembly has also tasked the commission with creating the following programs and policies by rule:

- creating the emerging small business program to promote the participation of such businesses in highway construction;
- designating certain lanes on state highways as diamond lanes for buses, vanpools, and carpools;
- promulgating rules for the administration of the Transportation Infrastructure Revolving Fund; and
- creating and disseminating policies requiring CDOT to notify the public and affected neighborhoods and businesses about transportation projects, including notification requirements for contractors and impact mitigation.

Studies. Pursuant to state law, the Transportation Commission is responsible for developing studies to guide CDOT policy. In addition, several specific studies have been required over time, including studies related to: toll feasibility; the construction of a highway beltway in the Denver metropolitan area; bus regulation; existing and future state transportation systems; and the application of traffic systems management and intelligent vehicle highway systems.

Colorado Department of Transportation

CDOT provides the strategic planning for the statewide transportation system and is tasked with promoting coordination between different modes of transportation. CDOT is responsible for the construction and maintenance of the state highway system, which totals about 23,000 total lane miles and includes federal interstate highways, U.S. highways, state highways, and about 3,500 bridges. The department also supports statewide aviation and operates Bustang, an interregional express bus service.

Structure. CDOT is led by an executive director who is tasked with planning, developing, constructing, and coordinating an integrated transportation system in cooperation with federal, regional, local, and private organizations. The executive director leads the executive management team, which includes the deputy executive director, division and office directors, the regional transportation director, and the chief engineer. Additionally, the Division of Aeronautics provides support for local airports through the leadership of the Aeronautics Board and CDOT’s executive director.

Regions. CDOT is divided into five engineering regions. Regional transportation directors report to the chief engineer, and each director is responsible for implementing and managing CDOT’s activities within his or her geographic area. These activities include the design, construction, inspection and management of all construction projects in a region. Figure 6 shows the five engineering regions in Colorado.

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11Section 43-1-101, et seq., C.R.S.
Enterprises. CDOT oversees two enterprises, the Statewide Bridge Enterprise and the HPTE. The state constitution defines an enterprise as a government-owned business that has authority to issue revenue bonds and receives less than 10 percent of its revenue from state and local government sources. Revenue to enterprises is exempt from the state’s constitutional spending (TABOR) limit.

Statewide Bridge Enterprise. The Statewide Bridge Enterprise was created to finance, repair, reconstruct, and replace designated bridges in the state. The enterprise is authorized to impose a bridge safety surcharge at rates reasonably calculated to defray the costs of completing bridge projects. Members of the Transportation Commission serve as the board of directors of this enterprise.

High-Performance Transportation Enterprise. The HPTE, which replaced the Colorado Tolling Enterprise, is tasked with actively pursuing innovative means of transportation finance through public-private partnerships, operation of concession agreements, and fee-based projects. The HPTE may impose user fees on a highway segment or highway lanes that have previously served vehicular traffic on a fee-free basis. The HPTE is required to follow a public outreach process, which includes collaboration with local governments, the public, and the planning regions. More information on this public outreach process is available here.

Colorado Public Utilities Commission

The Colorado Public Utilities Commission (PUC) within the Department of Regulatory Agencies regulates passenger carriers, such as taxis, shuttles, charter buses, and transportation network companies, and the state’s railroad infrastructure.

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13 Section 43-4-805 (1)(b)(I), C.R.S.
14 Section 43-4-806, C.R.S.
15 Section 40-1-101, C.R.S.
The PUC regulates the following types of vehicular passenger carriers:

- **Common carriers.** Common carriers provide a means of transportation or related service in a vehicle that indiscriminately carries passengers for compensation, with the exception of large-market taxicab services.

- **Contract carriers.** Contract carriers provide a means of passenger transportation over any public highway in the state with a special contract (i.e., hotel shuttles).

- **Limited regulation carriers.** Limited regulation carriers include charter scenic buses, luxury limousines, children’s activity buses, fire-crew transport, Medicaid client transport, off-road scenic charters, and, effective January 1, 2019, large-market taxicab services.

- **Transportation network companies (TNCs).** TNCs provide ride-hailing services that rely upon a mobile application to pair drivers with riders. Uber, Lyft, and HopSkipDrive are currently permitted to operate as TNCs in Colorado.

