



## Colorado's Transportation System: Infrastructure, Organization, Planning, and Funding

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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.

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For information specific to motor vehicles, see the [Colorado Legislative Council Staff's Motor Vehicle Law Resource Book](#).

### Table of Contents

<b>Section 1: Colorado's Transportation Infrastructure</b>	<b>2</b>
State Highway System	2
County and Municipal Roads	2
Public Highway Authorities	3
Express Lanes	4
Mass Transit	6
Regional Transportation Authorities	7
Aviation	8
Railroads	10
Bicycle and Pedestrian Routes	12
<b>Section 2: State Entities Involved in Transportation</b>	<b>13</b>
Transportation Planning Regions and Metropolitan Planning Organizations	13
Statewide Transportation Advisory Committee	14
Colorado Transportation Commission	14
Colorado Department of Transportation	16
Colorado Public Utilities Commission	17
General Assembly	19
<b>Section 3: Transportation Planning in Colorado</b>	<b>20</b>
Regional Transportation Plans	20
Statewide Transportation Plan	20
Statewide Transportation Improvement Program	20
CDOT's Development Program	20
RoadX	21
<b>Section 4: State Transportation Funding</b>	<b>22</b>
Highway Users Tax Fund	23
Other Sources of Transportation Revenue	24
Federal Funds	25
General Fund	27
Local Funding	28

## 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;
- mass transit — including 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 2017, 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 districts. Counties may levy taxes and contract loans to build and repair county roads and bridges; any loans for this purpose must be approved by a vote of the county electorate.

**Municipal roads.** Colorado's 271 incorporated municipalities include 196 towns, 73 cities, and 2 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.<sup>1</sup>

**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

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<sup>1</sup>Section 43-2-135, C.R.S.

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.<sup>2</sup>

## Public Highway Authorities

Public highway authorities, authorized by the General Assembly in 1987, are political subdivisions that plan, design, and construct public highways.<sup>3</sup> 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 and Broomfield City and County; 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, a \$10 vehicle registration fee on member county residents (approved by voters in 1988), 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 \$10.65 depending on distance traveled, number of axles, and whether ExpressToll or License Plate Tolling is used.

**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.

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<sup>2</sup>Section 43-2-144, C.R.S.

<sup>3</sup>Section 43-4-501, *et seq.*, C.R.S.

- *Members.* The Northwest Parkway's board of directors includes Weld County, 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, 1 maintenance yard, 1 administrative building, 7 solar sites, and 3 toll points.
- *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 \$3.80 for the length of the road for a two-axle vehicle, and an additional \$3.80 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 how the Jefferson Parkway will connect to three junctions: State Highway 93, State Highway 72, and State Highway 128.

## Express Lanes

In addition to the state's toll road system, 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. These [Express Lanes](#) permit only vehicles carrying a specified number of persons (HOV) or that pay a toll (HOT). Table 1 provides an overview of the HOV/HOT lanes currently operational in the state.

Express Lanes are currently in operation on:

- [US 36 from Denver to Boulder](#);
- [North I-25, from Speer Boulevard to 120th Avenue](#); 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](#); and
- [North I-25 from 120<sup>th</sup> Avenue to Fort Collins](#).

**Express Lanes management.** The following entities operate Express Lanes:

- *Plenary Roads Denver.* The High-Performance Transportation Enterprise 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 High-Performance Transportation Enterprise 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 High-Performance Transportation Enterprise 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.

