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An Act

SENATE BILL 24-184

BY SENATOR(S) Fenberg and Marchman, Coleman, Cutter, Fields, Ginal, Gonzales, Hansen, Hinrichsen, Jaquez Lewis, Kolker, Michaelson Jenet, Priola, Roberts, Winter F., Zenzinger;
also REPRESENTATIVE(S) McCluskie and Boesenecker, Brown, Duran, Epps, Jodeh, Joseph, Kipp, Lindsay, Lindstedt, Martinez, Mauro, McCormick, Parenti, Rutinel, Story, Titone, Woodrow.

CONCERNING SUPPORT FOR THE DEVELOPMENT OF SURFACE TRANSPORTATION INFRASTRUCTURE, AND, IN CONNECTION THEREWITH, PROVIDING FUNDING AND OPERATIONAL FLEXIBILITY NEEDED TO SUPPORT THE DEVELOPMENT OF TRANSIT AND RAIL INFRASTRUCTURE, AND MAKING AN APPROPRIATION.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Legislative declaration. (1) The general assembly finds and declares that:

(a) Efficient, safe, and sustainable modes of transportation play a vital role in the well-being of Colorado's residents and the prosperity of its communities, and continued investment in transit and rail infrastructure will foster economic development, reduce traffic congestion, improve safety,

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mitigate environmental impacts, improve air quality, and improve accessibility for all citizens, fostering a more interconnected and vibrant state;

(b) The state needs to strategically address the growing challenges of population growth and growth in recreational traffic and the associated increase in demand for transportation alternatives, and the expansion and improvement of transit and rail networks will alleviate traffic congestion and wear and tear on highways and provide safer and more reliable transportation options;

(c) A dedicated state funding source for transit and rail projects is essential to building a comprehensive and integrated transportation system that meets the diverse needs of Colorado's residents and visitors;

(d) All rental cars, regardless of where they are rented, use public highways and have a large impact on our public highway systems, adding congestion, wear and tear, and more greenhouse gas (GHG) emissions. Additional cars on our roads from out-of-state visitors, in-state leisure travel, heavy trucks, and vans for moving services have a documented impact, and investments in offsets such as transit and rail services benefit the drivers of those rental vehicles by reducing the amount of traffic congestion that they encounter throughout the state. A generally applicable fee on short-term vehicle rentals would equitably support investment in such offsets to reduce congestion on the public highway system.

(e) While out-of-state visitors and tourists have a positive impact on our economy, the large amount of out-of-state visitors and tourism also has a large impact on traffic congestion and conditions on our public highway system and presents significant challenges to our ability to manage growth in a sustainable way;

(f) Continued investment in transit and rail projects and services advances Colorado's commitment to reducing air pollution, addressing ozone nonattainment, safeguarding the environment and the health of its residents by addressing climate change, and reducing GHG emissions that create climate change;

(g) Although the general assembly and the federal government have passed laws enabling investments to transition single occupancy vehicles

and other fleets to electric vehicles, the state cannot reach its traffic congestion and GHG reduction goals without more transit and rail options in the state to provide transportation alternatives and spur transit-oriented development;

(h) Colorado charges road user fees for the purpose of improving our surface transportation systems, and rental cars are one user of our public highway system with a demonstrated impact on traffic congestion on our public highways that could be alleviated and offset by providing new transit and rail services that reduce the traffic congestion and wear and tear they encounter;

(i) Rental cars account for over three percent of the vehicle miles traveled (VMT) on Colorado roadways. Based on the "Urban Mobility Report" produced by the Texas A&M Transportation Institute, the annual cost of traffic congestion, which takes into account the cost of wasted fuel consumption and travel delays, in the Denver metropolitan area alone was \$2.394 billion in 2019, which comes out to \$1,263 per commuter and \$21.50 per hour of delay. This suggests that the cost of congestion attributable to rental cars statewide is at least \$74 million per year, and likely higher. This impact from rental cars can be mitigated with new investments in transit and rail. Investment in passenger rail systems and additional revenue service miles of transit will offset VMT and reduce congestion.

(j) The fee proposed in this legislation would also be applied to the rental of heavy motor vehicles like moving truck rentals, which have significantly higher wear and tear impacts to Colorado roads than traditional passenger vehicles;

(k) The federal government has made available billions of dollars to states, local governments, and private entities in the 2021 bipartisan "Infrastructure Investment and Jobs Act". These federal grants usually provide an 80% federal share and require only a 20% match from the grant recipient, making passenger rail expansion a cost-effective tool for reducing congestion but requiring more state matching money to access federal dollars.

(l) Having adequate money to provide the non-federal match for federal grants is essential to allow Colorado to take advantage of this

federal money;

(m) In 2021, the general assembly created the front range passenger rail district. The Colorado department of transportation's (CDOT) transit and rail division (division) is conducting a service development plan for front range passenger rail to advance the direction of that law. In October 2023, the transportation commission approved funds to commence a service development plan for the northern rocky mountain rail corridor extending from Denver through northwest Colorado and long distance bus service expansion. The division will complete these projects and continue to support project planning for associated projects.

(n) Front range passenger rail would connect communities from Fort Collins through Denver on to Trinidad through new passenger rail service, shaping development in our state for generations to come and unlocking smart urban planning decisions, density around transit hubs, and mobility options for those who cannot access a car;

(o) As Colorado continues to invest in smart, dense transit-oriented development, it needs high-capacity mass transit to help meet the travel demands of residents, and density itself supports the implementation of mass transit because higher levels of density and transit service are strongly correlated with a reduction in vehicle miles traveled and general car use, which helps increase affordability for residents;

(p) Urgent action is also required to fulfill our commitment to equity for a just transition for energy impacted communities such as Craig and Hayden that have coal plants completely closing as soon as 2028. As coal plant closures happen and the existing freight business ends with it, we must ensure continuous use of that existing rail line through utilization for passenger rail. As freight traffic volumes, types, and commodities shift and change, we have an opportunity to partner with the freight rail system for dual use of existing freight rail lines to include northern rocky mountain passenger rail service. Establishing passenger rail service from Union Station to west Jefferson County, Winter Park, Steamboat Springs, Craig, and Hayden is a just transition strategy that also reduces traffic congestion in the interstate highway 70 mountain corridor. This train line uniquely fulfills several objectives of the state including relieving traffic congestion in mountain corridors, supporting affordable housing for the local workforce, and aiding coal-dependent communities in enhancing and

diversifying their economies.

(q) The southern segment of front range passenger rail is as important as the north segment and the proposed northern rocky mountain rail service. It is imperative that the state continue to pursue this important segment that completes the vision for the full front range passenger rail and is a linchpin to the new federal long distance plan for the country that would create two new long distance service routes through Trinidad connecting to the full proposed front range passenger rail route. The new proposed long distance study map makes Colorado's full front range rail route essential to a new route connecting through Trinidad, Colorado to Albuquerque, New Mexico on to Phoenix, Arizona, and an additional new route that would connect Trinidad to Amarillo, Texas, to Dallas, Texas, and on to Houston, Texas. This makes the southern segment of front range passenger rail not just an important Colorado transportation solution but also of national importance to the future national rail passenger rail network.

(r) In addition to the proposed future passenger rail service for the northern Rocky Mountains, there are multiple other underutilized or abandoned freight rail rights-of-way that could be repurposed for passenger rail service to connect mountain communities with the front range, and the state should continue to explore opportunities for establishing more passenger rail services.

(s) Efforts to expand passenger rail must be complemented by the expansion of a more comprehensive statewide bus system, especially on key corridors like interstate highways 70 and 25, building on the successes of initiatives like CDOT's Bustang, Snowstang, and Pegasus bus services, with a commitment to improving convenience, and accessibility for all Coloradans and contributing to reductions in GHG emissions and traffic congestion.

