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**Fiscal Note**

<b>Drafting Number:</b>	LLS 24-0790	<b>Date:</b>	March 26, 2024
<b>Prime Sponsors:</b>	Sen. Fenberg; Marchman Rep. McCluskie; Boesenecker	<b>Bill Status:</b>	Senate Transportation & Energy
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**Bill Topic:** **SUPPORT SURFACE TRANSPORTATION INFRASTRUCTURE DEVELOPMENT**

<b>Summary of Fiscal Impact:</b>	<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> State Transfer	<input checked="" type="checkbox"/> Local Government
	<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> TABOR Refund	<input checked="" type="checkbox"/> Statutory Public Entity

The bill establishes requirements for the Department of Transportation, the Regional Transportation District, and the Front Range Passenger Rail District to promote the expansion and development of surface transportation infrastructure networks. It increases state revenue and expenditures beginning in FY 2024-25.

**Appropriation Summary:** For FY 2024-25, the bill requires an appropriation of \$42,399 to the Department of Revenue. The State Highway Fund and the Transportation Special Fund are continuously appropriated to the Department of Transportation and the Colorado Transportation Investment Office, respectively.

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

**Table 1  
State Fiscal Impacts Under SB 24-184**

		<b>Budget Year FY 2024-25</b>	<b>Out Year FY 2025-26</b>
<b>Revenue</b>	Transportation Special Fund	\$28 million	\$57 million
	<b>Total Revenue</b>	<b>\$28 million</b>	<b>\$57 million</b>
<b>Expenditures</b>	General Fund	\$42,399	\$7,328
	Cash Funds	\$272,354	\$237,404
	Transportation Special Fund	up to \$28 million	up to \$57 million
	Centrally Appropriated	\$69,587	\$65,635
	<b>Total Expenditures</b>	<b>up to \$28.4 million</b>	<b>up to \$57.3 million</b>
	<b>Total FTE</b>	<b>3.6 FTE</b>	<b>3.4 FTE</b>
<b>Transfers</b>		-	-
<b>Other Budget Impacts</b>	General Fund Reserve	\$6,360	\$1,099

## **Summary of Legislation**

The bill establishes multiple requirements to promote the development of surface transportation infrastructure networks, including Front Range Passenger Rail.

**Congestion impact fee.** The bill authorizes the Colorado Transportation Investment Office (CTIO), formerly known as the High-Performance Transportation Enterprise, to impose a Congestion Impact Fee on short-term vehicle rentals at up to \$3 per day for vehicles with an internal combustion engine and \$2 per day for battery electric or plug-in hybrid vehicles. Fee revenue will be collected by the Department of Revenue, credited to the Transportation Enterprise Special Revenue Fund, and go toward completing, operating, and maintaining multimodal surface transportation infrastructure projects. The fee is annually adjusted for inflation beginning in FY 2026-27.

**CTIO strategic plan.** The bill requires the CTIO to develop a new multimodal strategic capital plan by March 1, 2025, which must align with the 10-year plan for each mode of transportation and statewide greenhouse gas pollution reduction goals. The CTIO must also complete an initial assessment of opportunities available through 2030 to leverage federal money made available to the state.

**Intergovernmental agreement.** The bill authorizes the CTIO, the Regional Transportation District (RTD), the Front Range Passenger Rail District, and the Department of Transportation (CDOT), in accordance with the implementation plan described in the bill, to enter into a standalone intergovernmental agreement or separate legal entity regarding the 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.

**RTD reports.** The bill authorizes the RTD to extend construction and operations of the Northwest Rail Fixed Guideway Corridor beyond the boundaries of RTD, including an extension of the corridor to Fort Collins as the first phase of Front Range Passenger Rail services. In cooperation with CDOT, the CTIO, and the Front Range Passenger Rail District, RTD must provide a report by September 30, 2024, containing an implementation plan for construction and operations of the corridor, and a report by March 1, 2025, on a plan to begin providing Front Range Passenger Rail service by January 1, 2028.

## **State Revenue**

The bill implements a new Congestion Impact Fee and increases revenue to the CTIO by \$28 million in FY 2024-25 and \$57 million in FY 2025-26. This revenue is credited to the Statewide Transportation Enterprise Special Revenue Fund, otherwise known as the Transportation Special Fund, and is not subject to the state's revenue limit under TABOR.

**Fee impact.** Colorado law requires legislative service agency review of measures which create or increase any fee collected by a state agency. Fee amounts in FY 2026-27 and beyond are estimates only, and actual fees will be set administratively by CTIO based the annual inflation

rate. The estimate on affected daily rentals is consistent with the [March 2024 LCS forecast](#) for vehicle daily rental fees. First-year fee revenue represents a half-year impact, as this fiscal note assumes the CTIO will begin collecting fees on January 1, 2025. Fee impacts are shown in Table 2 and detailed below.

**Table 2**  
**Fee Impact of Congestion Impact Fee Under HB 24-184**

<b>Fiscal Year</b>	<b>Vehicle Type</b>	<b>Fee</b>	<b>Vehicles Days Affected</b>	<b>Fee Impact</b>
FY 2024-25	Internal Combustion	\$3	9,015,052	\$27,045,156
	Electric/Plug-in Hybrid	\$2	474,476	\$948,952
<b>FY 2024-25 Total</b>				<b>\$27,994,108</b>
FY 2025-26	Internal Combustion	\$3	18,242,556	\$54,727,668
	Electric/Plug-in Hybrid	\$2	1,164,421	\$2,328,842
<b>FY 2025-26 Total</b>				<b>\$57,056,510</b>
FY 2026-27	Internal Combustion	\$3.07	18,409,496	\$56,517,152
	Electric/Plug-in Hybrid	\$2.04	1,385,661	\$2,826,748
<b>FY 2026-27 Total</b>				<b>\$59,343,900</b>

### State Expenditures

Administrative costs under the bill will increase by \$42,000 in FY 2024-25 and \$7,000 in FY 2025-26 and ongoing in the DOR, paid from the General Fund. CDOT will also have costs of \$342,000 in FY 2024-25 and \$303,000 in FY 2025-26 and ongoing, paid from the State Highway Fund and Transportation Special Fund to operate the expanded enterprise. Administrative expenditures are shown in Table 3 and detailed below. In addition, the CTIO will spend new revenue received under the bill on eligible projects, up to the around \$28 million in FY 2024-25, \$57 million in FY 2025-26, and increasing amounts in future years.

**Table 3**  
**Administrative Expenditures Under SB 24-184**

	<b>FY 2024-25</b>	<b>FY 2025-26</b>
<b>Department of Revenue</b>		
GenTax Programming	\$35,007	-
Data Reporting	\$7,392	\$7,328
<b>DOR Subtotal</b>	<b>\$42,399</b>	<b>\$7,328</b>

**Table 3**  
**Administrative Expenditures Under SB 24-184 (Cont.)**

<b>Department of Transportation</b>		
Personal Services	\$247,736	\$233,052
Operating Expenses	\$4,608	\$4,352
Capital Outlay Costs	\$20,010	-
Centrally Appropriated Costs <sup>1</sup>	\$69,587	\$65,635
FTE – Personal Services	3.6 FTE	3.4 FTE
<b>CDOT Subtotal</b>	<b>\$341,941</b>	<b>\$303,039</b>
<b>Total Administrative Costs</b>	<b>\$384,340</b>	<b>\$310,367</b>
<b>Total FTE</b>	<b>3.6 FTE</b>	<b>3.4 FTE</b>

<sup>1</sup> Centrally appropriated costs are not included in the bill's appropriation.

**Department of Revenue.** The DOR requires \$35,007 in FY 2024-25 to make programming changes to GenTax software to implement the new congestion impact fee. This includes 100 hours of programming at \$232 an hour and \$11,832 for ISD development and testing. In addition, the Office of Research and Analysis requires \$7,392 in FY 2024-25 and \$7,328 in FY 2025-26 and ongoing for changes in the related GenTax reports so that DOR can access and document statistics on the new fee.

**Department of Transportation.** The bill increases staffing costs in the CTIO and the Division of Transit and Rail. Standard operating and capital outlay costs are included for all staff, and the fiscal assumes a July 2024 start date.

- **CTIO.** The CTIO requires 1.0 FTE in FY 2024-25 and ongoing years for an administrator to administer the Congestion Impact Fee and oversee projects providing multimodal transportation options. In addition, the CTIO requires 0.6 FTE in FY 2024-25 and 0.4 FTE in ongoing years of budget and accounting staff to support the CTIO in implementing the new fee. The CTIO staff is paid from the Transportation Special Fund, which is continuously appropriated to the enterprise.
- **Division of Transit and Rail.** The bill increases planning specialist staff in the Division of Transit and Rail by 2.0 FTE to support the intergovernmental agreement and implementation plan required by the bill. New staff will also support planning and programming related to projects funded by the Congestion Impact Fee. This staff is paid from the State Highway Fund, which is continuously appropriated to CDOT.

**Transportation projects.** Up to \$28 million in FY 2024-25, \$57 million in FY 2025-26, and increasing amounts in future years will be spent by the CTIO on eligible transportation projects. These costs will be paid from the continuously appropriated Transportation Special Fund.

**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.

## Statutory Public Entities

**Regional Transportation District.** The bill increases expenditures in RTD by an estimated \$10.9 million in FY 2024-25 to produce the required reports on an implementation plan for a fixed guideway rail from Denver to Fort Collins. This estimate is based on the current cost of a consultant team studying the segment from RTD's current station in Westminster to Longmont, increased to account for an expedited timeline, collaborating with BNSF, and performing ridership modeling, transit analysis, station design, maintenance facility siting, positive train control analysis, vehicle specification analysis, and drainage studies, as well as study management.

**Front Range Passenger Rail District.** The Front Range Passenger Rail District will collaborate with RTD and state agencies on the implementation plan and various reports required by the bill.

## Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

## State Appropriations

For FY 2024-25, the bill requires a General Fund appropriation of \$42,399 to the Department of Revenue. The State Highway Fund and the Transportation Special Fund are continuously appropriated to the Department of Transportation and the Colorado Transportation Investment Office, respectively.

## State and Local Government Contacts

Counties  
Regional Transportation District  
Transportation

Local Affairs  
Regulatory Agencies  
Treasury

Personnel  
Revenue

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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](#).