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

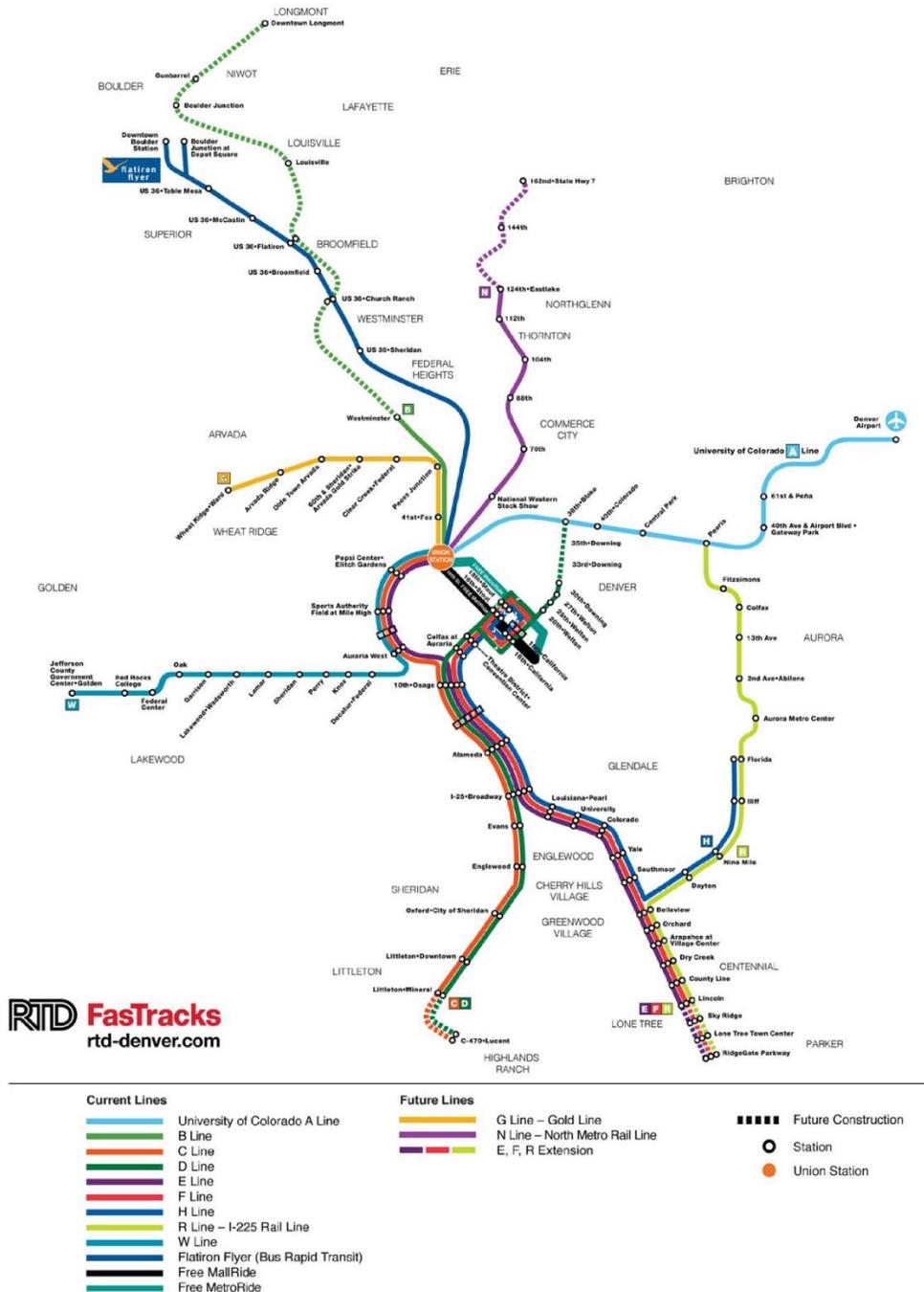
Express Lanes		
Corridor	Location	Year Opened/Opening
I-25 Central Express Lane	20th Street to I-25/US 36	2006
I-25 North Express Lane	I-25/US 36 to 120th Avenue	2016
US 36 Express Lane	I-25/US 36 to Table Mesa Drive	2015
I-70 Mountain Express Lane	Empire to Veterans Memorial Tunnels	2015
C-470 Express Lane	I-25 to Wadsworth Boulevard	2019
Toll Roads		
Public Highway Authority	Participating Local Governments	
E-470	Adams, Arapahoe, and Douglas Counties; the cities of Aurora, Brighton, Commerce City, and Thornton; and the town of Parker	
Northwest Parkway	Weld County, Broomfield City and County, and the city of Lafayette	

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

## Mass Transit

**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.<sup>4</sup>

**Figure 1**  
**RTD Light Rail System Map**  
*as of October 2017*



Source: Regional Transportation District.

<sup>4</sup>Section 32-9-101, et seq., C.R.S.

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 180,000 residents. For up-to-date facts and figures, visit the [RTD by the Numbers](#) page on the RTD 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 53 stations. One additional line, the G Line to Wheat Ridge, is scheduled to open pending testing. The RTD rail map is shown in Figure 1.

**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.

## 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.<sup>5</sup> 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 uniform mill levy, 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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<sup>5</sup>Section 42-4-601, *et seq.*, C.R.S.

**Table 2  
Regional Transportation Authority Sales and Use Tax Rates**

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

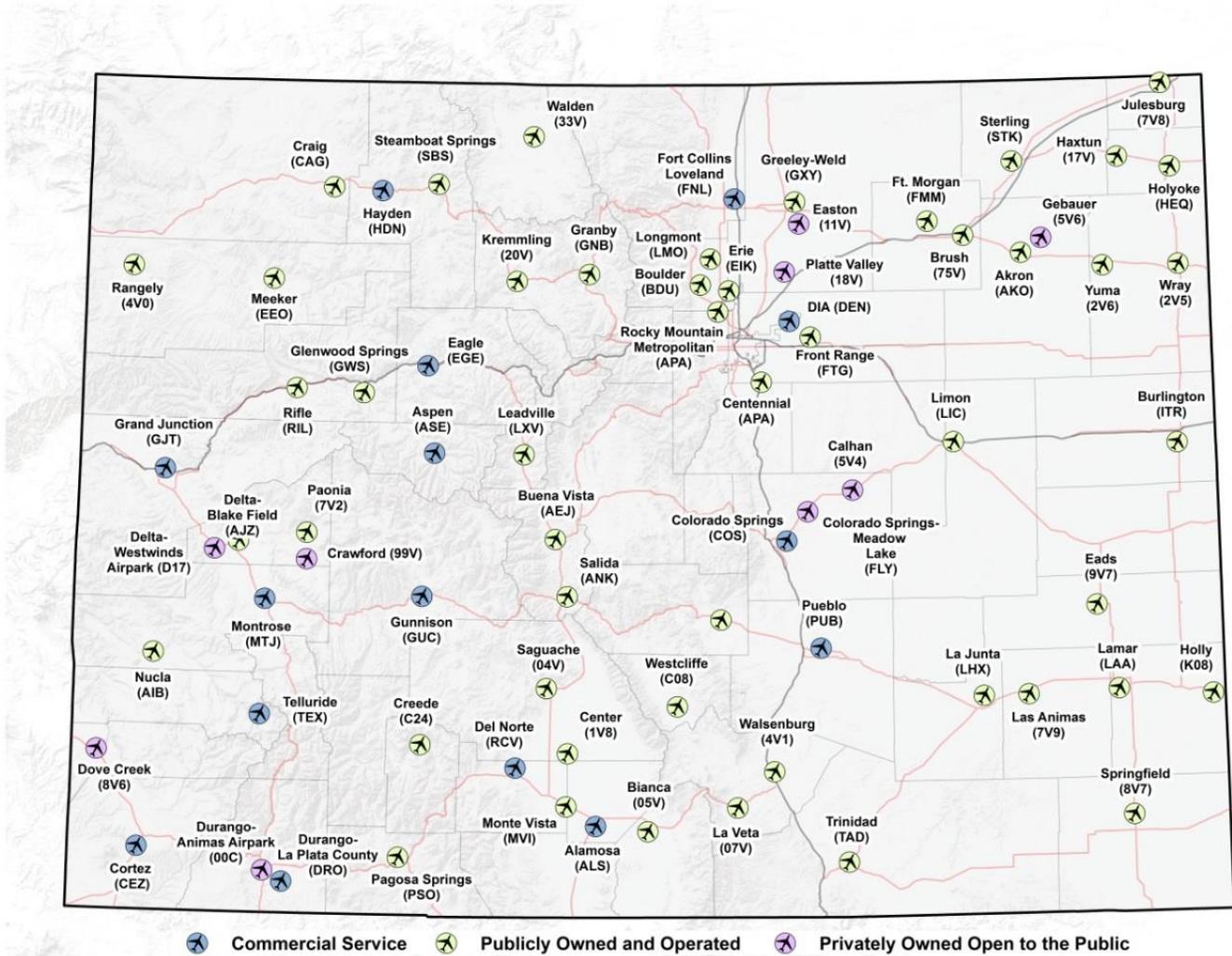
Source: Colorado Department of Revenue.