(2) The general assembly further finds and declares that:

(a) The Colorado high performance transportation enterprise, which has been doing business as the Colorado transportation investment office (CTIO) since 2021, has a strong track record of using user fee revenue to support the development of surface transportation projects with the primary objective of alleviating traffic congestion within the state;

(b) The CTIO has historically supported multi-modal transportation through the expansion of commuting options in express lanes and the distribution of transit passes to low-income residents, but with the creation of the new dedicated revenue source provided for in this act must now utilize its existing power and charge, as set forth in its enabling legislation, to fund transit and rail projects to further reduce traffic congestion on our highway system;

(c) It is necessary and appropriate to direct the CTIO to update its strategic plan to incorporate policies implementing legislative direction in Senate Bill 21-260, which tasked the transportation commission to establish GHG pollution reduction planning standards and to contribute to the state's implementation of House Bill 19-1261, which established GHG reduction goals for the state;

(d) A major barrier to expanding transit and rail in the state of Colorado is a lack of financing infrastructure and a dedicated revenue source;

(e) The state needs a more equitable transportation system that mitigates the impact that automobiles place on the public highway system, and the state lacks the dedicated revenue source for transit and rail that is needed to fund such a system and mitigate those impacts;

(f) This act directs the regional transportation district (RTD), the front range passenger rail district (FRPRD), the transportation commission and the board of directors of the high-performance transportation enterprise to develop a plan for using their joint authorities and funding streams to deliver the first phase of front range passenger rail from Denver to Fort Collins and to use existing contracts to the extent possible to facilitate the best means to deliver that project and to conduct rail traffic controller modeling and other analyses for intercity passenger rail from Union Station to Fort Collins for at least two scenarios, including a scenario of three round trips per day and a scenario of five round trips per day;

(g) As it is the desire of the general assembly to ensure not just train service from Union Station to Fort Collins, but also daily service from Trinidad to Pueblo to Fort Collins, this act also requires the FRPRD:

(I) To report to the general assembly regarding a plan and an

expeditious timeline by which the FRPRD will implement the whole front-range rail train service from Fort Collins to Pueblo and Trinidad; and

(II) To report periodically to the general assembly regarding its planning and implementation progress and the barriers and challenges it faces for extending service to the southern portion of the FRPRD, encouraging the inclusion in each report of a detailed analysis of the extent of coordination among the host rail companies; and

(h) In the near term, it is necessary and appropriate for CTIO to use the new dedicated revenue stream provided for in this act to finance service that originates from the service development plan for front range passenger rail, the service development plan for the northern rocky mountain rail corridor, the aforementioned statewide bus expansion study, and other strategies to increase the use of public transportation.

(3) The general assembly further finds and declares that:

(a) The division will complete a report on the status of a service development plan for the northern rocky mountain rail corridor by December 31, 2024;

(b) The division has identified potential private partners to operate new passenger rail services along the northern rocky mountain rail corridor;

(c) Western slope communities in Grand, Routt, and Moffat counties have existing and emerging transportation needs that are currently underserved; and

(d) As it is the intent of the general assembly to ensure not only expanded passenger rail service from Denver to Winter Park but also to establish passenger rail service from Denver to Craig and Hayden, this act also requires the division:

(I) To report to the general assembly regarding a plan and an expeditious timeline by which CDOT will deliver passenger rail service from Denver to the Hayden and Craig communities; and

(II) To report periodically to the general assembly regarding its planning and implementation progress and barriers and challenges it faces

for extending service along the full length of the northern rocky mountain rail corridor.

(4) The general assembly further finds and declares that once the front range passenger rail line is completed and in service, the voice of Senator Perry Will of Newcastle, Colorado shall be the official voice of front range passenger rail and shall be used to make all announcements on front range passenger rail trains.

SECTION 2. In Colorado Revised Statutes, 29-1-203.5, **amend** (1)(a) as follows:

29-1-203.5. Separate legal entity established under section 29-1-203 - legal status - authority to exercise special district powers - additional financing powers. (1) (a) Any combination of counties, municipalities, special districts, or other political subdivisions of this state that are each authorized to own, operate, finance, or otherwise provide public improvements, functions, services, or facilities may enter into a contract under section 29-1-203 to establish a separate legal entity to provide any such public improvements, functions, services, or facilities. IN ADDITION, SUCH A SEPARATE LEGAL ENTITY MAY BE ESTABLISHED AS AUTHORIZED BY SECTIONS 32-19-119 (1)(w.5), 32-22-106 (1)(s.5), 43-1-106 (8)(q.5), AND 43-4-806 (6)(p.5). Any separate legal entity established is a political subdivision and public corporation of the state and is separate from the parties to the contract if the contract or an amendment to the contract states that the entity is formed in conformity with the provisions of this section and that the provisions of this section apply to the entity.

SECTION 3. In Colorado Revised Statutes, 32-9-107.5, **add** (1)(e) as follows:

32-9-107.5. Regional fixed guideway mass transit system - authorization - completion of northwest rail fixed guideway corridor as first phase of front range passenger rail service - legislative declarations. (1) (e) THE GENERAL ASSEMBLY FURTHER DECLARES THAT:

(I) THE COMPLETION OF CONSTRUCTION OF A FIXED GUIDEWAY MASS TRANSIT SYSTEM IN THE DISTRICT'S NORTHWEST FIXED GUIDEWAY CORRIDOR BETWEEN UNION STATION IN DENVER AND LONGMONT, WHICH WAS PROMISED AS PART OF THE DISTRICT'S FASTRACKS TRANSIT EXPANSION

PROGRAM APPROVED BY THE VOTERS OF THE DISTRICT IN 2004 BUT CURRENTLY OPERATES ONLY BETWEEN UNION STATION AND WESTMINSTER, WILL HELP REBUILD CONFIDENCE IN THE DISTRICT, AND IT IS OF CRITICAL IMPORTANCE THAT EVERY EFFORT BE MADE TO SECURE SUFFICIENT FUNDING TO QUICKLY COMPLETE THAT CORRIDOR;

(II) THERE IS AN OPPORTUNITY TO OBTAIN SIGNIFICANT FEDERAL MONEY FOR THE COMPLETION OF THE FIXED GUIDEWAY MASS TRANSIT SYSTEM IN THE DISTRICT'S NORTHWEST FIXED GUIDEWAY CORRIDOR IF SERVICE EXTENDS BEYOND THE BOUNDARIES OF THE DISTRICT TO FORT COLLINS AND QUALIFIES AS INTERCITY RAIL AS A FIRST PHASE OF FRONT RANGE PASSENGER RAIL SERVICE; AND

(III) ACCELERATING THE PROVISION OF FIXED GUIDEWAY SERVICE ON THE NORTHWEST RAIL CORRIDOR AS THE FIRST PHASE OF FRONT RANGE PASSENGER RAIL SERVICE WILL NOT IN ANY WAY SLOW PLANNING, DEVELOPMENT, GRANT SEEKING, OR OTHER ACTIVITIES NEEDED FOR THE EXPEDITIOUS DELIVERY OF THE REMAINING ELEMENTS OF FRONT RANGE PASSENGER RAIL SERVICE OR UNFINISHED FASTRACKS PROJECTS. FURTHER, EXISTING DISTRICT SERVICE WILL NOT BE IMPACTED OR SACRIFICED AS A RESULT OF PLANNING AND DELIVERY OF THE FIRST PHASE OF FRONT RANGE PASSENGER RAIL SERVICE. BY COMPLETING THE NORTHWEST PORTION OF FRONT RANGE PASSENGER RAIL SERVICE, WHICH WAS STATUTORILY REQUIRED TO BE PRIORITIZED IN THE LEGISLATION THAT CREATED THE FRONT RANGE PASSENGER RAIL DISTRICT, THE GENERAL ASSEMBLY INTENDS TO EXPEDITE COMPLETION OF THE ENTIRE RAIL SERVICE.

