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Fiscal Note

Drafting Number: LLS 24-0469 Date: March 1, 2024
Prime Sponsors: Rep. Vigil; Woodrow Sen. Priola; Hinrichsen Bill Status: House Trans., Hous. & Local Govt. Fiscal Analyst: Colin Gaiser | 303-866-2677 colin.gaiser@coleg.gov

Bill Topic: MINIMUM PARKING REQUIREMENTS

Summary of Fiscal Impact: [] State Revenue [] State Transfer [x] Local Government [x] State Expenditure [] TABOR Refund [] Statutory Public Entity

The bill creates rules concerning minimum parking requirements for cities and counties in metropolitan planning organizations, and requires a study on parking space usage conducted by the Department of Transportation. It increases state and local expenditures on an ongoing basis.

Appropriation Summary: For FY 2024-25, the bill requires an appropriation of \$159,352 to the Department of Local Affairs. The State Highway Fund is continuously appropriated to the Department of Transportation.

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

Table 1
State Fiscal Impacts Under HB 24-1304

Table with 4 columns: Category, Sub-category, Budget Year FY 2024-25, and Out Year FY 2025-26. Rows include Revenue, Expenditures (General Fund, State Highway Fund, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts (General Fund Reserve).

Summary of Legislation

The bill creates various rules and requirements concerning minimum parking requirements for local governments that are members of a metropolitan planning organization.

Prohibition of minimum parking requirements. On or after January 1, 2025, the bill prohibits affected local governments from enforcing minimum parking requirements. The prohibition does not apply to protections for individuals with disabilities; maximum parking requirements; minimum parking for bicycles; or parking spaces voluntarily provided in connection with a land use approval, with certain conditions.

Reporting requirements. On or after June 30, 2025, the bill requires local governments to submit a report to the Department of Local Affairs (DOLA) demonstrating the local government's compliance with the bill's requirements. If the DOLA rejects the report, it may give a local government 90 days to amend the report. It also may consult with the Department of Transportation (CDOT) and the Colorado Energy Office (CEO) to develop procedures for reporting and local government noncompliance.

Parking use and needs study. The bill requires CDOT to conduct or contract for a study, on or before June 30, 2025, on parking space usage in metropolitan planning organizations. CDOT will report to relevant legislative committees upon completion of the study.

Background

Metropolitan Planning Organizations. A metropolitan planning organization (MPO) is a federally mandated policy board that facilitates the metropolitan transportation planning process in urbanized areas with a population over 50,000. Colorado has five MPOs: the Denver Regional Council of Governments, the North Front Range MPO, the Pikes Peak Area Council of Governments, the Pueblo Area Council of Governments, and the Grand Valley Metropolitan Council.

State Highway Fund. CDOT is primarily funded from the State Highway Fund (SHF), which is comprised of federal funds, the state's share of the Highway Users Tax Fund, and other various sources of revenue. The decision-making authority for the majority of state transportation revenue rests with the Transportation Commission, which is responsible for allocating funds from the SHF.

State Expenditures

The bill increases state expenditures by \$676,310 in FY 2024-25 and \$105,491 in FY 2025-26, paid from the General Fund and from the State Highway Fund. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under HB 24-1304

	FY 2024-25	FY 2025-26
Department of Local Affairs		
Personal Services	\$67,930	\$83,328
Operating Expenses	\$1,152	\$1,408
Capital Outlay Costs	\$6,670	-
Travel Costs	\$3,600	-
Programming Costs	\$80,000	\$5,000
Centrally Appropriated Costs ¹	\$16,958	\$20,755
FTE – Personal Services	0.9 FTE	1.1 FTE
DOLA Subtotal	\$176,310	\$105,491
Department of Transportation		
Parking Study	\$500,000	-
CDOT Subtotal	\$500,000	-
Total	\$676,310	\$105,491
Total FTE	0.9 FTE	1.1 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Department of Local Affairs. The bill increases costs to DOLA starting in FY 2024-25 for staff support and programming.

- **Staff.** DOLA requires 0.9 FTE in FY 2024-25 and 1.1 FTE in FY 2025-26 for staff to review reports and make compliance determinations, provide feedback to local governments, consult with the CEO and CDOT to develop implementation policies and procedures, and perform external communications and outreach. The fiscal note assumes a September 2024 start date. Standard operating costs, capital outlay, and travel costs are included.
- **Programming.** The DOLA requires \$80,000 in FY 2024-25 and \$5,000 in subsequent years for the Office of Information Technology (OIT) to expand the Local Government Information System to host the reports submitted by local governments. The OIT will design a secure, outward-facing form and interface that minimizes training time and support requests from the DOLA's staff. Of the \$80,000 for OIT, \$10,000 is for consultants to advise staff during the first influx of reports and provide more complex technical code guidance.

Department of Transportation. Similar parking studies conducted by CDOT in the past typically cost around \$100,000 for a single, medium sized municipality. Given the scale of the parking study required in this bill, CDOT requires \$500,000 in FY 2024-25 to contract with a vendor to conduct the parking usage and needs study for municipalities and counties within the state's MPOs. The fiscal note assumes this expenditure will be paid from the SHF. Funding from the SHF is allocated by the Transportation Commission, which will adjust spending to accommodate the increase in CDOT expenditures under this bill. See Technical Note.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 2.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

Local Government

The bill increases local government workload in the state's five MPOs by requiring local governments to submit new reports every three years and modify or update codes to comply with the bill's requirements. Some local governments without sufficient staff may need to hire consultants to assist in these duties. In addition, workload may increase for local governments to assist the CDOT with its study on MPO parking supply and management.

Technical Note

The SHF supports the department's core mission of constructing and maintaining state highways and other modes of transportation. Because this bill relates to land use, the General Assembly may consider funding the study with General Fund so that the SHF is preserved for mission relevant activities.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2024-25, the bill requires a General Fund appropriation of \$159,352 to the Department of Local Affairs, and 0.9 FTE. Of this amount, \$80,000 is reappropriated to the Office of Information Technology.

State and Local Government Contacts

Colorado Energy Office	Counties	Higher Education
Information Technology	Judicial	Law
Local Affairs	Municipalities	Transportation

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).