\* The Baptist Road Rural Transportation Authority stopped collecting sales and use tax on July 1, 2016, and dissolved in December 2016.

## 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.

**Figure 2**  
**Colorado's Aviation System**



Source: ESRI, USGS, NOAA. Prepared by Legislative Council Staff

**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.<sup>6</sup> 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

<sup>6</sup>Section 43-10-101, *et seq.*, C.R.S.

Discretionary Aviation Grant program. It is comprised of seven Governor-appointed representatives representing defined constituencies in the aviation community. Board members are limited to no more than two, three-year terms.

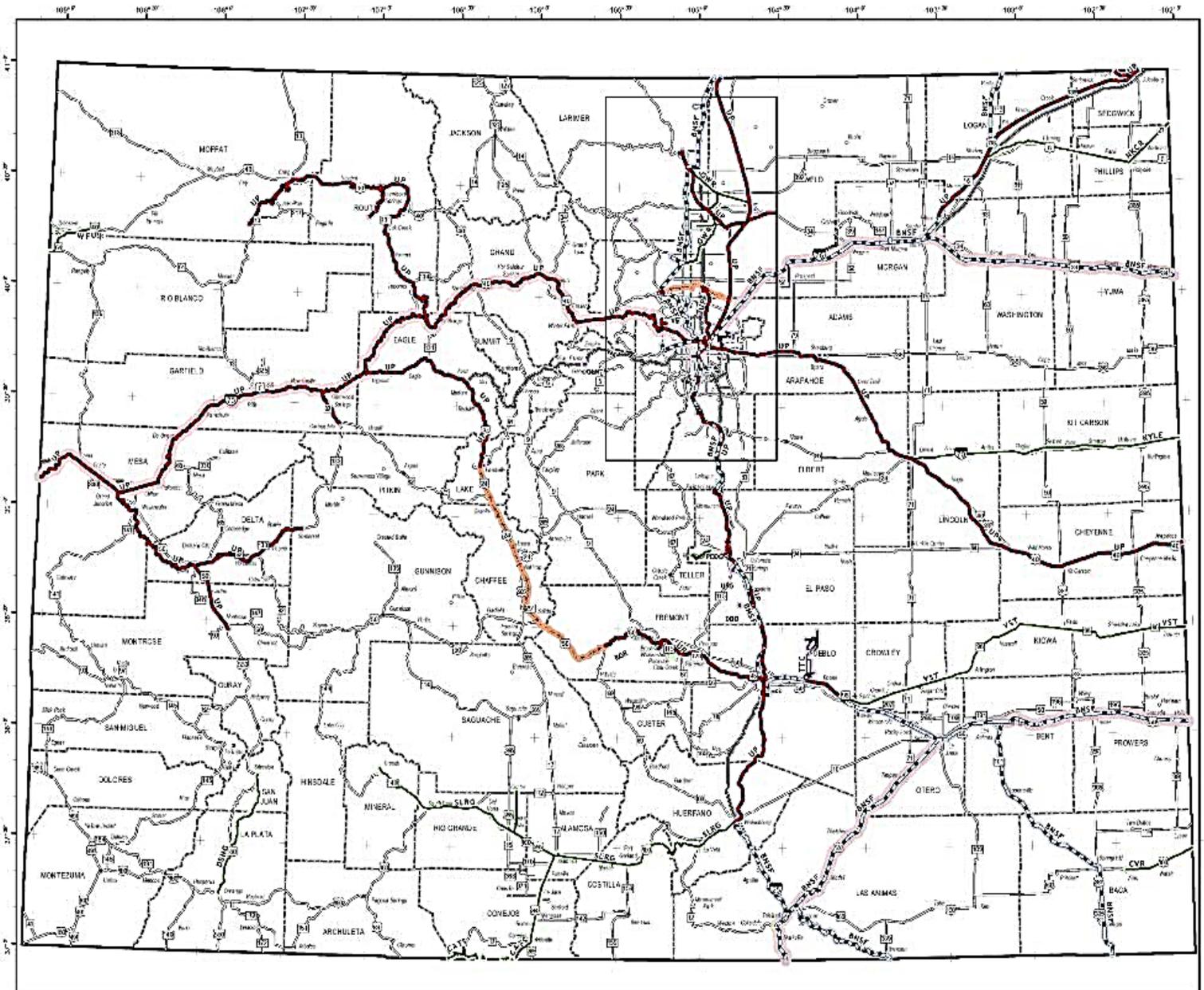
**Denver International Airport.** Denver City and County owns and operates Denver International Airport (DIA). Under Denver's municipal code, Denver's Department of Aviation is responsible for the management, operation, and control of the airport, which is managed by a mayoral appointee. DIA is an enterprise 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**



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.<sup>7</sup> The new commission assumed

<sup>7</sup>Section 43-4-1002, C.R.S.