SECTION 4. In Colorado Revised Statutes, 32-9-107.7, **add** (3) as follows:

32-9-107.7. Regional fixed guideway mass transit systems - construction - front range passenger rail service - authorization - completion of northwest rail fixed guideway corridor - limited operations outside district. (3) THE DISTRICT MAY EXTEND CONSTRUCTION AND OPERATIONS OF THE NORTHWEST RAIL FIXED GUIDEWAY CORRIDOR BEYOND THE BOUNDARIES OF THE DISTRICT IF ANY AND ALL CAPITAL AND OPERATING EXPENSES THAT IT UNDERTAKES OUTSIDE THE DISTRICT ARE FULLY ACCOUNTED FOR AND REIMBURSED TO THE DISTRICT BY A PUBLIC BODY.

SECTION 5. In Colorado Revised Statutes, 32-9-119, **add** (1)(w.5) as follows:

32-9-119. Additional powers of district. (1) In addition to any other powers granted to the district in this article, the district has the following powers:

(w.5) IN ACCORDANCE WITH AN IMPLEMENTATION PLAN DEVELOPED AS REQUIRED BY SECTION 32-22-103 (5), TO ENTER INTO A STANDALONE INTERGOVERNMENTAL AGREEMENT WITH OR CREATE A SEPARATE LEGAL ENTITY PURSUANT TO SECTIONS 29-1-203 AND 29-1-203.5 OR PURSUANT TO ARTICLES 121 TO 137 OF TITLE 7 WITH THE DEPARTMENT OF TRANSPORTATION, THE HIGH-PERFORMANCE TRANSPORTATION ENTERPRISE, CREATED IN SECTION 43-4-806 (2)(a)(I), AND THE FRONT RANGE PASSENGER RAIL DISTRICT, CREATED IN SECTION 32-22-103 (1), TO IMPLEMENT THE COMPLETION OF CONSTRUCTION AND OPERATION OF THE NORTHWEST FIXED GUIDEWAY CORRIDOR, INCLUDING AN EXTENSION OF THE CORRIDOR TO FORT COLLINS AS THE FIRST PHASE OF FRONT RANGE PASSENGER RAIL SERVICE;

SECTION 6. In Colorado Revised Statutes, 32-22-103, **add** (5) as follows:

32-22-103. Front range passenger rail district - creation - purpose - boundaries - reports. (5) (a) IN PURSUING THE COMPLETION OF CONSTRUCTION AND OPERATION OF THE NORTHWEST FIXED GUIDEWAY CORRIDOR, INCLUDING AN EXTENSION OF THE CORRIDOR TO FORT COLLINS AS THE FIRST PHASE OF FRONT RANGE PASSENGER RAIL SERVICE, THE DISTRICT, THE DEPARTMENT OF TRANSPORTATION, THE HIGH-PERFORMANCE TRANSPORTATION ENTERPRISE, CREATED IN SECTION 43-4-806 (2)(a)(I), AND THE REGIONAL TRANSPORTATION DISTRICT, CREATED IN SECTION 32-9-105 , SHALL PROVIDE A REPORT CONTAINING AN IMPLEMENTATION PLAN FOR CONSTRUCTION AND OPERATIONS OF THE CORRIDOR TO THE TRANSPORTATION LEGISLATION REVIEW COMMITTEE, CREATED IN SECTION 43-2-145 (1)(a), OR ITS SUCCESSOR COMMITTEE, AND TO THE GOVERNOR NO LATER THAN SEPTEMBER 30, 2024. THE IMPLEMENTATION PLAN MUST:

(I) IDENTIFY ALL ONGOING OR COMPLETED STUDIES AND SERVICE DEVELOPMENT PLANS THAT COULD BE LEVERAGED TO ACCELERATE APPROVAL AND PERMITTING AND REQUIRE THE DISTRICT AND THE DEPARTMENT OF TRANSPORTATION TO USE EXISTING CONTRACTS TO THE

EXTENT POSSIBLE TO CONDUCT RAIL TRAFFIC CONTROLLER MODELING AND OTHER ANALYSES FOR INTERCITY PASSENGER RAIL SERVICE FROM UNION STATION TO FORT COLLINS FOR AT LEAST TWO SCENARIOS, INCLUDING A SCENARIO OF THREE ROUND TRIPS PER DAY AND A SCENARIO OF FIVE ROUND TRIPS PER DAY;

(II) IDENTIFY AND EVALUATE OPTIONS FOR CREATING A NEW STANDALONE ENTITY SUCH AS A COLORADO RAIL AUTHORITY, A SEPARATE LEGAL ENTITY CREATED PURSUANT TO SECTIONS 29-1-203 AND 29-1-203.5, A SEPARATE LEGAL ENTITY CREATED PURSUANT TO ARTICLES 121 TO 137 OF TITLE 7, OR A STANDALONE INTERGOVERNMENTAL AGREEMENT AS A BUSINESS MODEL WITH A GOAL OF CREATING SUCH A SEPARATE LEGAL ENTITY OR EXECUTING SUCH AN AGREEMENT NO LATER THAN DECEMBER 31, 2024; AND

(III) EXPLORE THE VIABILITY OF AMTRAK OR OTHER ENTITIES AS POTENTIAL OPERATORS FOR INTERCITY PASSENGER RAIL SERVICE.

(b) IN ADDITION TO THE REPORT REQUIRED BY SUBSECTION (5)(a) OF THIS SECTION, NO LATER THAN MARCH 1, 2025, THE DISTRICT, THE DEPARTMENT OF TRANSPORTATION, THE HIGH-PERFORMANCE TRANSPORTATION ENTERPRISE, CREATED IN SECTION 43-4-806 (2)(a)(I), THE REGIONAL TRANSPORTATION DISTRICT, CREATED IN SECTION 32-9-105, AND ANY SEPARATE LEGAL ENTITY CREATED PURSUANT TO SECTIONS 29-1-203 AND 29-1-203.5 OR ARTICLES 121 TO 137 OR TITLE 7 SHALL PROVIDE A REPORT CONCERNING A PLAN TO BEGIN PROVIDING FRONT RANGE PASSENGER RAIL SERVICE NO LATER THAN JANUARY 1, 2029, TO THE HOUSE OF REPRESENTATIVES TRANSPORTATION, HOUSING AND LOCAL GOVERNMENT COMMITTEE AND THE SENATE TRANSPORTATION AND ENERGY COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, AND THE GOVERNOR. WHEN DEVELOPED, THE PLAN MUST INCLUDE DESCRIPTIONS OF STEPS TAKEN TO MAXIMIZE THE CHANCES OF SECURING FEDERAL GRANT ASSISTANCE, INCLUDING POLICIES AND STRATEGIES RELATING TO REDUCING CLIMATE IMPACTS, PROVIDING FOR ALL-HAZARDS RESILIENCE, ENHANCING BENEFITS TO UNDERSERVED COMMUNITIES, AND PROMOTING INVESTMENTS IN HIGH-QUALITY WORKFORCE DEVELOPMENT PROGRAMS, AND OF HOW THE PROJECT WILL CREATE GOOD-PAYING, HIGH-QUALITY, AND SAFE JOBS. THE PARTIES SHALL COORDINATE WITH STAKEHOLDERS, INCLUDING LABOR ORGANIZATIONS, AFFECTED COMMUNITIES, UNDERSERVED COMMUNITIES, LOCAL GOVERNMENTS, ENVIRONMENTAL ORGANIZATIONS, AND BUSINESSES, ON THE

DEVELOPMENT OF THE PLAN. THE REPORT SHALL INCLUDE AN ASSESSMENT OF WHETHER ADDITIONAL REVENUE IS NEEDED TO SUPPORT SUCH SERVICE AND, IF SO, RECOMMENDED SOURCES OF SUCH FUNDING.

