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Fiscal Note

Drafting Number: LLS 23-0790
Prime Sponsors: Rep. Bockenfeld

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Bill Status: House Trans. & Local Govt.
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Bill Topic: **MODIFY DEPARTMENT OF TRANSPORTATION GOVERNANCE**

Summary of Fiscal Impact:

- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

The bill refers a measure to voters at the 2024 general election. Conditional upon the measure passing, the bill modifies the number of members on the Transportation Commission, requires members to be elected, and requires the commission to select the executive director of the Department of Transportation. The bill increases state and local expenditures in FY 2023-24, and may both increase and decrease state expenditures on an ongoing basis, conditional upon the outcome of the referred measure.

Appropriation Summary: No appropriation is required.

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

Table 1
State Fiscal Impacts Under HB 23-1173

		Budget Year FY 2023-24	Out Year FY 2024-25
Revenue		-	-
Expenditures	Cash Funds ¹	-	\$91,951
Transfers		-	-
Other Budget Impacts			

¹ FY 2024-25 expenditures are conditional upon passage of the bill's referred measure at the 2024 general election.

Summary of Legislation

Conditional upon voter approval in the election held November 5, 2024, this bill changes the structure and membership of the Department of Transportation (CDOT) Transportation Commission as follows:

- reduces the number of commissioners from 11 members to 9 members representing each of the state's eight congressional districts with one additional member elected from the state at-large;
- requires commissioners to be elected beginning at the 2026 general election, with commissioner candidates petitioning onto the ballot by obtaining signatures from eligible electors that reside in the district for which they are seeking election;
- staggers initial terms for commissioners elected at the November 2026 general election so that the odd number congressional districts (districts 1, 3, 5, and 7) and the at-large district serve two-year terms initially; and
- requires the commission to select the executive director of the Department of Transportation (CDOT).

Background

Currently, the Governor appoints the executive director of CDOT as well as the 11 members of the Transportation Commission, who come from statutorily-designated districts and serve four-year terms. The Transportation Commission provides oversight, policy direction, and makes resource allocation decisions for CDOT.

Candidates for state public office who do not seek party nomination must collect a minimum number of signatures to petition onto the ballot. Petition signatures are reviewed by the Department of State (DOS) to confirm that the persons signing are residents of Colorado and reside within the proper jurisdictional boundary. The DOS contracts with the Department of Personnel and Administration (DPA) to conduct these reviews.

Assumptions

If the referred measure passes at the 2024 general election, the bill requires the DOS to add nine Transportation Commission positions to the ballot for the November 2026 general election. This fiscal note assumes that 15 additional candidates will petition onto the ballot for the new positions, requiring the DOS to review 24,000 additional signatures for positions representing the eight congressional districts and 13,500 signatures for the new at-large position.

State Expenditures

The bill increases state expenditures in FY 2024-25 associated with placing the referred measure on the 2024 general election ballot. If voters pass the referred measure included in the bill, state cash fund expenditures will increase in the DOS by \$91,591 and decrease in multiple agencies starting in FY 2025-26, as detailed below.

Election expenditure impact — existing appropriations. This bill includes a referred measure that will appear before voters at the November 2024 general election. While no additional appropriation is required, certain election costs are incurred by the state when ballot measures are referred. These include reimbursing counties for certain election costs; publishing the text and title of the measure in newspapers across the state; and preparing and mailing the ballot information booklet.

Department of State. In FY 2024-25, the DOS will have an increase in expenditures of \$91,591, reappropriated to the DPA. These expenditures are for the Document Solutions Group to process additional petition signatures for an estimated 15 candidates in the 2026 general election. Expenditures will continue for staggered groups of the new positions in general elections every two years beginning in FY 2026-27. The DOS will also have a one-time workload increase to modify election-related databases, which can be accomplished within existing appropriations.

Department of Transportation. Starting in FY 2027-28, expenditures from the State Highway Fund in CDOT will decrease to support two fewer members on the Transportation Commission. These costs, which include a stipend and travel reimbursements, will decrease by \$4,818 in FY 2027-28, and \$11,562 in future years. The department will also have a one-time workload increase to conduct rulemaking, which can be accomplished within existing appropriations.

Local Government

Costs will increase for counties to include an additional referred measure at the November 2024 general election. These costs will be reimbursed by the state.

Effective Date

If approved by voters at the 2024 general election, this measure takes effect upon proclamation of the Governor, no later than 30 days after the official canvass of the vote is completed.

State and Local Government Contacts

Information Technology
Secretary of State

Governor
Personnel

Transportation
Judicial