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, to be presented to the local government committees of the General Assembly no later than December 1, 2017.

*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 3  
Colorado’s Scenic Railroads**

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

*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 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.<sup>8</sup> 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.<sup>9</sup>

<sup>8</sup>Section 42-4-1412, C.R.S.

<sup>9</sup>Section 42-4-1412 (1), C.R.S.

## Section 2: State Entities Involved in Transportation

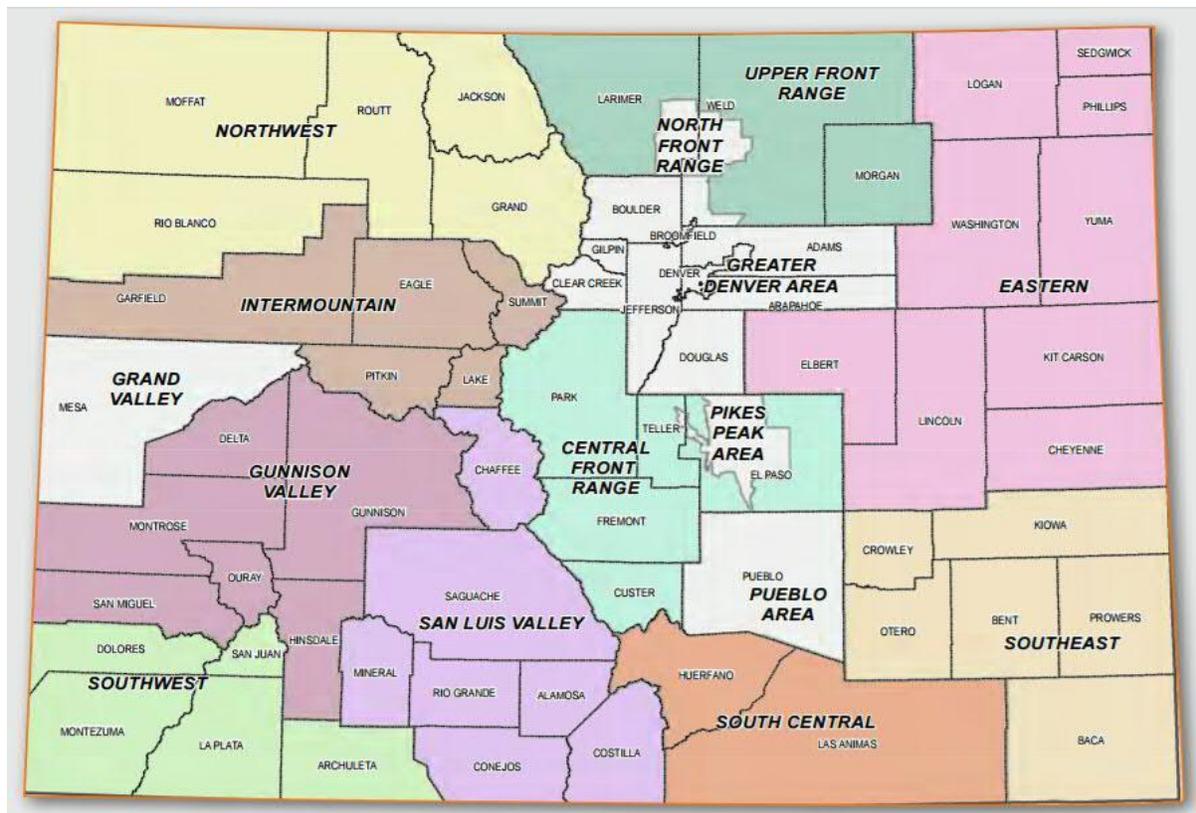
This section highlights the entities involved in transportation planning, including:

- 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**



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
- **Pikes Peak Region MPO** – Pikes Peak Area Council of Governments
- **Pueblo Area MPO** – Pueblo Area Council of Governments
- **South Central TPR** – South Central Council of Governments
- **Southeast TPR** – Southeast Colorado Enterprise Development
- **Southwest TPR** – Region 9 Economic Development District of Southwest Colorado

One member of each region serves on the Statewide Transportation Advisory Committee (STAC).

### Statewide Transportation Advisory Committee

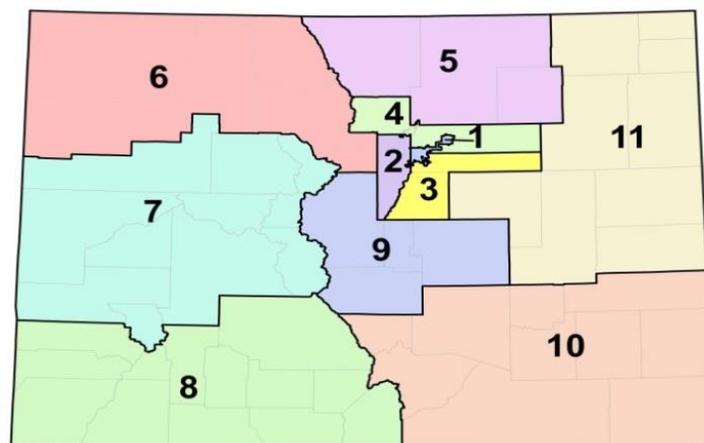
The 17-member advisory committee advises CDOT on statewide transportation needs and offers review and comments on all regional transportation plans as well as the Statewide Transportation Plan. In addition to a representative from each of the state's planning regions, a representative from both the Southern 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.<sup>10</sup> 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.