**Levels of PUC oversight.** Common and contract carriers are subject to the regulation of rates, routes, services, and market entry, in addition to insurance and safety requirements. Limited regulation carriers and TNCs are not subject to regulation of their rates, routes, services, or market entry. Table 4 shows the level of PUC oversight for each type of carrier.

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<th>Carrier Type</th>
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<th>Operational Standards</th>
<th>Rates</th>
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*Source: Public Utilities Commission.*

See the Legislative Council Staff memorandum on [State Regulation of Passenger Carrier Services, Taxis, and Transportation Network Companies](#) for more information.

**Railroads.** The [Federal Railroad Administration](#) is responsible for compliance and enforcement in operating practices, track, signal and train control, equipment, and hazardous materials. The federal [Surface Transportation Board](#) maintains economic jurisdiction over railroads that are part of the national railroad system, and this board is charged with resolving railroad service disputes and reviewing proposed railroad mergers.

While the federal government has preempted most areas of railroad safety, the PUC currently has primary jurisdiction over all public highway-rail crossings. Additionally, the PUC is responsible for the oversight of the safety and security of rail fixed guideway systems within the state, which includes any light, heavy, and rapid rail systems, monorail, inclined plane, funicular, trolley, or automated guideway system used to transport passengers that are not regulated by the federal government.
General Assembly

Subject to certain constitutional limitations, the General Assembly has determined the methods of administering and financing Colorado’s transportation system in state law by:

- outlining the state transportation planning process;
- establishing and determining the roles and responsibilities of CDOT and the Transportation Commission;
- identifying revenue sources and financing for state highway construction and maintenance; and
- determining the distribution of state funding to CDOT and Colorado’s local governments.

While the Transportation Commission serves a fiduciary role by declaring and adopting transportation construction and program budgets, it does not have the authority to raise tax revenue; this power is retained by the General Assembly and the voters.
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Section 3: Transportation Planning in Colorado

This section describes how regional and statewide transportation plans are created and how transportation projects are prioritized. Specifically, these plans include:

- regional transportation plans;
- the Statewide Transportation Plan;
- the Statewide Transportation Improvement Program;
- CDOT’s Development Program; and
- RoadX.

Regional transportation plans

The state’s transportation planning process begins at the regional level. CDOT gathers input from the 15 planning regions (as shown in Figure 4) to develop regional transportation plans for each region. The plans typically establish a region’s long-term transportation investment priorities, and are incorporated in the Statewide Transportation Plan.

Statewide Transportation Plan

State law requires CDOT to produce a 20-year plan, updated every five years. The current Statewide Transportation Plan (2040) was updated in 2015 and estimates needs and revenue through 2040. The plan outlines CDOT’s overall funding plan, identifies the future needs of Colorado’s transportation system, establishes CDOT’s vision and goals for the state, and outlines strategies to achieve these goals. CDOT plans to release an updated 2045 plan in Spring 2020.

Statewide Transportation Improvement Program

Federal regulations require CDOT to develop a Statewide Transportation Improvement Program (STIP), which is a four-year planning document for state transportation projects. CDOT updates this plan annually. Projects included in the annual plan come from the 20-year statewide transportation plan.

The Transportation Commission takes various factors into account when prioritizing projects, such as funding interplay, highway safety issues, regional priorities, and the balance of long- and short-term benefits of specific projects. Federal regulations also require Colorado’s five Metropolitan Planning Organizations (MPOs) to create their own transportation improvement programs. Each individual MPO creates its own formal process for improvement plan development, and these are integrated into CDOT’s annual improvement plan without modification.

Before the Transportation Commission adopts the annual improvement plan, it releases a draft document for public review and comment, which includes a public hearing. The Transportation Commission receives and incorporates comments prior to final adoption of this plan. After adoption,
the improvement plan is sent to the Federal Highway Administration and the Federal Transit Administration for final approval. Subsequent to its approval, the plan may be amended. Any major change requires public review and federal approval.

**CDOT’s Development Program**

CDOT recently created the Development Program to bridge the gap between the annual and the 20-year plans by identifying the state transportation system’s inventory of major investment needs and establishing priorities through a 10-year development program.