(c) IN ADDITION TO THE REPORTS REQUIRED IN SUBSECTIONS (5)(a) AND (5)(b) OF THIS SECTION, IF FRONT RANGE PASSENGER SERVICE HAS NOT BEGUN BY JANUARY 1, 2029, THE DISTRICT, IN COOPERATION WITH THE DEPARTMENT OF TRANSPORTATION, THE HIGH-PERFORMANCE TRANSPORTATION ENTERPRISE, CREATED IN SECTION 43-4-806 (2)(a)(I), THE REGIONAL TRANSPORTATION DISTRICT, CREATED IN SECTION 32-9-105, AND ANY SEPARATE LEGAL ENTITY CREATED PURSUANT TO SECTIONS 29-1-203 AND 29-1-203.5 OR ARTICLES 121 TO 137 OF TITLE 7 SHALL PROVIDE A REPORT DETAILING THE REASONS WHY SUCH SERVICE HAS NOT BEGUN AND A DETAILED PLAN FOR PROVIDING SERVICE ON JANUARY 1, 2029, AND EACH SIX MONTHS THEREAFTER UNTIL SERVICE IS INITIATED.

SECTION 7. In Colorado Revised Statutes, 32-22-106, **amend** (1)(s); and **add** (1)(s.5) as follows:

32-22-106. District - general powers and duties - funds created.

(1) In addition to any other powers granted to the district by this article 22, the district has the following powers:

(s) To accept gifts, grants, and donations, whether cash or in-kind in nature, from private or public sources for the purposes of this article 22; **and**

(s.5) IN ACCORDANCE WITH AN IMPLEMENTATION PLAN DEVELOPED AS REQUIRED BY SECTION 32-9-107.7 (4), TO ENTER INTO A STANDALONE INTERGOVERNMENTAL AGREEMENT WITH OR CREATE A SEPARATE LEGAL ENTITY PURSUANT TO SECTIONS 29-1-203 AND 29-1-203.5 OR PURSUANT TO ARTICLES 121 TO 137 OF TITLE 7 WITH THE DEPARTMENT OF TRANSPORTATION, THE HIGH-PERFORMANCE TRANSPORTATION ENTERPRISE, CREATED IN SECTION 43-4-806 (2)(a)(I), AND THE REGIONAL TRANSPORTATION DISTRICT, CREATED IN SECTION 32-9-105, TO IMPLEMENT THE COMPLETION OF CONSTRUCTION AND OPERATION OF THE REGIONAL TRANSPORTATION DISTRICT'S NORTHWEST FIXED GUIDEWAY CORRIDOR, INCLUDING AN EXTENSION OF THE CORRIDOR TO FORT COLLINS AS THE FIRST PHASE OF FRONT RANGE PASSENGER RAIL SERVICE;

SECTION 8. In Colorado Revised Statutes, 43-1-106, **add** (8)(q.5) as follows:

43-1-106. Transportation commission - efficiency and accountability committee - powers and duties - rules - definitions. (8) In addition to all other powers and duties imposed upon it by law, the commission has the following powers and duties:

(q.5) IN ACCORDANCE WITH AN IMPLEMENTATION PLAN DEVELOPED AS REQUIRED BY SECTION 32-9-107.7 (4), AND ON BEHALF OF THE DEPARTMENT, TO ENTER INTO A STANDALONE INTERGOVERNMENTAL AGREEMENT WITH OR CREATE A SEPARATE LEGAL ENTITY PURSUANT TO SECTIONS 29-1-203 AND 29-1-203.5 OR PURSUANT TO ARTICLES 121 TO 137 OF TITLE 7 WITH THE REGIONAL TRANSPORTATION DISTRICT, CREATED IN SECTION 32-9-105, THE FRONT RANGE PASSENGER RAIL DISTRICT, CREATED IN SECTION 32-22-103 (1), AND THE HIGH-PERFORMANCE TRANSPORTATION ENTERPRISE, CREATED IN SECTION 43-4-806 (2)(a)(I), TO IMPLEMENT THE COMPLETION OF CONSTRUCTION AND OPERATION OF THE REGIONAL TRANSPORTATION DISTRICT'S NORTHWEST FIXED GUIDEWAY CORRIDOR, INCLUDING AN EXTENSION OF THE CORRIDOR TO FORT COLLINS AS THE FIRST PHASE OF FRONT RANGE PASSENGER RAIL SERVICE;

SECTION 9. In Colorado Revised Statutes, 43-1-117.5, **add** (5) as follows:

43-1-117.5. Transit and rail division - created - powers and duties - pilot project to expand transit - reports - repeal. (5) (a) THE TRANSIT AND RAIL DIVISION SHALL PROVIDE A REPORT CONTAINING A DEVELOPMENT PLAN FOR ROCKY MOUNTAIN RAIL SERVICE TO THE HOUSE OF REPRESENTATIVES TRANSPORTATION, HOUSING AND LOCAL GOVERNMENT COMMITTEE AND THE SENATE TRANSPORTATION AND ENERGY COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, AND THE GOVERNOR NO LATER THAN DECEMBER 31, 2024.

(b) THIS SUBSECTION (5) IS REPEALED, EFFECTIVE JULY 1, 2025.

SECTION 10. In Colorado Revised Statutes, **add** 43-1-134 as follows:

43-1-134. Front range passenger rail service - annual status

reports. (1) NO LATER THAN SEPTEMBER 30, 2024, AND SEPTEMBER 30 OF EACH YEAR THEREAFTER, THE DEPARTMENT AND THE FRONT RANGE PASSENGER RAIL DISTRICT, CREATED IN SECTION 32-22-103 (1) SHALL JOINTLY REPORT TO THE TRANSPORTATION LEGISLATION REVIEW COMMITTEE, CREATED IN SECTION 43-2-145 (1)(a), OR ITS SUCCESSOR COMMITTEE, AND THE GOVERNOR REGARDING THE STATUS OF THE SERVICE DEVELOPMENT PLAN FOR FRONT RANGE PASSENGER RAIL SERVICE BETWEEN TRINIDAD, PUEBLO, AND FORT COLLINS. THE REPORT MUST INCLUDE, AT A MINIMUM:

(a) A DESCRIPTION OF THE EFFORTS OF THE DEPARTMENT AND THE DISTRICT TO COORDINATE WITH AFFECTED ENTITIES, INCLUDING HOST RAILROADS, THE FEDERAL RAILROAD ADMINISTRATION, OTHER POTENTIAL OPERATORS, AND AMTRAK, AND THE EXTENT TO WHICH AND MANNER IN WHICH SUCH AFFECTED ENTITIES RESPONDED TO THOSE EFFORTS; AND

(b) A PLAN FOR FULL IMPLEMENTATION OF FRONT RANGE PASSENGER RAIL SERVICE AS SOON AS PRACTICABLE THAT INCLUDES PLANS FOR UPCOMING BALLOT MEASURES, FEDERAL GRANTS, AND OTHER POSSIBLE INTERIM OPTIONS FOR FINANCING NECESSARY INFRASTRUCTURE AND OPERATIONS. THE PLAN MUST INCLUDE DESCRIPTIONS OF STEPS TAKEN TO MAXIMIZE THE CHANCES OF SECURING FEDERAL GRANT ASSISTANCE, INCLUDING POLICIES AND STRATEGIES RELATING TO REDUCING CLIMATE IMPACTS, PROVIDING FOR ALL-HAZARDS RESILIENCE, ENHANCING BENEFITS TO UNDERSERVED COMMUNITIES, AND PROMOTING INVESTMENTS IN HIGH-QUALITY WORKFORCE DEVELOPMENT PROGRAMS, AND OF HOW THE PROJECT WILL CREATE GOOD-PAYING, HIGH-QUALITY, AND SAFE JOBS. THE PARTIES SHALL COORDINATE WITH STAKEHOLDERS, INCLUDING LABOR ORGANIZATIONS, AFFECTED COMMUNITIES, UNDERSERVED COMMUNITIES, LOCAL GOVERNMENTS, ENVIRONMENTAL ORGANIZATIONS, AND BUSINESSES, ON THE DEVELOPMENT OF THE PLAN.