**Figure 5**  
**Transportation Commission Districts**



Source: Colorado Department of Transportation.

<sup>10</sup>Section 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.

**Rule-making.** The Transportation Commission is responsible for general rule-making 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.

**Conducting 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.

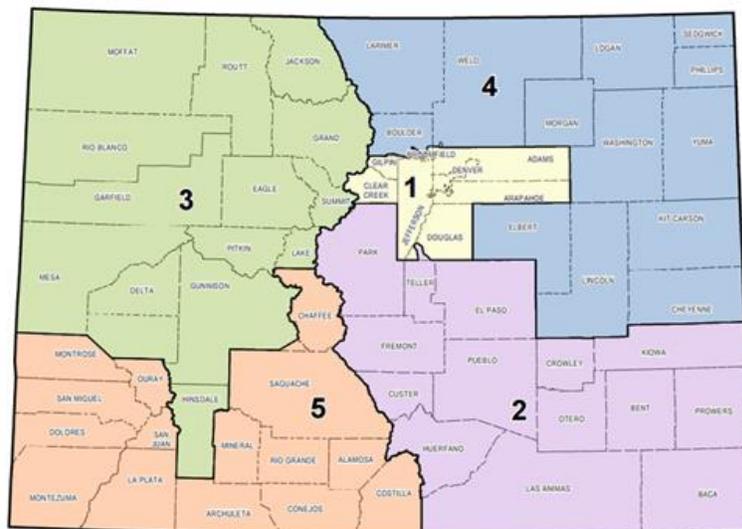
## Colorado Department of Transportation

CDOT provides the strategic planning for the statewide transportation system and is tasked with promoting coordination between different modes of transportation.<sup>11</sup> 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.

**Figure 6**  
**CDOT Engineering Regions**



Source: Colorado Department of Transportation.

<sup>11</sup>Section 43-1-101, *et seq.*, C.R.S.

<sup>12</sup>Colo. Const. art X, § 20 (2)(d).

**Enterprises.** CDOT oversees two enterprises, the Statewide Bridge Enterprise and the High-Performance Transportation Enterprise. 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.<sup>12</sup> 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.<sup>13</sup> 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.<sup>14</sup> 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.<sup>15</sup>

The PUC regulates the following types of vehicular passenger carriers:

- *Common carriers:* A person who provides a means of transportation or related service in a vehicle that indiscriminately carries passengers for compensation (i.e., taxis);
- *Contract carriers:* A person who provides a means of passenger transportation over any public highway in the state with a special contract (i.e., hotel shuttles);
- *Limited regulation carriers:* Includes charter scenic buses, luxury limousines, children's activity buses, and fire-crew transport; and
- *Transportation network companies (TNCs):* Uber and Lyft are currently permitted to operate in the state.

**Regulation of carriers.** Common, contract, and limited regulation carriers are subject to insurance, safety, and operational standard oversight by the PUC. As a part of this oversight, the PUC requires vehicle inspections, driver medical examinations, and insurance liability certificates before allowing carriers to operate.

The PUC has adopted many of the federal safety regulations as prescribed by the U.S. Department of Transportation in the areas of driver qualifications, vehicle identification, vehicle requirements, hours of service, and record-keeping. Some of these rules are very specific. For example, operators must comply with specific tread-depth requirements for the tires on their vehicles. The PUC also has the authority to promulgate rules; issue operating permits; take enforcement actions, including assessing fines for violations; and establish annual stamp fees (which are currently \$5 annual fee per vehicle per year for these types of carriers).

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<sup>13</sup>Section 43-4-805 (1)(b)(I), C.R.S.

<sup>14</sup>Section 43-4-806, C.R.S.

<sup>15</sup>Section 40-1-101, C.R.S.

According to PUC regulations, common and contract carriers are considered public utilities and affect the public interest, so they are also subject to the regulation of rates, routes, services, and market entry, in addition to insurance and safety requirements. Limited regulation carrier are deemed to affect the public interest, but are not a public utility. Therefore, they are not subject to regulation of their rates, routes, or services.

**Regulation of transportation network companies.** Transportation network companies vary from traditional carriers in a number of ways. Unlike taxicabs, these companies do not accept cash — the smartphone application is the method by which a passenger requests a ride and provides payment. Once the request is submitted via the application, nearby drivers are notified and meters start running when a passenger enters the vehicle. Fares are automatically calculated by the application and charged to the passenger’s credit card. Receipts are emailed to passengers and include a fare breakdown. Companies are also able to set their own rates, as opposed to taxis, which have their rates set by the PUC.

These companies are exempt from the regulation for common carriers, contract carriers, and motor carriers, but must meet certain requirements, as defined in state law, and be permitted by the PUC. These requirements include:

- filing a certificate of insurance with the PUC for at least \$1 million in primary liability coverage per occurrence for incidents occurring while a network driver has a rider;
- for all drivers, requiring personal automotive liability insurance that recognizes the driver is engaged in this activity;
- obtaining criminal history record checks and driving history reports on drivers; and
- prohibiting the use of drivers with certain felony convictions, moving violations, or who are under 21.

In addition, the PUC may promulgate rules related to safety; civil penalties; the issuance, extension, transfer, and revocation of authority to operate as a motor carrier; insurance and permit requirements; tariff and time schedule requirements; the identification, condition, and leasing of motor vehicles; record-keeping; and service standards. The PUC may take an enforcement action against a company that fails to comply with a PUC order, decision, or rule, and the company is subject to a penalty of up to \$11,000 per offense depending on the violation. The PUC cannot assess a penalty against a driver.

Table 4 shows the level of PUC oversight for each type of carrier.