**Inventory of major investment needs.** The inventory of major investment needs is intended to capture highway projects defined as “major” by each CDOT region, and major investment needs for transit, bicycle/pedestrian, and operations. Generally, the investment needs identified through this program highlight projects unlikely to be funded to completion through traditional funding sources. The inventory only includes projects that would be funded with revenues flowing through CDOT, if sufficient revenue were available. It does not include projects that are anticipated to be funded primarily with local, regional, or private funding.

**Ten-year development program.** The development program is a subset of the inventory list, intended to identify major investment needs that are a higher priority over the next ten years. The last update to the list from June 2017 is available here.

**RoadX**

RoadX is a program in CDOT that is tasked with integrating emerging technologies into Colorado’s roadways. Its mission is to use real-time data to relieve congestion, implement technology to warn motorists of traffic conditions, and prepare infrastructure for connected vehicles. The current five-year plan for RoadX is to invest $90 million into projects and infrastructure. More information about this program and the current projects RoadX is working on can be found at their website.

For more information on Colorado’s Transportation Planning Process, visit CDOT’s website.
Section 4: State Transportation Funding

This section provides an overview of the state’s transportation funding system, which primarily comes from the Highway Users Tax Fund (HUTF) and federal funds.

The Colorado Constitution requires that all vehicle registration fees and fines charged with respect to the operation of a motor vehicle on Colorado’s public highways or any motor fuel taxes be used for the construction, maintenance, and supervision of the state highway system. Further, any taxes charged on aviation fuel must be used exclusively for aviation purposes. Under these constitutional limitations, the General Assembly may determine the sources of transportation revenue and the distribution of this revenue for statewide and local programs.

Figure 7 shows a 17-year history of the major state sources of funding for Colorado’s transportation system. Each funding source is described in greater detail below.

**Figure 7**

Major Sources of Funding for the Colorado Transportation System

*Since FY 2001-02*

Sources: Office of the State Controller and Colorado Department of Transportation.

Note: Funding sources exclude revenue to regional transit authorities and local governments.

1. CDOT sold Transportation Revenue Anticipation Notes (TRANs) as a means of generating revenue between FY 1999-00 and FY 2003-04. All TRANs revenue has been spent. Debt service on TRANs was paid with money from the federal government and state matching funds; the final debt service payment occurred in FY 2016-17.

2. HB 02-1310 transfers were repealed during the 2009 legislative session.

3. The Colorado Bridge Enterprise Fund was created pursuant to Senate Bill 09-108 (FASTER) beginning in FY 2009-10. As a state enterprise, the revenue is not subject to TABOR limits.

4. The first Senate Bill 09-228 transfer of $199.2 million was scheduled to occur in FY 2015-16 with transfers in the following four fiscal years. However, House Bill 16-1416 and Senate Bill 17-267 replaced Senate Bill 09-228 transfers with fixed dollar amounts to provide certainty in the budget process: $199.2 million in FY 2015-16, $79.0 million in FY 2016-17, and $79.0 million in FY 2017-18. Senate Bill 17-267 repealed the final two years of transfers.

5. Federal funds include $404.2 million in American Recovery and Reinvestment Act (ARRA) funds in FY 2008-09.

6. HUTF revenue includes additional registration fees paid pursuant to Senate Bill 09-108 (FASTER) beginning in FY 2009-10.

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17. Colo. Const. art. X, § 20 (4)(a) requires that the state obtain voter approval to create a new tax, increase a tax rate, extend an expiring tax, or change tax policy in a way that causes a net tax revenue gain.
Highway Users Tax Fund

The Highway Users Tax Fund (HUTF) is the primary source of state highway system funding in Colorado. Preliminary, unaudited revenue to the fund totaled $1.2 billion in FY 2017-18. Revenue to the fund comes from the following sources:

- **Motor fuel taxes.** State motor fuel excise taxes make up the largest share of fund revenue. Excise taxes are levied on a per-gallon basis at 22 cents per gallon for gasoline and 20.5 cents per gallon for diesel fuel. In FY 2017-18, revenue from these taxes totaled $655.8 million. The Colorado Constitution requires that any motor fuel taxes be used for the construction, maintenance, and supervision of the state highway system.\(^{18}\)