(2) NOTWITHSTANDING THE REQUIREMENT IN SECTION 24-1-136 (11)(a)(I), THE REQUIREMENT TO SUBMIT THE REPORT REQUIRED IN THIS SECTION CONTINUES INDEFINITELY.

SECTION 11. In Colorado Revised Statutes, 43-4-803, **amend** (11), (22), and (27); and **add** (23.5) as follows:

43-4-803. Definitions. As used in this part 8, unless the context

otherwise requires:

(11) "Designated bridge project" means a project that involves the repair, reconstruction, replacement, or ongoing operation or maintenance, or any combination thereof, of a designated bridge by the bridge enterprise pursuant to an agreement between the BRIDGE enterprise and the commission or department authorized by section 43-4-805 (5)(f). A fair-rated bridge may be included in a designated bridge project or other project involving the repair, replacement, or reconstruction of a designated bridge if including the fair-rated bridge is an efficient use of the bridge enterprise's resources and will result in cost savings or schedule acceleration for a project that will improve safety.

(22) "Surface transportation infrastructure" means a highway, a bridge other than a designated bridge, or any other infrastructure, facility, or equipment used primarily or in large part to transport people AND MOVE FREIGHT on systems that operate on or are affixed to the ground, INCLUDING PASSENGER RAIL, BUS, OR OTHER PUBLIC TRANSPORTATION VEHICLES.

(23.5) "SURFACE TRANSPORTATION INFRASTRUCTURE PROJECT NETWORK" MEANS ALL EXISTING OR PLANNED SURFACE TRANSPORTATION INFRASTRUCTURE PROJECTS.

(27) "User fee" means compensation to be paid to the transportation enterprise or a partner of the transportation enterprise, INCLUDING THE CONGESTION IMPACT FEE IMPOSED BY THE TRANSPORTATION ENTERPRISE PURSUANT TO SECTION 43-4-806 (7.6), for the privilege of EITHER using surface transportation infrastructure constructed or operated by the transportation enterprise or operated by its partner under the terms of a public-private partnership OR BENEFITTING FROM THE REDUCED CONGESTION ON AND IMPROVED CONDITION OF OTHER SURFACE TRANSPORTATION INFRASTRUCTURE IN THE STATE RESULTING FROM THE AVAILABILITY OF SURFACE TRANSPORTATION INFRASTRUCTURE CONSTRUCTED OR OPERATED BY THE TRANSPORTATION ENTERPRISE OR OPERATED BY ITS PARTNER UNDER THE TERMS OF A PUBLIC-PRIVATE PARTNERSHIP AND FROM THE OPPORTUNITY TO USE SUCH SURFACE TRANSPORTATION INFRASTRUCTURE CONSTRUCTED OR OPERATED BY THE TRANSPORTATION ENTERPRISE AND SUCH OTHER LESS CONGESTED AND IMPROVED SURFACE TRANSPORTATION INFRASTRUCTURE.

SECTION 12. In Colorado Revised Statutes, 43-4-804, **amend**

(1)(b)(II) as follows:

43-4-804. Highway safety projects - surcharges and fees - crediting of money to highway users tax fund - definition. (1) The following surcharges, fees, and fines shall be collected and credited to the highway users tax fund created in section 43-4-201 (1)(a) and allocated to the state highway fund, counties, and municipalities as specified in section 43-4-205 (6.3):

(b) (II) A person who collects the daily vehicle rental fee imposed by ~~subparagraph (I) of this paragraph (b)~~ SUBSECTION (1)(b)(I) OF THIS SECTION and who pays specific ownership tax on the vehicles rented in the manner specified in either section 42-3-107 (11) or (12), ~~C.R.S.~~, or both, shall, no later than the twentieth day of each month, submit to the department of revenue a report, using forms furnished by the department of revenue, of daily vehicle rental fees collected for the preceding month and shall include with the report the remittance of all such fees. A person who collects the daily vehicle rental fee imposed by ~~subparagraph (I) of this paragraph (b)~~ SUBSECTION (1)(b)(I) OF THIS SECTION but does not pay specific ownership tax on the vehicles in the manner specified in either section 42-3-107 (11) or (12), ~~C.R.S.~~, or both, shall submit the report and the remittance of fees collected in the same manner or in such other manner as the executive director of the department of revenue may prescribe by rules promulgated in accordance with article 4 of title 24. ~~C.R.S.~~ The executive director of the department of revenue shall forward all daily vehicle rental fees collected, TOGETHER WITH ALL CONGESTION IMPACT FEES IMPOSED BY THE TRANSPORTATION ENTERPRISE PURSUANT TO SECTION 43-4-806 (7.6) COLLECTED, to the state treasurer ~~who~~ AND SHALL IDENTIFY THE AMOUNTS OF EACH FEE BEING FORWARDED. THE STATE TREASURER shall credit the daily vehicle rental fees IMPOSED PURSUANT TO SUBSECTION (1)(b)(I)(A) OF THIS SECTION to the highway users tax fund AND SHALL CREDIT THE CONGESTION IMPACT FEES IMPOSED BY THE TRANSPORTATION ENTERPRISE PURSUANT TO SECTION 43-4-806 (7.6) TO THE TRANSPORTATION SPECIAL FUND AS REQUIRED BY SECTION 43-4-806 (7.6)(b).

SECTION 13. In Colorado Revised Statutes, 43-4-806, **amend** (1)(a), (2)(a)(III)(B), (2)(c)(I), (3)(a), (3)(c), (5), (6) introductory portion, (6)(p), (9)(a), and (10)(a); and **add** (1.5), (6)(p.5), (7.6), (7.7), (7.8), and (10)(c) as follows:

43-4-806. Colorado transportation investment office - creation - enterprise status - board - funds - powers and duties - user fees - limitations - reporting requirements - violations on the peak period shoulder lanes - legislative declaration - definitions. (1) The general assembly hereby finds and declares that:

(a) It is necessary, appropriate, and in the best interests of the state for the state to aggressively pursue innovative means of more efficiently financing important surface transportation infrastructure projects that will improve the safety, capacity, and accessibility of the surface transportation system, PROVIDE DIVERSE, MULTIMODAL TRANSPORTATION OPTIONS THAT REDUCE TRAFFIC CONGESTION AND DEGRADATION OF EXISTING SURFACE TRANSPORTATION INFRASTRUCTURE AND OFFER MORE TRANSPORTATION CHOICES FOR SYSTEM USERS, can feasibly be commenced in a reasonable amount of time, will allow more efficient movement of people, goods, and information throughout the state, and will accelerate the economic recovery of the state;

(1.5) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT:

(a) (I) THE TRANSPORTATION ENTERPRISE PROVIDES BOTH SERVICES TO PERSONS WHO PAY USER FEES FOR THE PRIVILEGE OF USING SURFACE TRANSPORTATION INFRASTRUCTURE PROJECTS AND ADDITIONAL IMPACT REMEDIATION SERVICES TO ALL PERSONS WHO USE OR INDIRECTLY BENEFIT FROM THE USE OF THE SURFACE TRANSPORTATION INFRASTRUCTURE PROJECT NETWORK AND OTHER SURFACE TRANSPORTATION INFRASTRUCTURE IN THE STATE BY COMPLETING AND OPERATING SURFACE TRANSPORTATION INFRASTRUCTURE PROJECTS THAT REDUCE WEAR AND TEAR ON AND INCREASE THE RELIABILITY, SAFETY, AND EXPECTED USEFUL LIFE OF STATE HIGHWAYS AND BRIDGES, REDUCE TRAFFIC CONGESTION AND ATTENDANT DELAYS, PROVIDE ADDITIONAL TRANSPORTATION OPTIONS, REDUCE EMISSIONS FROM AIR POLLUTANTS AND GREENHOUSE GAS POLLUTANTS FROM MOTOR VEHICLES, AND REDUCE THE ADVERSE ENVIRONMENTAL AND HEALTH IMPACTS OF SUCH EMISSIONS; AND