**Table 4  
Level of PUC Oversight by Carrier**

Type of Carrier	Type of Oversight						
	Safety	Insurance	Operational Standards	Rates	Routes	Services	Market Entry
Common	X	X	X	X	X	X	X
Contract	X	X	X	X	X	X	X
Ltd. Regulation	X	X	X				
Transportation Network Co.	X	X	X				

Source: Public Utilities Commission.

**Railroads.** The [Federal Railroad Administration](#) is responsible for compliance and enforcement in operating practices, track, signal and trail 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.

### 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 fifteen 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 \(2040\)](#) estimates needs and revenue from 2016 to 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.

**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 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.

*10-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 10 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](#).

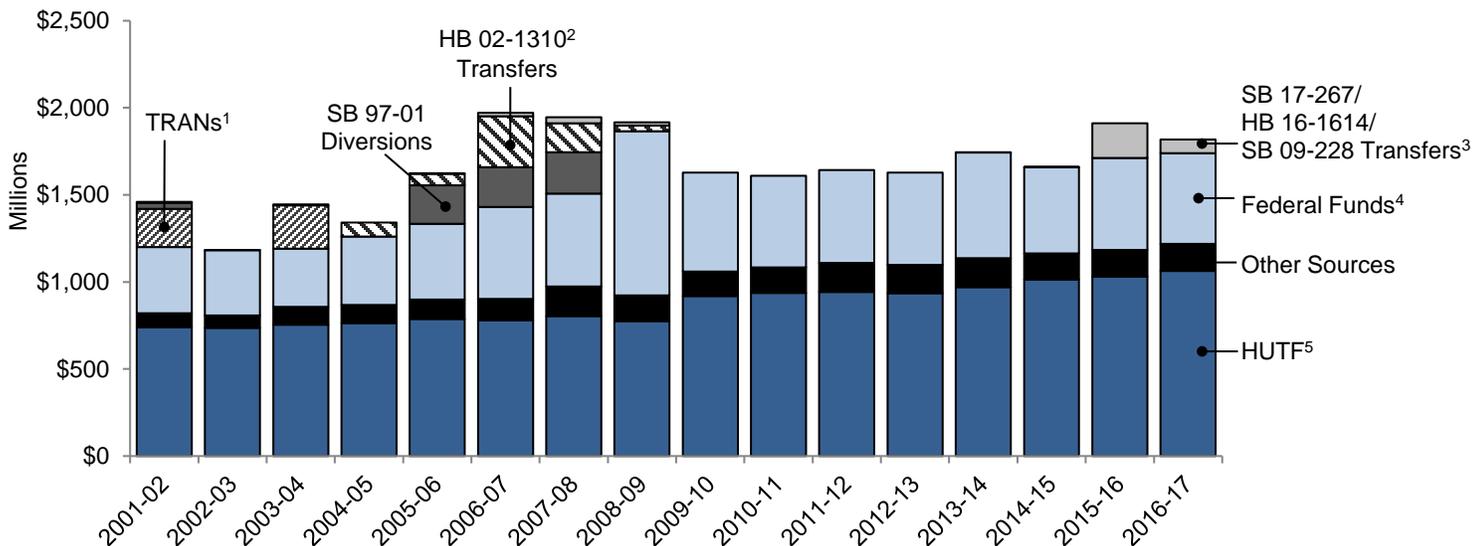
## Section 4: State Transportation Funding

This section provides an overview the state's transportation funding system, which primarily comes from the Highway Users Tax Fund 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.<sup>16</sup> Under these constitutional limitations, the General Assembly may determine the sources of transportation revenue<sup>17</sup> and the distribution of this revenue for statewide and local programs.

Figure 7 shows a 15-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, local governments, and enterprises.

<sup>1</sup>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.

<sup>2</sup>HB 02-1310 transfers were repealed during the 2009 legislative session.

<sup>3</sup>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.

<sup>4</sup>Federal funds include \$404.2 million in American Recovery and Reinvestment Act (ARRA) funds in FY 2008-09.

<sup>5</sup>HUTF revenue includes additional registration fees paid pursuant to Senate Bill 09-108 (FASTER) beginning in FY 2009-10.

<sup>16</sup>Colo. Const. art. X, § 18.

<sup>17</sup>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 (HUTF).** The Highway Users Tax Fund is the primary source of state highway system funding in Colorado. Preliminary estimates of revenue to the fund totaled \$1.1 billion in FY 2016-17. 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 2016-17, revenue from these taxes totaled \$626.9 million. The Colorado Constitution requires that any motor fuel taxes be used for the construction, maintenance, and supervision of the state highway system.<sup>18</sup>
- *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 similar to property taxes. Registration fees include the apportionment of interstate motor carrier fee revenue under the International Registration Plan, a reciprocal agreement among states.<sup>19</sup> In FY 2016-17, registration fee revenue totaled \$369.1 million, which includes additional registration fees passed in 2009.<sup>20</sup>
- *Other Highway Users Tax Fund receipts.* Other fund revenue comes from driver license fees, court fines, and interest earnings. In FY 2016-17, revenue from these sources totaled \$67.9 million.

Highway Users Tax Fund revenue is allocated to CDOT, counties, and municipalities based on statutory formulas.<sup>21</sup> 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 Highway Users Tax Fund. 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 is administered by CDOT and receives the state's share of Highway Users Tax Fund 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. The State Highway Fund is the primary account used for maintenance of the state's highway system. In FY 2016-17, \$40.0 million in revenue from these sources was deposited into the fund.