- **Registration fees.** Motor vehicle registration fees make up the second largest share of fund revenue. Registration fees are based on the age and weight of the vehicle registered. Notably, registration fees differ from the specific ownership tax, revenues from which are apportioned to local governments in a manner proportional to property taxes. Registration fees include the apportionment of interstate motor carrier fee revenue under the International Registration Plan, a reciprocal agreement among states. In FY 2017-18, registration fee revenue totaled $380.5 million, which includes additional registration fees passed in 2009.\(^{19}\)

- **Other Highway Users Tax Fund receipts.** Other fund revenue comes from driver license fees, court fines, and interest earnings. In FY 2017-18, revenue from these sources totaled $70.3 million.

HUTF revenue is allocated to CDOT, counties, and municipalities based on statutory formulas.\(^{20}\) Figure 8 shows the sources and distribution of revenue in the fund.

**Funding streams.** The terms “off-the-top,” “first stream,” and “second stream” are used to explain the distribution of revenue from the HUTF. Prior to the first stream distribution, appropriations are made to the Department of Revenue, for highway-related functions, and to the Department of Public Safety, for the Colorado State Patrol. These appropriations are referred to as "off-the-top" deductions. Remaining first stream revenue is distributed to CDOT (65 percent), counties (26 percent), and municipalities (9 percent). Second stream revenue is distributed to CDOT (60 percent), counties (22 percent), and municipalities (18 percent).

**State Highway Fund.** The State Highway Fund (SHF) is administered by CDOT and receives the state’s share of HUTF distributions and federal funds. The fund also generates its own revenue, primarily from interest earnings on the fund balance and local government matching funds to federal transportation funding programs. In FY 2017-18, $40.6 million in revenue from these sources was deposited into the SHF. The SHF is the primary account used for maintenance of the state’s highway system.

\(^{18}\)Colo. Const. art. X, § 18.

\(^{19}\)Senate Bill 09-108.

\(^{20}\)Sections 43-4-205 through 43-4-208, C.R.S.
Figure 8
HUTF Revenue and Distributions, FY 2017-18
Dollars in Millions

Sources: Office of the State Controller and Office of the State Treasurer.

Other Sources of State Transportation Revenue

Smaller sources of transportation revenue include the aviation fuel tax, highway safety-related fees and fines, other registration fees, enterprise fees, and transportation bonds.

Aviation Fund. The state’s aviation fund is comprised solely of excise and sales tax revenue on aviation fuels sold at Colorado airports, collected by the Colorado Department of Revenue. The fund is administered by the Division of Aeronautics within CDOT. Tax revenue includes a 6 cent per gallon fuel excise tax on fuel used by smaller propeller-driven aircraft, a 4 cent per gallon jet fuel excise tax, and a 2.9 percent sales tax on the retail cost of jet fuel. Any taxes charged on aviation fuel must be used exclusively for aviation purposes.\(^{21}\) Aviation Fund revenue is shared between the local governments that own airports and CDOT. Local governments use their share of aviation fuel tax revenue to maintain and operate 74 airports across the state. CDOT uses its share of this revenue to provide discretionary grants to airports and fund the operation of the CDOT aeronautics division. In FY 2017-18, $29.2 million in revenue was generated to this fund.

Highway safety revenue. Revenue to transportation also comes from statutory fees charged for the Law Enforcement Assistance Fund, and from fines for driving under the influence or driving while ability impaired. Revenue from these sources is generally used to fund traffic signals and statewide public safety campaigns. Revenue is shared with the Judicial Branch, the Department of Public Health and Environment, and the Division of Motor Vehicles in the Department of Revenue. In FY 2017-18, revenue from these fees and fines totaled $8.8 million.

\(^{21}\)Colo. Const. art. X, § 18.
**Other registration fees.** In addition to the registration fees paid to the HUTF, a number of additional fees are charged when a motor vehicle is registered. These include: Emergency Medical Services fees, emissions inspection fees, motorcycle and motor vehicle license fees, and Police Officer Standards and Training Board fees. Revenue from these fees totaled $90.9 million in FY 2017-18.

**Statewide Bridge Enterprise.** To support the Statewide Bridge Enterprise, there is currently a charge of between $13 and $32 collected when vehicles are registered as determined by vehicle weight. Revenue from this TABOR-exempt fee totaled $109.1 million in FY 2017-18.

**High-Performance Transportation Enterprise.** Revenue to the High-Performance Transportation Enterprise (HPTE) comes from Express Lane tolls and fines collected on certain sections of I-25 and I-70, federal grants, interest income, and miscellaneous smaller sources. (Plenary Roads Denver collects US 36/I-25 downtown toll revenue.) Toll revenue has dramatically increased as more express lanes come online that are managed by the HPTE. In FY 2017-18, the HPTE collected $17.3 million in tolls, fees and interest.

**Transportation bonds.** In 1999, Colorado voters authorized CDOT to borrow up to $1.7 billion by selling Transportation Revenue Anticipation Notes (TRANs), with a maximum repayment cost of $2.3 billion. TRANs proceeds were exempt from the TABOR revenue limit and could be used only for 28 prioritized statewide projects. The use of TRANs allowed CDOT to accelerate construction on these projects, including the widening of I-25 in Denver (T-REX). CDOT issued a total of $1.5 billion in installments from 2000 through 2011, with a total repayment cost of $2.3 billion. The final debt service payment on these bonds occurred in December 2016. Debt service payments were made with state transportation dollars and federal funds.

**Lease-purchase agreements.** Senate Bill 17-267 created lease-purchase agreements generating $1.88 billion in revenue for transportation over four fiscal years. The execution and repayment conditions of this bill are described in the General Fund section of this document, below.

## Federal funds

Congress authorizes the expenditure of federal funds by state and local governments through multi-year transportation funding acts. The most recent authorization, the Fixing America’s Surface Transportation (FAST) Act, was signed into law in December 2015. The FAST Act is a $305 billion, five-year authorization of federal surface transportation programs. In FY 2017-18, Colorado received $562.9 million distributed through the FAST Act. The FAST Act distributes money for the following purposes.

**National Highway Performance Program.** The National Highway Performance Program is the largest federal aid highway program and is used to support the national highway system. Funding is formula-based and can be used to maintain and construct the national highway system. The National Highway Performance Program accounts for about 56.2 percent of federal transportation funding.
**Surface Transportation Block Grant Program.** Surface transportation block grants are the most flexible federal funding source. Grants can be used for projects covering highways, transit, bridges, tunnels, pedestrian infrastructure, and more. The funds are allocated between states and local governments. Surface transportation block grants account for about 28.2 percent of federal transportation funding.

**Congestion mitigation and air quality.** Congestion mitigation and air quality funding is directed to programs and projects that reduce emissions and help meet Clean Air Act requirements. This includes signal improvements, HOV lanes, and turning lanes. Congestion mitigation accounts for about 5.8 percent of federal transportation funding.

**Highway Safety Improvement Program.** Safety improvement funds are aimed at reducing traffic fatalities and injuries on public roads. Some of these funds are formula-based and aimed at improving driver behavior. Other safety funds are competitively awarded in a number of areas, including impaired driving, occupant protection, and distracted driving. Highway safety improvements account for about 5.6 percent of federal transportation funding.

**Additional federal transportation funds.** Colorado also receives federal money for various other purposes, including:

- maintaining a highway freight network;
- financing innovative transportation infrastructure;
- public transportation; and
- accelerating project construction.

Federal funds are distributed to states from the federal Highway Trust Fund, which collects motor fuel taxes and truck-related taxes (truck and trailer sales, truck tires, and heavy vehicle use). Highway Trust Fund disbursements are paid to states based on formulas in federal law. Figure 9 shows the sources of revenue to the fund.
General Fund

The state General Fund comprises revenue from the state income and sales taxes, as well as some smaller sources. Money in the General Fund is budgeted annually at the discretion of the General Assembly. General Fund revenue is not usually appropriated directly for transportation purposes, as state transportation expenditures are most often made from the State Highway Fund (SHF) at the discretion of the Transportation Commission. However, the General Assembly has sometimes enacted state law to transfer or divert General Fund revenue to the SHF. A history of General Fund contributions to transportation is presented in Table 5.
Table 5
General Fund Contributions to Transportation
FY 1979-80 to FY 2017-18
Dollars in Millions

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¹SB 79-536 transferred a set percentage of state sales and use tax revenue collected from vehicles and vehicle-related items each year up to a certain cap to the SHF, counties, and municipalities.
²SB 97-1 diverted 10 percent of state sales and use tax revenue to the HUTF when General Fund revenue was sufficient to fund TABOR refunds, the statutory reserve, and a 6 percent increase in General Fund appropriations.
³HB 02-1310 transferred two thirds of the annual excess General Fund reserve to the HUTF.
⁴HB 16-1416 replaced formulaic SB 09-228 transfers with fixed dollar amounts for FY 2015-16 and FY 2016-17. Transfers were to remain the same for FY 2017-18 through FY 2019-20.
⁵SB 17-262 amended HB 09-228 and HB 16-1416, fixing dollar amount transfers for FY 2016-17 through FY 2019-20. The last two years of transfers were subsequently repealed in SB 17-267.

**Historical mechanisms.** Historically, General Fund revenue was transferred or diverted to the SHF in years when revenue was sufficient to maintain prior year general government expenditures plus some degree of annual growth. General Fund transfers and diversions date back to at least 1979.²²

²²Senate Bill 79-536, often called the “Noble Bill.”
Senate Bill 97-1. More recently, SB 97-1 authorized diversions of state sales tax revenue from the General Fund to the SHF when certain budgetary conditions were met. Diversions occurred only if General Fund revenue was sufficient to support:

- any refunds required under TABOR;
- the General Fund statutory reserve, then equal to 4 percent of appropriations; and
- prior year appropriations, grown by the maximum rate of 6 percent then permitted in statute.23

In years when General Fund revenue was sufficient to fully fund all of the above items, the excess remaining, up to 10.355 percent of state sales and use tax revenue, was diverted from the General Fund to the SHF. The percentage was chosen to approximate the share of sales and use tax revenue attributable to vehicles and other automotive purchases.

House Bill 02-1310. HB 02-1310 supplemented General Fund contributions to transportation. Under the bill, any year-end General Fund balance in excess of the statutory reserve requirement was transferred to the SHF and the Capital Construction Fund in shares of two-thirds and one-third, respectively.

Senate Bill 09-228. The annual funding mechanisms in SB 97-1 and HB 02-1310 were repealed with the adoption of SB 09-228. This bill, enacted during the Great Recession, repealed the limit on annual growth in General Fund appropriations to allow programmatic expenditures to rebound from recession-era cuts.

SB 09-228 eliminated the budget architecture in which the two older funding mechanisms had been established. SB 97-1 and HB 02-1310 diverted and transferred, respectively, General Fund revenue only when economic growth was sufficient to fund the maximum permitted amount of General Fund expenditures. When the limit was removed, the General Assembly chose to increase appropriations at a level that would have otherwise exceeded the growth limit.

SB 09-228 also included a five-year block of General Fund transfers to transportation and capital construction, scheduled to occur when economic indicators showed a recovering economy, as measured by at least 5 percent growth in personal income earned by Colorado residents. The growth trigger was satisfied in 2014, and transfers occurred in FY 2015-16, FY 2016-17, and FY 2017-18 under House Bill 16-1416 and Senate Bill 17-262. The final two years of transfers were repealed under Senate Bill 17-267.

Current mechanisms. Current General Fund contributions to transportation are governed by Senate Bill 17-267 and Senate Bill 18-001.

Senate Bill 17-267. SB 17-267 requires the execution of lease-purchase agreements on state buildings over four fiscal years beginning in FY 2018-19 and ending in FY 2021-22. In each year, the State Treasurer is required to identify and sell buildings with a value of $500 million, for a total of $2 billion over the four-year period. Under the terms of the lease-purchase agreement, the purchaser of the buildings agrees to lease the buildings back to the state for a 20-year period. Provided that the state makes annual lease payments, the state resumes ownership of the buildings upon completion of the 20-year term.

23General Fund appropriations growth was then capped at 6 percent per year (the “Arveschoug-Bird” limit).
SB 17-267 is expected to generate $1.88 billion for transportation projects over the four-year execution period, including $380 million in FY 2018-19 and $500 million in each of the subsequent fiscal years. These amounts are credited to the SHF and available for expenditure on construction projects in the Strategic Transportation Project Investment Program as selected by the Transportation Commission, with the requirement that 25 percent of revenue be spent in counties with populations of less than 50,000. The remaining $120 million in FY 2018-19 is dedicated for non-transportation capital construction and controlled maintenance projects.

Lease payments are expected to be $37.5 million per tranche per year, or $3 billion for all four tranches over the terms of all leases. When lease-purchase agreements have been executed on all four tranches, the annual lease payment is expected to total $150 million. Lease payments are made as follows:

- first, $9 million from the General Fund, corresponding to the capital construction share;
- next, $50 million from the SHF; and
- any remaining amount, expected to be $91 million, from the General Fund.

The $91 million annual General Fund contribution will appear in budget documents as an expenditure in the Department of the Treasury for lease payments. This cost is for the payment of leases on state assets that were sold in order to generate transportation project funding during the four-year period.

**Senate Bill 18-001.** SB 18-001 authorized two years of General Fund transfers for transportation. In FY 2018-19, a total of $495 million was transferred as follows:

- $346.5 million to the SHF;
- $74.25 million to the HUTF, for allocation in equal shares to counties and municipalities; and
- $74.25 million to the Multimodal Transportation Options Fund, a newly created cash fund to support grants for local multimodal transportation projects.

In FY 2019-20, a total of $150 million is scheduled to be transferred as follows:

- $105.0 million to the SHF;
- $22.5 million to the HUTF, for allocation in equal shares to counties and municipalities; and
- $22.5 million to the Multimodal Transportation Options Fund.

SB 18-001 also refers a ballot measure to voters at the statewide election in November 2019. If approved, the ballot measure allows CDOT to issue Transportation Revenue Anticipation Notes to generate $2.34 billion in transportation funding. Revenue would be credited to the SHF (85 percent), to be used for transportation project construction, and to the Multimodal Transportation Options Fund (15 percent). The bond issuance would replace the last three years of lease-purchase agreements scheduled to be executed under SB 17-267, effectively increasing state revenue for transportation projects by about $840 million, or the amount of the bond issuance ($2.34 billion) less the amount expected to be generated via the last three tranches of SB 17-267 ($1.50 billion). Repayment for the bonds is estimated at $162.5 million annually for 20 years, to be paid from the SHF.

SB 18-001 authorizes 20 years of additional transfers from the General Fund to the SHF depending on the outcome of the 2019 referred measure. If the ballot measure is approved, the bill transfers $122.6 million annually from the General Fund to the SHF for 20 years beginning in FY 2019-20, the
amount required such that new SHF obligations for bond payments are not increased relative to what would otherwise be required for SB 17-267 lease payments. If the ballot measure is not approved, the bill transfers $50 million annually from the General Fund to the SHF for 20 years beginning in FY 2019-20, such that the lease payment obligation under SB 17-267 is effectively paid entirely from General Fund revenue.

**Local funding**

Municipal and county governments in Colorado fund local transportation projects with various revenue sources. Local transportation funding decisions are determined at the local level.

- **Gasoline and special fuel excise tax.** Municipal and county governments receive a portion of the state's gasoline and special fuel excise tax collections. The distributions are set by statutory formula.

- **Sales taxes.** Some cities have dedicated sales taxes to fund local transportation needs. In addition, regional transportation authorities receive the sales and use taxes identified in Table 2 on page 8. The Regional Transportation District also receives a 1 percent sales tax collected in the district.

- **Property taxes.** Counties are allowed to levy up to 1 mill on the property within the county dedicated to fund transportation projects. The property tax revenue collected from property within incorporated municipalities is shared with the municipalities.

- **Federal funds.** In addition to the federal funds that CDOT receives for highway and transit projects that are passed on to cities and counties, local governments may also apply for federal funds directly. In general, local governments provide matching funds to receive federal dollars used for transportation projects.

- **User fees.** Certain local transportation entities collect user fees. Two public highway authorities — E-470 and Northwest Parkway — collect tolls. Regional transportation authorities and the Regional Transportation District also collect fares from riders.

- **General Fund.** Municipal and county governments are allowed to use money from their general funds for local transportation projects. Sales and property taxes are the largest sources of local general fund revenue.