(II) BY PROVIDING SERVICES AS AUTHORIZED BY THIS PART 8, THE TRANSPORTATION ENTERPRISE ENGAGES IN AN ACTIVITY CONDUCTED IN THE PURSUIT OF A BENEFIT, GAIN, OR LIVELIHOOD AND GENERATES REVENUE BY COLLECTING FEES FROM SERVICES USERS, AND THEREFORE OPERATES AS A BUSINESS IN ACCORDANCE WITH THE DETERMINATION OF THE COLORADO

SUPREME COURT IN *NICHOLL V. E-470 PUBLIC HIGHWAY AUTHORITY*, 896 P.2d 859 (COLO. 1995), AND THE COLORADO COURT OF APPEALS IN *TABOR FOUNDATION V. COLORADO BRIDGE ENTERPRISE*, 2014COA 106;

(b) CONSISTENT WITH THE DETERMINATION OF THE COLORADO SUPREME COURT IN *NICHOLL V. E-470 PUBLIC HIGHWAY AUTHORITY*, 896 P.2d 859 (COLO. 1995), THAT THE POWER TO IMPOSE TAXES IS INCONSISTENT WITH ENTERPRISE STATUS UNDER SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION AND THE DETERMINATION OF THE COLORADO SUPREME COURT IN *COLORADO UNION OF TAXPAYERS FOUNDATION V. CITY OF ASPEN*, 2018 CO 36, THAT A CHARGE IS NOT A TAX IF THE PRIMARY PURPOSE OF THE CHARGE IS TO NOT TO RAISE REVENUE FOR GENERAL GOVERNMENTAL PURPOSES, IT IS THE CONCLUSION OF THE GENERAL ASSEMBLY THAT THE REVENUE COLLECTED BY THE TRANSPORTATION ENTERPRISE FROM USER FEES IS GENERATED BY FEES, NOT TAXES, BECAUSE THE USER FEES IMPOSED BY THE TRANSPORTATION ENTERPRISE:

(I) ARE IMPOSED FOR THE SPECIFIC PURPOSE OF ALLOWING THE TRANSPORTATION ENTERPRISE TO DEFRAY THE COSTS OF COMPLETING, OPERATING, AND MAINTAINING THE SURFACE TRANSPORTATION INFRASTRUCTURE PROJECT NETWORK;

(II) THEREBY:

(A) FUND THE SPECIFIC BENEFIT OF THE PRIVILEGE OF ACCESSING SURFACE TRANSPORTATION INFRASTRUCTURE PROJECTS FOR USER FEE PAYERS;

(B) FUND ADDITIONAL BENEFITS OF THE REMEDIATION SERVICES PROVIDED BY THE TRANSPORTATION ENTERPRISE, INCLUDING REDUCTION OF TRAFFIC CONGESTION AND ATTENDANT DELAYS, PROVISION OF ADDITIONAL TRANSPORTATION OPTIONS, REDUCED EMISSIONS FROM AIR POLLUTANTS AND GREENHOUSE GAS POLLUTANTS FROM MOTOR VEHICLES, AND REDUCED ADVERSE ENVIRONMENTAL AND HEALTH IMPACTS OF SUCH EMISSIONS CAUSED BY THE USE OF MOTOR VEHICLES, FOR USER FEE PAYERS; AND

(III) WILL BE COLLECTED AT RATES THAT ARE REASONABLY CALCULATED BY THE TRANSPORTATION ENTERPRISE BOARD BASED ON THE COSTS OF PROVIDING THE BENEFITS PROVIDED TO USER FEE PAYERS AND THE COSTS OF REMEDIATING THE IMPACTS CAUSED BY FEE PAYERS.

(2) (a) (III) (B) The powers, duties, and functions of the ~~department~~ of transportation ENTERPRISE include the powers, duties, and functions of the statewide tolling enterprise, created in the ~~commission~~ DEPARTMENT pursuant to section 43-4-803 (1), prior to the repeal and reenactment of said section by Senate Bill 09-108, enacted in 2009, and the statewide tolling enterprise is abolished.

(c) The business purpose of the transportation enterprise is to pursue public-private partnerships and other innovative and efficient means of completing surface transportation infrastructure projects. To allow the transportation enterprise to accomplish this purpose and fully exercise its powers and duties through the transportation enterprise board, the transportation enterprise may:

(I) Subject to the limitations specified in section 43-4-808 (3) AND SUBSECTION (7.6) OF THIS SECTION, impose user fees, INCLUDING THE CONGESTION IMPACT FEE AUTHORIZED BY SUBSECTION (7.6) OF THIS SECTION, for the privilege of using surface transportation infrastructure;

(3)(a) The statewide transportation enterprise special revenue fund, referred to in this part 8 as the "transportation special fund", is ~~hereby~~ created in the state treasury. All ~~revenues~~ REVENUE received by the transportation enterprise, including ~~any revenues~~ ALL REVENUE from BOTH user fees COLLECTED FROM USERS OF A PARTICULAR SURFACE TRANSPORTATION INFRASTRUCTURE PROJECT AND CONGESTION IMPACT FEES, collected pursuant to ~~subparagraph (f) of paragraph (c) of subsection (2)~~ SUBSECTIONS (2)(c)(I) AND (7.6) of this section, ~~shall~~ MUST be deposited into the transportation special fund. The transportation enterprise board may establish separate accounts within the transportation special fund as needed in connection with any specific surface transportation infrastructure project. The transportation enterprise also may deposit or permit others to deposit other ~~moneys~~ MONEY into the transportation special fund, but in no event may ~~revenues~~ REVENUE from any tax otherwise available for general purposes be deposited into the transportation special fund. The state treasurer, after consulting with the transportation enterprise board, shall invest any ~~moneys~~ MONEY in the transportation special fund, including any surplus or reserves, but excluding any proceeds from the sale of bonds or earnings on such proceeds invested pursuant TO section 43-4-807 (2), that are not needed for immediate use. Such ~~moneys~~ MONEY may be invested in the types of investments authorized in sections 24-36-109, 24-36-112, and

(c) The transportation enterprise shall prepare a separate annual accounting of the user fees collected from any surface transportation infrastructure project upon which any user fee is imposed ~~except that~~ AND OF CONGESTION IMPACT FEES. A partner of the enterprise may prepare the annual accounting for a project upon which it imposes a user fee pursuant to the terms of a public-private partnership.

(5) Notwithstanding any other provision of this section, user fee ~~revenues shall~~ REVENUE COLLECTED FROM USERS OF A PARTICULAR SURFACE TRANSPORTATION INFRASTRUCTURE PROJECT MUST be expended only for purposes authorized by subsection (3) of this section and only for the surface transportation infrastructure project for which they were collected, to address ongoing congestion management needs related to the project, or as a portion of the expenditures made for another surface transportation infrastructure project that is integrated with the project as part of a surface transportation system; ~~use~~ EXPEND user fee ~~revenues~~ REVENUE from each surface transportation infrastructure project in proportion to the total amount of such ~~revenues~~ REVENUE generated by the project to pay overhead of the transportation enterprise. USER FEE REVENUE GENERATED BY THE CONGESTION IMPACT FEE IMPOSED BY THE TRANSPORTATION ENTERPRISE PURSUANT TO SUBSECTION (7.6) OF THIS SECTION MAY BE EXPENDED ON ANY PART OF THE SURFACE TRANSPORTATION INFRASTRUCTURE PROJECT NETWORK AND FOR OVERHEAD OF THE TRANSPORTATION ENTERPRISE.