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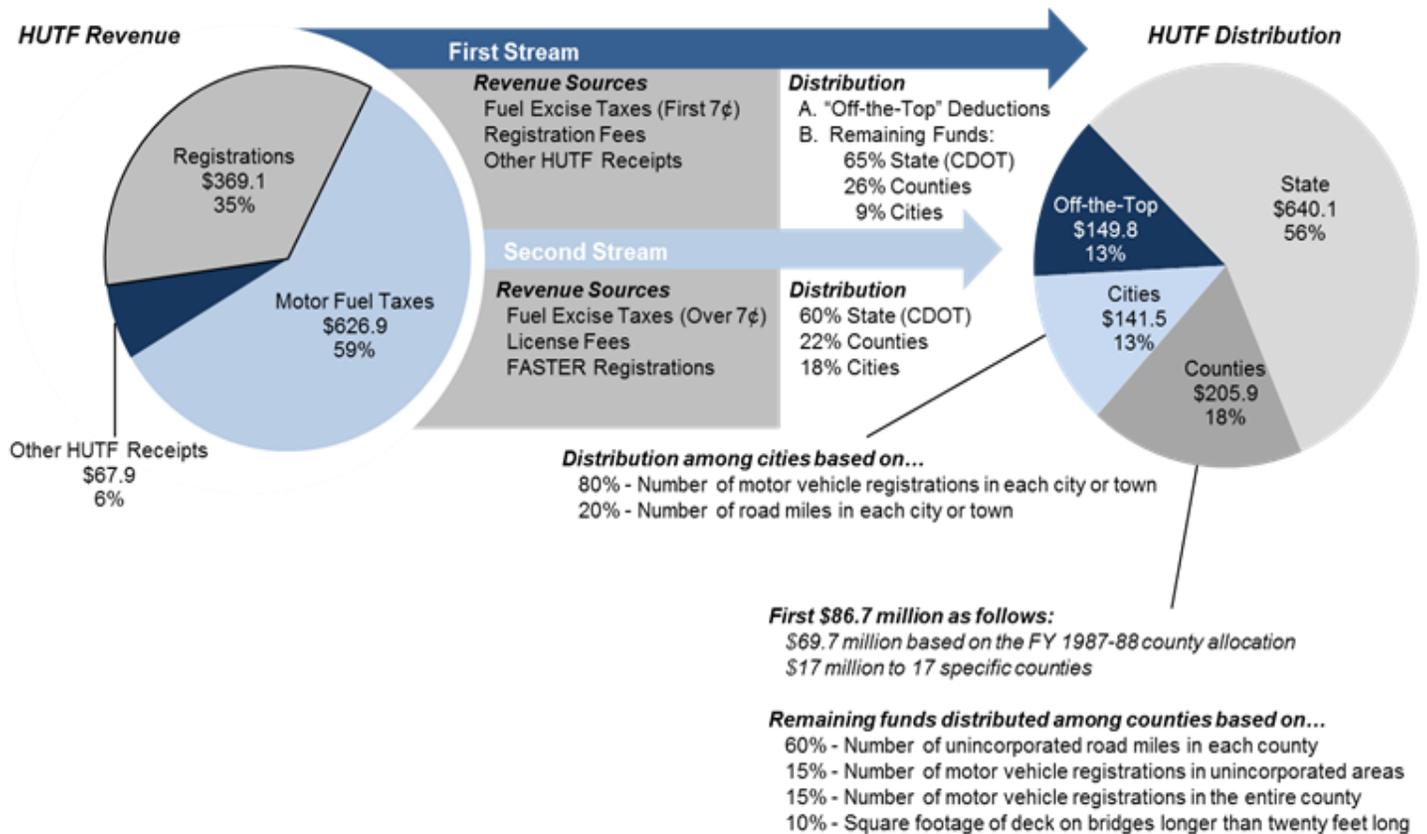
<sup>18</sup>Colo. Const. art. X, § 18.

<sup>19</sup>Sections 43-4-205 through 43-4-208, C.R.S.

<sup>20</sup>Senate Bill 09-108.

<sup>21</sup>Sections 43-4-205 through 43-4-208, C.R.S.

**Figure 8**  
**HUTF Revenue and Distributions, FY 2016-17**  
*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.<sup>22</sup> 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 2016-17, \$23.1 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

<sup>22</sup>Colo. Const. art. X, § 18.

Judicial Branch, the Department of Public Health and Environment, and the Division of Motor Vehicles in the Department of Revenue. In FY 2016-17, revenue from these fees and fines totaled \$8.8 million.

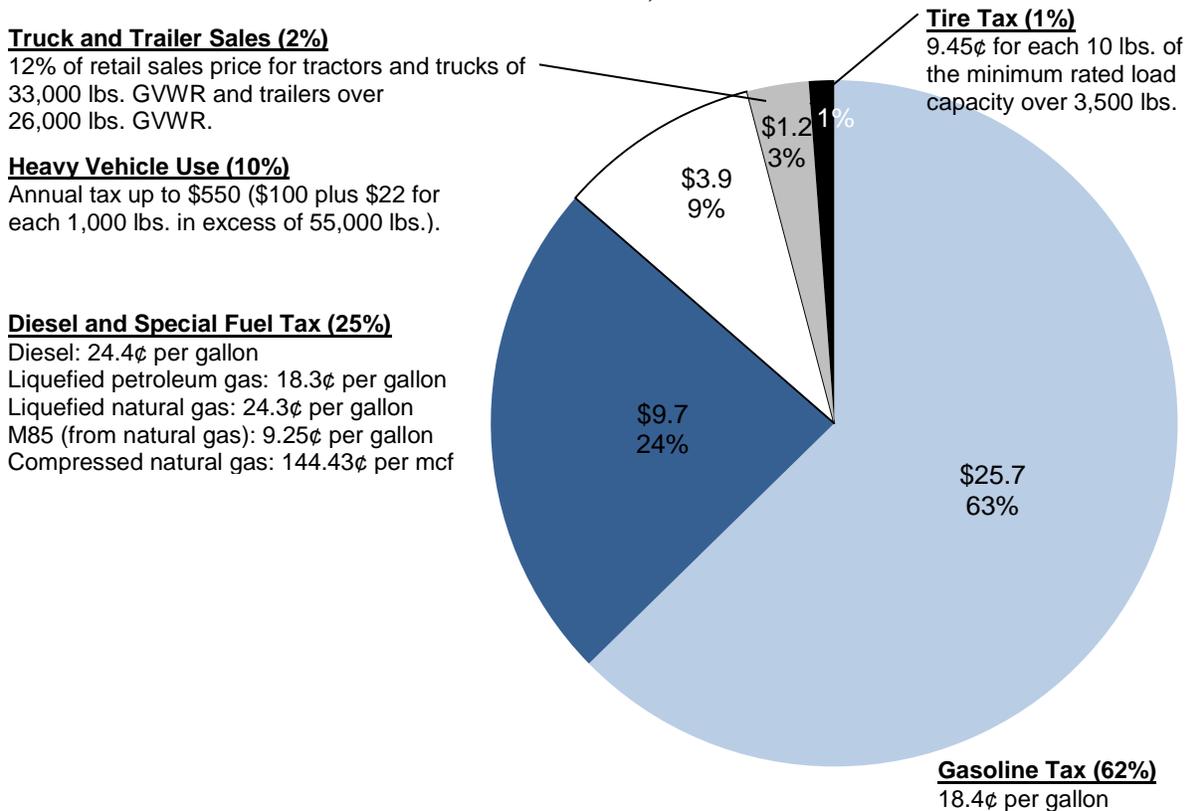
- *Other registration fees.* In addition to the registration fees paid to the Highway Users Tax Fund, a number of additional fees are charged when a motor vehicle is registered. These include: Emergency Medical Services fees, emissions inspection fees, motorcycle and motor vehicle license fees, and Police Officer Standards and Training Board fees. Revenue from these fees totaled \$83.0 million in FY 2016-17.
- *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 \$110.2 million in FY 2016-17.
- *High-Performance Transportation Enterprise.* Revenue to the High-Performance Transportation Enterprise comes from express lane tolls and fines collected on sections of I-25 and I-70, federal grants, interest income, and miscellaneous smaller sources. (US 36/I-25 Downtown toll revenue is collected by Plenary Roads Denver. While CDOT manages the I-70 Mountain Express Lane, these toll revenue proceeds go to the HPTE.) Toll revenue has dramatically increased as more express lanes come online that are managed by the HPTE. In FY 2016-17, the HPTE collected \$13.3 million in tolls, fees and interest.
- *Transportation bonds.* In 1999, Colorado voters authorized CDOT to borrow up to \$1.7 billion by selling TRANs, with a maximum repayment cost of \$2.3 billion. Debt service on TRANs is paid with money from the federal government and state matching funds. 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 have been made with state transportation dollars and federal funds.
- *Lease-purchase agreements.* Senate Bill 17-267 created lease-purchase agreements under which the state will sell \$2.0 billion worth of state buildings to investors during the four fiscal years between FY 2018-19 and FY 2021-22, and the state will lease the buildings back over 20 years. Selling state buildings will provide revenue to the state, while the lease creates a 20-year obligation for the state. Between FY 2018-19 and FY 2021-22, CDOT will receive \$1.88 billion in proceeds to pay for state highway projects. CDOT is required to spend 25 percent of the proceeds on transportation projects in counties with a population of less than 50,000. In exchange for receiving the proceeds from the lease-purchase agreements, CDOT is required to pay up to \$50 million per year of the lease payments.

**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 Act (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 2016-17, Colorado received \$521.0 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 55.7 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 27.9 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 5.5 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.

**Figure 9**  
**Revenue Sources to the Federal Highway Trust Fund**  
*Federal Fiscal Year 2017, Billions of Dollars*



Source: Congressional Budget Office.

**General Fund.** The General Assembly has used various mechanisms to provide General Fund revenue for transportation. Since 1979, the General Assembly has used statutory mechanisms to transfer General Fund revenue to the Highway Users Tax Fund when sufficient funds are available.<sup>23</sup> Beginning July 1, 2003, House Bill 02-1310 required that two-thirds of excess General Fund reserves from the prior fiscal year be transferred to highways, with the remaining one-third transferred to the Capitol Construction Fund. The excess General Fund reserve was any money left over after appropriations increased by 6 percent, a 4 percent reserve had been fully funded, and a diversion of 10.355 percent of sales and use tax revenue was made to the Highway Users Tax Fund. In 2009, the General Assembly passed Senate Bill 09-228, which transfers General Fund money for five consecutive fiscal years to transportation when certain conditions are met.

[Senate Bill 09-228](#) provided a mechanism for General Fund transfers into the State Highway Fund for five consecutive fiscal years, conditional on state budget conditions. The transfers varied by the size of the TABOR surplus and General Fund revenue.<sup>24</sup> In practice, the General Assembly replaced the Senate Bill 09-228 transfers with fixed amounts in House Bill 16-1416, later modified

<sup>23</sup>Senate Bill 79-536; Senate Bill 97-001; House Bill 02-1310; Senate Bill 09-228, House Bill 16-1416, and Senate Bill 17-267.

<sup>24</sup>Section 43-4-206 (2)(a)(I), C.R.S.

<sup>24</sup>Colo. Const. art X, § 20 (7).

by Senate Bill 17-267. 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 17-262 set transfers at fixed dollar amounts of \$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 eliminated the final two years of General Fund transfers.

**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.