



Legislative  
Council Staff

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**FISCAL NOTE**

**Drafting Number:** LLS 18-1224  
**Prime Sponsors:** Rep. Winter; Jackson  
**Date:** April 24, 2018  
**Bill Status:** House Transportation  
**Fiscal Analyst:** Ryan Long | 303-866-2066  
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**Bill Topic:** RTD LOW-INCOME FARE PROGRAM

**Summary of Fiscal Impact:**

|   |  |
|---|--|
| <input type="checkbox"/> State Revenue                | <input type="checkbox"/> TABOR Refund                |
| <input checked="" type="checkbox"/> State Expenditure | <input checked="" type="checkbox"/> Local Government |
| <input type="checkbox"/> State Transfer               | <input type="checkbox"/> Statutory Public Entity     |

This bill directs the Colorado Department of Transportation to provide assistance to the Regional Transportation District (RTD) for a program that offers a 50 percent reduced fare for low income riders. The bill includes an \$80,000 appropriation for this purpose. It creates a one-time state and local government expenditure increase.

**Appropriation Summary:** For FY 2018-19, the bill requires and includes a General Fund appropriation of \$80,000 to the Colorado Department of Transportation. CDOT will also spend \$80,000 from its continuously appropriated State Highway Fund.

**Fiscal Note Status:** The fiscal note reflects the introduced bill.

**Table 1  
State Fiscal Impacts Under HB 18-1401**

|                     | FY 2018-19       | FY 2019-20 |
|---------------------|------------------|------------|
| <b>Revenue</b>      | -                | -          |
| <b>Expenditures</b> |                  |            |
| General Fund        | \$80,000         | -          |
| State Highway Fund  | \$80,000         | -          |
| <b>Total</b>        | <b>\$160,000</b> | -          |
| <b>Transfers</b>    | -                | -          |
| <b>TABOR Refund</b> | -                | -          |

## Summary of Legislation

This bill directs the Division of Transit and Rail in the Colorado Department of Transportation (CDOT) to provide assistance to the Regional Transportation District (RTD) for a program that offers a 50 percent reduced fare for low-income riders. The bill appropriates \$80,000 from the General Fund for this purpose. Further, the bill provides authorization for the RTD to create the reduced fare program.

## Background

RTD currently provides discounted fares for:

- seniors over the age of 65;
- individuals with disabilities;
- Medicare recipients;
- elementary, middle, and high school students;
- children 5 years or younger with a fare-paying adult; and
- active duty service members.

A 25-member working group recently completed an evaluation of RTD's pass programs and drafted recommendations. The Fare Pass Working Group's recommendations include 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 (FPL); and a youth pass, which would discount the fare for riders who are 13 to 19 years old by 70 percent.

The implementation of any recommendations made by the working group will require approval from RTD's Board of Directors. The board is expected to take up the matter later this year, with any fare discounts occurring no earlier than 2019.

## State Expenditures

In FY 2018-19 only, this bill will increase state General Fund and State Highway Fund expenditures to CDOT. To provide assistance to the RTD's low income rider program, CDOT will hire a consultant for \$160,000 for one year. This position will be funded with the \$80,000 General Fund appropriation included in the bill, and \$80,000 from existing State Highway Funding in the Division of Transit and Rail.

## Local Government

This bill will have the following impacts on RTD.

**Revenue.** Based on the RTD Pass Program Working Group's analysis, this bill will result in an estimated annual revenue reduction to RTD between \$5.8 million to \$11.8 million beginning when the reduced fare program is implemented. This assumes a 50 percent discount for riders at or below 185 percent of the FPL, and a 50 to 80 percent adoption rate among eligible riders. The actual reduction in revenue will depend on utilization and the fare type used.

**Expenditures.** In FY 2018-19 only, implementing the low-income fare program will increase RTD expenditures by \$1.3 million. Beginning in FY 2018-19 and ongoing, RTD expenditures will increase by an estimated \$3.0 million for eligibility testing and program management.

## Effective Date

The bill takes effect August 8, 2018, if the General Assembly adjourns on May 9, 2018, as scheduled, and no referendum petition is filed.

## State Appropriations

For FY 2018-19, this bill requires and includes an appropriation of \$80,000 from the General Fund to the Colorado Department of Transportation. CDOT will also spend \$80,000 from its continuously appropriated State Highway Fund.

## State and Local Government Contacts

|                |                                  |
|----------------|----------------------------------|
| Counties       | Information Technology           |
| Municipalities | Regional Transportation District |
| Transportation |                                  |