(6) In addition to any other powers and duties specified in this section, the transportation enterprise board ~~shall have~~ HAS the following powers and duties:

(p) To transfer money, property, or other assets of the transportation enterprise to the department to the extent necessary to implement the financing of any surface transportation infrastructure project or for any other purpose authorized in this part 8; ~~and~~

(p.5) IN ACCORDANCE WITH AN IMPLEMENTATION PLAN DEVELOPED AS REQUIRED BY SECTION 32-9-107.7 (4), TO ENTER INTO A STANDALONE INTERGOVERNMENTAL AGREEMENT WITH OR CREATE A SEPARATE LEGAL ENTITY PURSUANT TO SECTIONS 29-1-203 AND 29-1-203.5 WITH THE

REGIONAL TRANSPORTATION DISTRICT, CREATED IN SECTION 32-9-105, THE FRONT RANGE PASSENGER RAIL DISTRICT, CREATED IN SECTION 32-22-103 (1), AND THE DEPARTMENT, TO IMPLEMENT THE COMPLETION OF CONSTRUCTION AND OPERATION OF THE REGIONAL TRANSPORTATION DISTRICT'S NORTHWEST FIXED GUIDEWAY CORRIDOR, INCLUDING AN EXTENSION OF THE CORRIDOR TO FORT COLLINS AS THE FIRST PHASE OF FRONT RANGE PASSENGER RAIL SERVICE; AND

(7.6) (a) (I) IN ADDITION TO ANY OTHER POWERS AND DUTIES SPECIFIED IN THIS SECTION, ON AND AFTER JANUARY 1, 2025, THE TRANSPORTATION ENTERPRISE SHALL IMPOSE A CONGESTION IMPACT FEE ON ALL SHORT-TERM VEHICLE RENTALS AT A MAXIMUM RATE, AS DETERMINED BY THE TRANSPORTATION ENTERPRISE BOARD, THAT IS REASONABLY CALCULATED TO GENERATE ONLY THE AMOUNT OF REVENUE NEEDED TO PAY THE OVERALL COSTS OF PROVIDING THE SERVICES TO FEE PAYERS THAT WILL BE FUNDED WITH THAT REVENUE AND THAT IS, EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (7.6)(c) OF THIS SECTION, NO MORE THAN THREE DOLLARS PER DAY FOR ANY VEHICLE; EXCEPT THAT A SUBSEQUENT RENEWAL OF A SHORT-TERM VEHICLE RENTAL IS EXEMPT FROM THE FEE TO THE EXTENT THAT THE RENEWAL EXTENDS THE TOTAL RENTAL PERIOD BEYOND THIRTY DAYS. A CAR SHARING PROGRAM SHALL COLLECT THE CONGESTION IMPACT FEE FOR ANY SHORT-TERM VEHICLE RENTAL OF TWENTY-FOUR HOURS OR LONGER THAT IS ENABLED BY THE CAR SHARING PROGRAM.

(II) AS USED IN THIS SUBSECTION (7.6), UNLESS THE CONTEXT OTHERWISE REQUIRES:

(A) "BATTERY ELECTRIC MOTOR VEHICLE" HAS THE SAME MEANING AS SET FORTH IN SECTION 43-4-1202 (1).

(B) "CAR SHARING PROGRAM" HAS THE SAME MEANING AS SET FORTH IN SECTION 6-1-1202 (4).

(C) "PLUG-IN HYBRID ELECTRIC MOTOR VEHICLE" HAS THE SAME MEANING AS SET FORTH IN SECTION 43-4-1202 (14).

(D) "SHORT-TERM VEHICLE RENTAL" MEANS THE RENTAL OF ANY MOTOR VEHICLE, AS DEFINED IN SECTION 42-1-102 (58), WITH A GROSS VEHICLE WEIGHT RATING OF TWENTY-SIX THOUSAND POUNDS OR LESS THAT IS RENTED WITHIN COLORADO FOR A PERIOD OF NOT MORE THAN THIRTY

DAYS.

(b) THE CONGESTION IMPACT FEE MUST BE COLLECTED, SUBMITTED TO THE DEPARTMENT OF REVENUE, ADMINISTERED BY THE DEPARTMENT OF REVENUE, AND FORWARDED BY THE DEPARTMENT OF REVENUE TO THE STATE TREASURER IN THE SAME MANNER IN WHICH THE DAILY VEHICLE RENTAL FEE IMPOSED PURSUANT TO SECTION 43-4-804 (1)(b)(I)(A) IS COLLECTED, SUBMITTED, ADMINISTERED, AND FORWARDED PURSUANT TO SECTION 43-4-804 (1)(b)(II). THE DEPARTMENT OF REVENUE, WHEN FORWARDING THE CONGESTION IMPACT FEE TO THE STATE TREASURER WITH THE DAILY VEHICLE RENTAL FEE IMPOSED PURSUANT TO SECTION 43-4-804 (1)(b)(I)(A), SHALL IDENTIFY THE AMOUNTS OF EACH FEE BEING FORWARDED, AND THE STATE TREASURER SHALL CREDIT ALL CONGESTION IMPACT FEES TO THE TRANSPORTATION SPECIAL FUND. ANY VEHICLE RENTED PURSUANT TO A VEHICLE SHARING ARRANGEMENT THAT IS EXEMPT, PURSUANT TO SECTION 43-4-804 (1)(b)(III), FROM THE DAILY VEHICLE RENTAL FEE IMPOSED PURSUANT TO SECTION 43-4-804 (1)(b)(I)(A) IS ALSO EXEMPT FROM THE CONGESTION IMPACT FEE.

(c) (I) FOR SHORT-TERM VEHICLE RENTALS BEGINNING DURING STATE FISCAL YEAR 2026-27 AND FOR SHORT-TERM VEHICLE RENTAL PERIODS BEGINNING DURING ANY SUBSEQUENT STATE FISCAL YEAR, THE DAILY LIMITS ON THE AMOUNT OF THE CONGESTION IMPACT FEE SET FORTH IN SUBSECTION (7.6)(a)(I) OF THIS SECTION ARE ANNUALLY ADJUSTED FOR INFLATION, AND THE TRANSPORTATION ENTERPRISE SHALL IMPOSE THE CONGESTION IMPACT FEE IN A MAXIMUM AMOUNT THAT IS THE MAXIMUM AMOUNT FOR THE PRIOR STATE FISCAL YEAR ADJUSTED FOR INFLATION. THE TRANSPORTATION ENTERPRISE SHALL NOTIFY THE DEPARTMENT OF REVENUE OF THE AMOUNT OF THE CONGESTION IMPACT FEE TO BE COLLECTED FOR SHORT-TERM VEHICLE RENTALS DURING EACH STATE FISCAL YEAR NO LATER THAN APRIL 1 OF THE CALENDAR YEAR IN WHICH THE STATE FISCAL YEAR BEGINS, AND THE DEPARTMENT OF REVENUE SHALL PUBLISH THE AMOUNT NO LATER THAN MAY 1 OF THE CALENDAR YEAR IN WHICH THE STATE FISCAL YEAR BEGINS.

(II) AS USED IN THIS SUBSECTION (7.6)(c), "INFLATION" MEANS THE AVERAGE ANNUAL PERCENTAGE CHANGE IN THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS, CONSUMER PRICE INDEX FOR DENVER-AURORA-LAKEWOOD FOR ALL ITEMS AND ALL URBAN CONSUMERS, OR ITS APPLICABLE PREDECESSOR OR SUCCESSOR INDEX, FOR

THE FIVE YEARS ENDING ON THE LAST DECEMBER 31 BEFORE A STATE FISCAL YEAR FOR WHICH AN INFLATION ADJUSTMENT TO THE CONGESTION IMPACT FEE IS TO BE MADE BEGINS.

