



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Revised Fiscal Note

(replaces fiscal note dated April 1, 2024)

Drafting Number:	LLS 24-0790	Date:	April 22, 2024
Prime Sponsors:	Sen. Fenberg; Marchman Rep. McCluskie; Boesenecker	Bill Status:	House Trans., Hous. & Local Govt.
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Bill Topic: SUPPORT SURFACE TRANSPORTATION INFRASTRUCTURE DEVELOPMENT

Summary of Fiscal Impact:	<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 reengrossed bill.

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

		Budget Year FY 2024-25	Out Year FY 2025-26
Revenue	Transportation Special Fund	\$28.5 million	\$58.2 million
	Total Revenue	\$28.5 million	\$58.2 million
Expenditures	General Fund	\$42,399	\$7,328
	Cash Funds	\$272,354	\$237,404
	Transportation Special Fund	up to \$28.5 million	up to \$58.2 million
	Centrally Appropriated	\$69,587	\$65,635
	Total Expenditures	up to \$28.9 million	up to \$58.5 million
	Total FTE	3.6 FTE	3.4 FTE
Transfers		-	-
Other Budget Impacts	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. 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.

Implementation plan. The bill authorizes 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. The Front Range Passenger Rail District, in cooperation with CDOT, the CTIO, and 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, 2029. In addition, the Transit and Rail Division within CDOT must provide the General Assembly a report by December 31, 2024, containing a development plan for rail service.

State Revenue

The bill implements a new Congestion Impact Fee and increases revenue to the CTIO by \$28.1 million in FY 2024-25 and \$57.3 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.

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

	FY 2024-25	FY 2025-26	FY 2026-27
Daily Vehicle Rentals Affected	9,489,529	19,407,016	19,795,157
Proposed Fee	\$3.00	\$3.00	\$3.07
Revenue Impact	\$28,468,586	\$58,221,049	\$60,751,335

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 \$28.1 million in FY 2024-25, \$57.3 million in FY 2025-26, and increasing amounts in future years.

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

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

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

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

¹ 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 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, implementation plan, and development 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 \$28.9 million in FY 2024-25, \$58.5 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 workload in RTD to collaborate with the Front Range Passenger Rail District, CDOT, and the CTIO on the required reports on an implementation plan for a fixed guideway rail from Denver to Fort Collins.

Front Range Passenger Rail District. The bill increases expenditures and workload for the Front Range Passenger Rail District in FY 2024-25 to lead the development of the required reports on an implementation plan for a fixed guideway rail. This plan requires significant resources to collaborate with RTD, CDOT, the CTIO, and BNSF; and perform ridership modeling, transit analysis, vehicle specification analysis, drainage studies, and study management. Preliminary and planning costs will likely range around \$10 million. The fiscal note will be updated if additional information is provided.

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

Regional
Transportation

Transportation District
Treasury

Regulatory Agencies

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](#).