(d) NOTWITHSTANDING SUBSECTION (7.6)(c) OF THIS SECTION, NO LATER THAN MARCH 1, 2030, AND EVERY FIFTH MARCH 1 THEREAFTER, THE TRANSPORTATION ENTERPRISE SHALL COMPLETE AN ANALYSIS OF THE RATE AT WHICH IT IMPOSES THE CONGESTION IMPACT FEE, THE AMOUNT OF REVENUE GENERATED BY THE FEE, AND THE USE OF FEE REVENUE IN ORDER TO ENSURE THAT IT IS CONTINUING TO IMPOSE THE FEE AT RATES THAT ARE REASONABLY CALCULATED TO GENERATE ONLY THE AMOUNT OF REVENUE NEEDED TO PAY THE OVERALL COSTS OF PROVIDING THE SERVICES TO FEE PAYERS THAT WILL BE FUNDED WITH THAT REVENUE. IF THE TRANSPORTATION ENTERPRISE DETERMINES THAT IT IS IMPOSING OR WITH ITS NEXT INFLATION ADJUSTMENT WILL BE IMPOSING THE FEE AT A RATE THAT GENERATES OR WILL GENERATE MORE THAN THE NEEDED AMOUNT OF REVENUE, IT SHALL LOWER THE RATE AT WHICH IT IS IMPOSING THE FEE OR FOREGO OR REDUCE THE INFLATION ADJUSTMENT TO THE EXTENT NECESSARY TO ENSURE THAT IT IS CONTINUING TO IMPOSE THE FEE AT RATES THAT ARE REASONABLY CALCULATED TO GENERATE ONLY THE AMOUNT OF REVENUE NEEDED TO PAY THE OVERALL COSTS OF PROVIDING THE SERVICES TO FEE PAYERS THAT WILL BE FUNDED WITH THAT REVENUE.

(7.7) IN ADDITION TO ANY OTHER POWERS AND DUTIES SPECIFIED IN THIS SECTION:

(a) NO LATER THAN MARCH 1, 2025, THE TRANSPORTATION ENTERPRISE SHALL DEVELOP A NEW MULTIMODAL STRATEGIC CAPITAL PLAN, WHICH THE TRANSPORTATION ENTERPRISE BOARD MAY, AT ITS SOLE DISCRETION, THEREAFTER UPDATE AS IT DEEMS NECESSARY. THE PLAN MUST:

(I) ALIGN WITH THE TEN-YEAR PLAN FOR EACH MODE OF TRANSPORTATION APPROVED BY THE COMMISSION IN ACCORDANCE WITH SECTION 43-1-106 (15)(d), THE STATEWIDE GREENHOUSE GAS POLLUTION REDUCTION GOALS SET FORTH IN SECTION 25-7-102 (2)(g), AND OTHER STATE GREENHOUSE GAS REDUCTION PRIORITIES;

(II) COMPLY WITH THE GREENHOUSE GAS TRANSPORTATION PLANNING STANDARD ADOPTED BY THE COMMISSION, ANY AMENDED OR

SUCCESSOR STANDARD ADOPTED BY THE COMMISSION, AND ANY OTHER POLLUTION REDUCTION PLANNING STANDARDS REQUIRED FOR SURFACE TRANSPORTATION INFRASTRUCTURE PROJECTS BY A FEDERAL OR STATE LAW, REGULATION, OR RULE; AND

(III) PRIORITIZE BENEFITS TO USER FEE PAYERS AND THE REDUCTION OF ADVERSE IMPACTS ON HIGHWAYS.

(b) NO LATER THAN MARCH 1, 2025, THE TRANSPORTATION ENTERPRISE SHALL COMPLETE AN INITIAL ASSESSMENT OF OPPORTUNITIES AVAILABLE THROUGH 2030 TO LEVERAGE FEDERAL MONEY MADE AVAILABLE TO THE STATE. AFTER COMPLETING THE INITIAL ASSESSMENT, THE TRANSPORTATION ENTERPRISE SHALL ASSESS SUCH OPPORTUNITIES ON AN ONGOING BASIS.

(7.8) IN ADDITION TO ANY OTHER POWERS AND DUTIES SPECIFIED IN THIS SECTION, THE TRANSPORTATION ENTERPRISE MAY ENTER INTO A STANDALONE INTERGOVERNMENTAL AGREEMENT WITH OR CREATE A SEPARATE LEGAL ENTITY PURSUANT TO 29-1-203 AND 29-1-203.5 WITH THE REGIONAL TRANSPORTATION DISTRICT, CREATED IN SECTION 32-9-105, THE FRONT RANGE PASSENGER RAIL DISTRICT, CREATED IN SECTION 32-22-103(1), AND THE DEPARTMENT OF TRANSPORTATION TO IMPLEMENT THE COMPLETION OF CONSTRUCTION AND OPERATION OF THE REGIONAL TRANSPORTATION DISTRICT'S NORTHWEST FIXED GUIDEWAY CORRIDOR, INCLUDING AN EXTENSION OF THE CORRIDOR TO FORT COLLINS AS THE FIRST PHASE OF FRONT RANGE PASSENGER RAIL SERVICE.

(9) (a) The transportation enterprise ~~shall not~~ IS NOT INTENDED TO supplant or duplicate the services provided by any public mass transit operator, as defined in section 43-1-102 (5), railroad, public highway authority created pursuant to part 5 of this article, or regional transportation authority created pursuant to part 6 of this article except as described in detail in an intergovernmental agreement or other contractual agreement entered into by the transportation enterprise and the operator, railroad, or authority. The creation of and undertaking of surface transportation infrastructure projects by the transportation enterprise pursuant to this part 8 is not intended to discourage any combination of local governments from forming a public highway authority or a regional transportation authority.

(10) (a) Notwithstanding section 24-1-136 (11)(a)(I), no later than

February 15, 2010, and no later than February 15 of each year thereafter THROUGH 2024, AND NO LATER THAN MARCH 1 OF EACH YEAR THEREAFTER, the transportation enterprise shall present a report to the committees of the house of representatives and the senate that have jurisdiction over transportation. The report must include a summary of the transportation enterprise's activities for the previous year, a summary of the status of any current surface transportation infrastructure projects, a statement of the enterprise's revenues and expenses, and any recommendations for statutory changes that the enterprise deems necessary or desirable. The committees shall review the report and may recommend legislation. The report shall be public and shall be available on the website of the department on or before January 15 of the year in which the report is presented.

(c) BEGINNING WITH THE REPORT DUE NO LATER THAN MARCH 1, 2025, THE REPORT SHALL ALSO DETAIL THE TRANSPORTATION ENTERPRISE'S WORK TO REDUCE TRAFFIC CONGESTION AND GREENHOUSE GAS EMISSIONS AND SUPPORT THE EXPANSION OF PUBLIC TRANSIT.

SECTION 14. In Colorado Revised Statutes, **amend** 43-4-812 as follows:

43-4-812. Use of user fees for transit - legislative declaration.

(1) Notwithstanding any other provision of law, the transportation enterprise, a public highway authority created and existing pursuant to part 5 of this article, a regional transportation authority created and existing pursuant to part 6 of this article, or any other entity that, as of March 2, 2009, is imposing a user fee or toll for the privilege of traveling on any highway segment or highway lanes may use ~~revenues~~ REVENUE generated by the user fee or toll for RAIL- AND transit-related projects that relate to the maintenance or supervision of the highway segment or highway lanes on which the user fee or toll is imposed.

(2) The general assembly hereby finds and declares that the funding of RAIL- AND transit-related projects authorized by subsection (1) of this section constitutes maintenance and supervision of state highways because it will help to reduce traffic on state highways and thereby reduce wear and tear on state highways and bridges and increase their reliability, safety, and expected useful life.

SECTION 15. Appropriation. (1) For the 2024-25 state fiscal

year, \$42,399 is appropriated to the department of revenue. This appropriation is from the general fund. To implement this act, the department may use this appropriation as follows:

- (a) \$23,175 for tax administration IT system (GenTax) support;
- (b) \$11,104 for personal services related to taxation services; and
- (c) \$8,120 for personal services related to administration and support.

SECTION 16. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for

the support and maintenance of the departments of the state and state institutions.

Steve Fenberg
PRESIDENT OF
THE SENATE

Julie McCluskie
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

Robin Jones
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED _____

(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO