



Colorado Legislative Council Staff
Interested Persons Memorandum

Colorado's Transportation System: Infrastructure, Organization, Planning, and Funding

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Colorado's transportation system consists of the state highway system, county and municipal roads, mass transit, airports, railroads, and bicycle and pedestrian routes. The system is primarily managed by the Colorado Department of Transportation (CDOT). Cities, counties, transit authorities, public highway authorities, and the Colorado Public Utilities Commission (PUC) also manage portions of the system. The state Transportation Commission provides direction to CDOT, a role authorized by the General Assembly in state law. The system is administered by state and local governments and paid for with federal, state, and local funding.

This memorandum is divided into four sections. Section 1 provides an overview of the state's transportation infrastructure. Section 2 highlights the state agencies involved in transportation issues, including the Transportation Planning Regions and Metropolitan Planning Organizations, the Statewide Transportation Advisory Committee, the Transportation Commission, CDOT, PUC, and the General Assembly. Section 3 provides an overview of transportation planning in Colorado, including short- and long-term planning, and project prioritization. Section 4 provides an overview of the state's transportation funding system, which primarily comes from the Highway Users Tax Fund, federal funds, General Fund, and local funding.

For information specific to motor vehicles, see the [Colorado Legislative Council Staff Motor Vehicle Law Resource Book](#).

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Section 1: Colorado's Transportation Infrastructure

This section describes Colorado's transportation infrastructure, which consists of:

- the state highway system;
- county and municipal roads;
- public highway authorities — including E-470, Northwest Parkway, and Jefferson Parkway;
- express lanes;
- mass transit — including the Regional Transportation District (RTD);
- regional transportation authorities;
- aviation;
- railroads; and
- bicycle and pedestrian routes.

State Highway System

Colorado's highway system includes interstate highways, U.S. highways, toll roads, and state highways. County and city roads are not part of the state highway system. As of 2016, the state highway system has 9,100 centerline miles and 23,000 total lane miles. Lane miles are calculated by measuring the centerline length of a road, and multiplying that number by the total number of lanes on the road. On average per year, over 29 billion annual vehicle miles traveled (AVMT) are logged on the system. AVMT is a measurement that multiplies a daily traffic data count (collected through permanent automatic traffic recorders) by the length of a road segment and sums all segments in a geographical area of concern. The system also includes about 3,500 bridges.

County and Municipal Roads

CDOT is primarily responsible for the state highway system, while counties and municipalities maintain their own network of roadways within their jurisdictions.

County roads. There are 64 counties in Colorado. County commissioners have the power to design, alter, or discontinue any road running through their county. There are currently over 58,000 miles of county roads and over 3,000 county bridges in Colorado. A majority of counties have a road and bridge supervisor or engineer who oversees the county road department. However, commissioners in some rural counties may manage their own districts. Counties may levy taxes and contract loans to build and repair county roads and bridges. Any loans for this purpose must be approved by a vote of the county electorate.

Municipal roads. There are 269 municipalities in Colorado, including 97 home rule municipalities, 171 statutory municipalities, and 1 territorial charter municipality. There are also two city and county governments (Denver and Broomfield). The governing body of each municipality is responsible for the construction and maintenance of a city street system that includes all arterial and local service streets. Cities, city and counties, and incorporated towns are also responsible for the maintenance of underground facilities in the street system, street illumination and street cleaning at their own expense.¹

Intergovernmental agreements. CDOT is responsible for constructing and maintaining the state highway system that runs through a city or incorporated town. However, CDOT may enter

¹Section 43-2-135, C.R.S.

into a contract with a city or incorporated town for the maintenance or construction of sections of the state highway system that run through it. Any municipality, county, or political subdivision can enter into an intergovernmental agreement with CDOT to contribute necessary funds to the department to accelerate the completion of state highway projects. Both the Transportation Commission and the governing body of the municipality, county, or political subdivision must approve intergovernmental agreements for state highway maintenance.²

Public Highway Authorities

Public highway authorities, authorized by the General Assembly in 1987, are political subdivisions that are created to plan, design, and construct a public highway.³ State law provides that two or more local governments may create an authority, and the state may also be a party to a contract establishing an authority. A public highway established by an authority is statutorily defined as a beltway or transportation improvement located in a metropolitan region that generally circumscribes a metropolitan region, and that will be utilized primarily for major traffic movement at higher traffic speeds. Authorities may establish, collect, and increase or decrease fees, tolls, rates, and charges on any public highway it finances, constructs, operates, or maintains. There are currently three public highway authorities organized in Colorado, two of which currently operate toll roads.

E-470. [E-470](#) is primarily a 75 mile-per-hour (mph), four-lane toll highway that runs about 47 miles along the eastern perimeter of the Denver metropolitan area, connecting I-25 North to I-25 South. E-470 was formed in 1985, opened its first segment in 1991, and was completed in 2003.

- *Members.* E-470's board of directors is composed of eight voting member jurisdictions, including: Adams, Arapahoe, and Douglas Counties, and the municipalities of Aurora, Brighton, Commerce City, Parker, and Thornton. Ex officio members include Weld County and Broomfield City and County; the cities of Arvada, Greeley, and Lone Tree; CDOT; the Denver Regional Council of Governments (DRCOG); and the RTD.
- *Cost of original construction.* The original construction cost of E-470 was \$416 million.
- *Infrastructure.* E-470 includes 101 bridge structures, 24 interchanges, 4 maintenance yards, 1 administrative building, 21 solar sites, and 44 toll points.
- *Funding.* E-470 is financed from bonds, toll revenues, a \$10 vehicle registration fee on member county residents (approved by voters in 1988), investment income, and other non-toll revenues.
- *Operator.* The E-470 public highway authority operates E-470.
- *Rates.* [Toll rates](#) range from \$1.20 to \$10.65 depending on distance traveled, number of axles, and whether ExpressToll or License Plate Tolling is used.

Northwest Parkway. The [Northwest Parkway](#) is primarily a 75 mph, four-lane toll highway that runs about 9 miles through the northwest Denver metropolitan area, connecting E-470 at I-25 with US 36 at State Highway 128 in Broomfield. The Northwest Parkway was established in July 1999, opened to traffic in November 2003, and began tolling in January 2004.

²Section 43-2-144, C.R.S.

³Section 43-4-501, *et seq.*, C.R.S.

- *Members.* The Northwest Parkway's board of directors includes Weld County, the city and county of Broomfield, and the city of Lafayette. Ex officio members include Jefferson County, the city of Arvada, CDOT, RTD, and the Interlocken Metropolitan District.
- *Cost of original construction.* The original construction cost of the Northwest Parkway was \$191 million.
- *Infrastructure.* The Northwest Parkway includes 23 bridge structures, 3 interchanges, 1 maintenance yard, 1 administrative building, 7 solar sites, and 3 toll points.
- *Funding.* The Northwest Parkway is financed with revenue bonds and investment income. However, with traffic volumes less than forecast, the Northwest Parkway was leased to a private operator in 2007.
- *Operator.* The Northwest Parkway signed a 99-year [concession and lease agreement](#) with Northwest Parkway LLC — a joint venture between Brisa AutoEstradas S.A. and Companhia de Concessões Rodoviárias — in November 2007. The Northwest Parkway will assume ownership at the end of the lease term.
- *Rates.* The [toll rate](#) is \$3 for the length of the road for a two-axle vehicle, and an additional \$3 per additional axle. In addition to accepting ExpressToll, the Northwest Parkway uses its own Go-Pass transponder system.

Jefferson Parkway. The [Jefferson Parkway](#) was established in May 2008 to complete the last unbuilt portion of the 470 beltway in the northwest quadrant of the Denver metropolitan area, connecting State Highway 128 to State Highway 93, through a public-private partnership. The right-of-way for the proposed toll road has been assembled, either through direct conveyance to Jefferson Parkway or to its member jurisdictions. The board of directors includes Jefferson County, Broomfield City and County, and the city of Arvada. RTD and the Regional Air Quality Council are ex officio members. The proposed highway is currently undergoing CDOT's Section 1601 interchange permitting process and environmental review.

Express Lanes

In addition to the state's toll road system, CDOT, the High-Performance Transportation Enterprise (HPTE), and its partners manage several high-occupancy vehicle and/or toll (HOV/HOT) lanes in the Denver metropolitan area and on I-70. These [express lanes](#) permit only vehicles carrying a specified number of persons (HOV) or that pay a toll (HOT). Table 1 provides an overview of the toll roads and express lanes currently operational in the state.

Express lanes are currently in operation on:

- I-25, from downtown Denver to 120th Avenue;
- US 36, from Table Mesa to I-25; and
- I-70, from Empire to Idaho Springs.

Express lanes are also under construction on C-470, and are planned for I-70 from I-25 to Chambers Road.

Express lane management. Express lanes are operated by the following entities:

- *Plenary Roads Denver.* The HPTE contracts with Plenary Roads Denver for the operation and maintenance of express lanes on US 36 and Central I-25. Currently,

US 36 has one HOT lane running in each direction from Table Mesa Drive in Boulder to the junction with I-25 in Denver, while there are two HOT switchable-direction lanes running seven miles from the junction of US 36 and I-25 to 20th Street in downtown Denver.

- **HPTE.** The HPTE operates a single express lane running in each direction on I-25 between US 36 and 120th Avenue.
- **CDOT.** CDOT manages the peak period shoulder express lane on I-70 between Empire and Idaho Springs as part of a federal pilot project.

ExpressToll. State law requires CDOT to standardize automatic vehicle identification system use on HOV and HOT lanes to ensure that drivers can purchase and install one electronic identification device, such as a transponder, to use on all toll facilities. As a result, the HPTE entered into a tolling services agreement with E-470 to provide tolling services through ExpressToll. Switchable transponders cost \$15, and a \$20 balance is required to open an online account. CDOT is in the process of implementing free transponders for HOV-only travelers.

Toll rates. Express lane toll rates vary depending on time of day and whether the vehicle owner uses an ExpressToll transponder or relies on license plate tolling. ExpressToll transponders also have an HOV setting that allows vehicles to travel toll-free.

**Table 1
Express Lanes and Toll Roads in Colorado**

Express Lanes		
Corridor	Location	Year Opened
I-25 Central Express Lane	20th Street to I-25/US 36	2006
I-25 North Express Lane	I-25/US 36 to 120th Avenue	2016
US 36 Express Lane	I-25/US 36 to Table Mesa Drive	2015
I-70 Mountain Express Lane	Empire to Veterans Memorial Tunnels	2015
C-470 Express Lane	I-25 to Wadsworth Boulevard	Under Construction
Toll Roads		
Public Highway Authority	Participating Local Governments	
E-470	Adams, Arapahoe, and Douglas Counties; the cities of Aurora, Brighton, Commerce City, and Thornton; and the town of Parker	
Northwest Parkway	Weld County, Broomfield City and County, and the city of Lafayette	

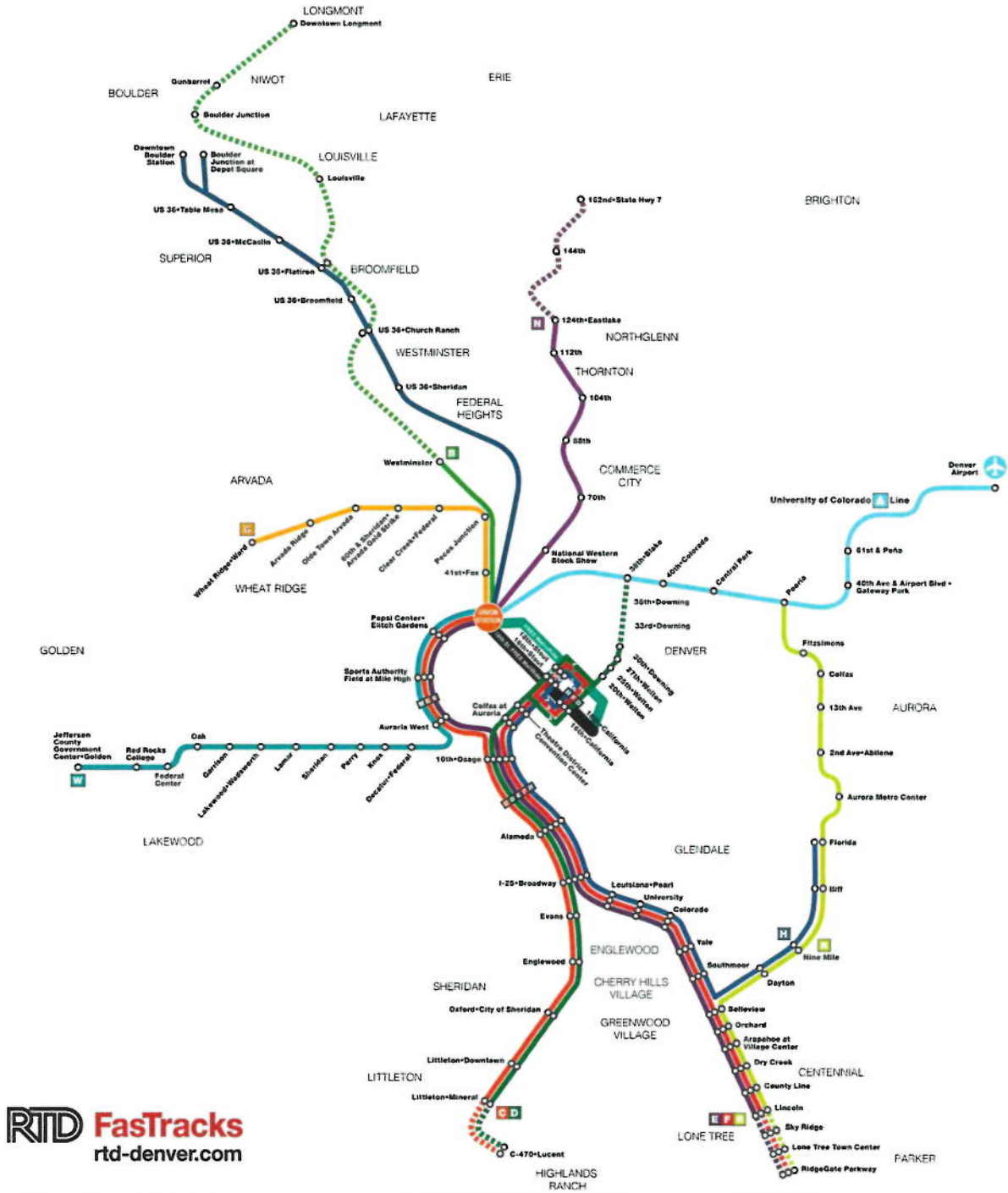
Sources: Colorado Department of Transportation, E-470, and Northwest Parkway.

Mass Transit

Regional Transportation District. The General Assembly created the RTD in 1969 to create, operate, and maintain a transit system in the RTD's service area.⁴

⁴Section 32-9-101, et seq., C.R.S.

Figure 1
RTD Light Rail System Map
as of January 2017



RTD FasTracks
 rtd-denver.com

- | | | |
|------------------------------------|---------------------------------------|---------------|
| Current Lines | Future Lines | |
| University of Colorado A Line | G Line – Gold Line – 2017 | Station |
| B Line | H Line Extension – 2017 | Union Station |
| C Line | N Line – North Metro Rail Line – 2018 | |
| D Line | R Line – I-225 Rail Line – 2017 | |
| E Line | E, F, R Extension – 2019 | |
| F Line | | |
| H Line | | |
| W Line | | |
| Flatiron Flyer (Bus Rapid Transit) | Future Construction | |
| Free MallRide | | |
| Free MetroRide | | |

The RTD service area currently serves 2.87 million people and serves all or part of the following eight counties: Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, Jefferson, and Weld. RTD has a governing board of directors with 15 elected members. Each director serves a four-year term representing districts containing approximately 180,000 residents. As of December 2016, RTD's system contains 137 fixed routes with 1,021 buses; 9,751 active bus stops; and 48 miles of rail track with 52 stations. The RTD averages over 100 million boardings annually.

Voters in the district approved RTD's multi-billion dollar [FasTracks](#) program in 2004 to expand transit across the Denver metro region. This plan includes 122 miles of new light and commuter rail and 18 miles of rapid transit bus service. FasTracks is funded through a combination of a voter-approved sales tax of 0.4 percent, public-private partnerships, and federal funding.

As a result, [RTD's light and commuter rail system](#) is comprised of 8 rail lines and 53 services stations. Two additional lines, the G Line to Wheat Ridge and the R Line through Aurora, will open in 2017, with certain additional line extensions planned for 2017 through 2019. The RTD rail map is shown in Figure 1.

Regional Transportation Authorities

Municipalities and counties can join together to create regional transportation authorities to finance, construct, operate, or maintain regional transportation systems, if the proposal is approved by registered electors within the boundaries of the proposed authority.⁵ Authorities may also create local improvement districts within the boundaries of the authority if petitioned by the owners of the property who will bear the majority of the proposed assessments. If the proposed transportation system would alter the state highway system or the interstate highway system, these alterations must be approved in an intergovernmental agreement between the authority and CDOT.

State law authorizes regional transportation authorities to establish, collect, and increase or decrease tolls, rates, and charges to finance a transportation system. Authorities may levy sales taxes, impose an annual motor vehicle registration fee, levy a visitor benefit tax, impose a uniform mill levy, establish regional transportation activity enterprises, and issue bonds. Authority taxation questions and multi-year debt questions must be submitted to the registered electors residing within the authority's boundaries for approval. The Colorado Department of Revenue collects and administers the sales tax on behalf of the authorities.

Six regional transportation authorities currently operate in Colorado, all of which are primarily funded through sales and use taxes, as shown in Table 2.

⁵Section 42-4-601, *et seq.*, C.R.S.

**Table 2
Regional Transportation Authority Sales and Use Tax Rates**

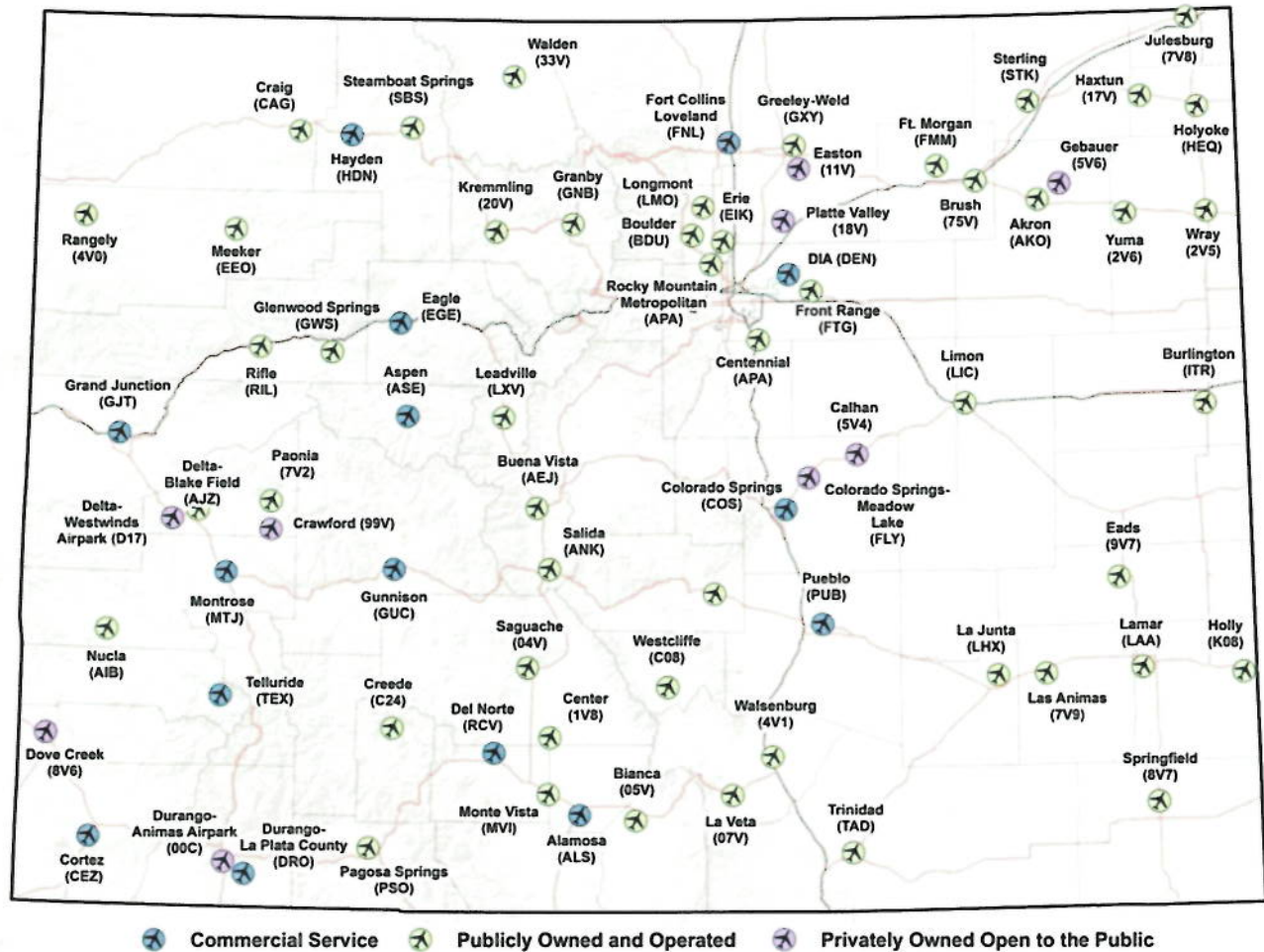
Authority	Member Municipalities and Counties	Sales Tax Rate	Use Tax Rate	Property Tax
Baptist Road Rural Transportation Authority	A portion of the city of Monument *stopped collecting a 1 percent sales and use tax July 1, 2016, and is completing final projects	1.0%*	1.0%*	None
Gunnison Valley Rural Transportation Authority	All of Gunnison County except the municipalities of Marble, Ohio, Pitkin, and Somerset	0.6%	None	None
	City of Gunnison	0.35%	None	None
Pikes Peak Rural Transportation Authority	El Paso County except the municipalities of Calhan, Fountain, Monument, and Palmer Lake	1.0%	1.0%	None
Roaring Fork Transportation Authority	Cities of Basalt and New Castle	0.8%	0.8%	None
	Cities of Carbondale and Glenwood Springs	1.0%	1.0%	None
	Cities of Aspen and Snowmass Village, and unincorporated Pitkin County	0.4%	0.4%	None
	Areas of unincorporated Eagle County in the El Jebel area and outside the city limits of Carbondale	0.6%	0.6%	None
San Miguel Authority for Regional Transportation	City of Telluride and eastern San Miguel County (excluding towns of Ophir and Sawpit)	0.25%	None	0.75 mills
South Platte Valley Regional Transportation Authority	City of Sterling	0.1%	0.1%	None

Source: Colorado Department of Revenue.

Aviation

There are currently 74 public-use airports in Colorado. Of these, 14 are commercial service airports and 60 are general aviation airports (51 publicly owned and 9 privately owned). The map in Figure 2 shows where these public-use airports are located.

Figure 2
Colorado's Aviation System



Prepared by: Colorado Legislative Council Staff

Sources Esri, USGS NOAA

Division of Aeronautics — CDOT. The state's Division of Aeronautics' mission is to develop an effective air transportation system and enhance aviation safety and education. It does this through the administration of the Colorado Aviation Fund under the direction of the Colorado Aeronautical Board.⁶ See the transportation funding section later in this memorandum for more information about the aviation fund. The division's [annual report](#) provides an overview of the current statewide aviation initiatives.

Colorado Aeronautical Board. The Colorado Aeronautical Board is the policymaking body that oversees the operation of the Division of Aeronautics and has responsibility for the Colorado Discretionary Aviation Grant program. It is comprised of seven Governor-appointed members representing defined constituencies in the aviation community. Board members are limited to no more than two, three-year terms.

Denver International Airport. Denver City and County owns and operates Denver International Airport (DIA). Under Denver's municipal code, Denver's Department of Aviation is responsible for the management, operation, and control of the airport, which is managed by a

⁶Section 43-10-101, *et seq.*, C.R.S.

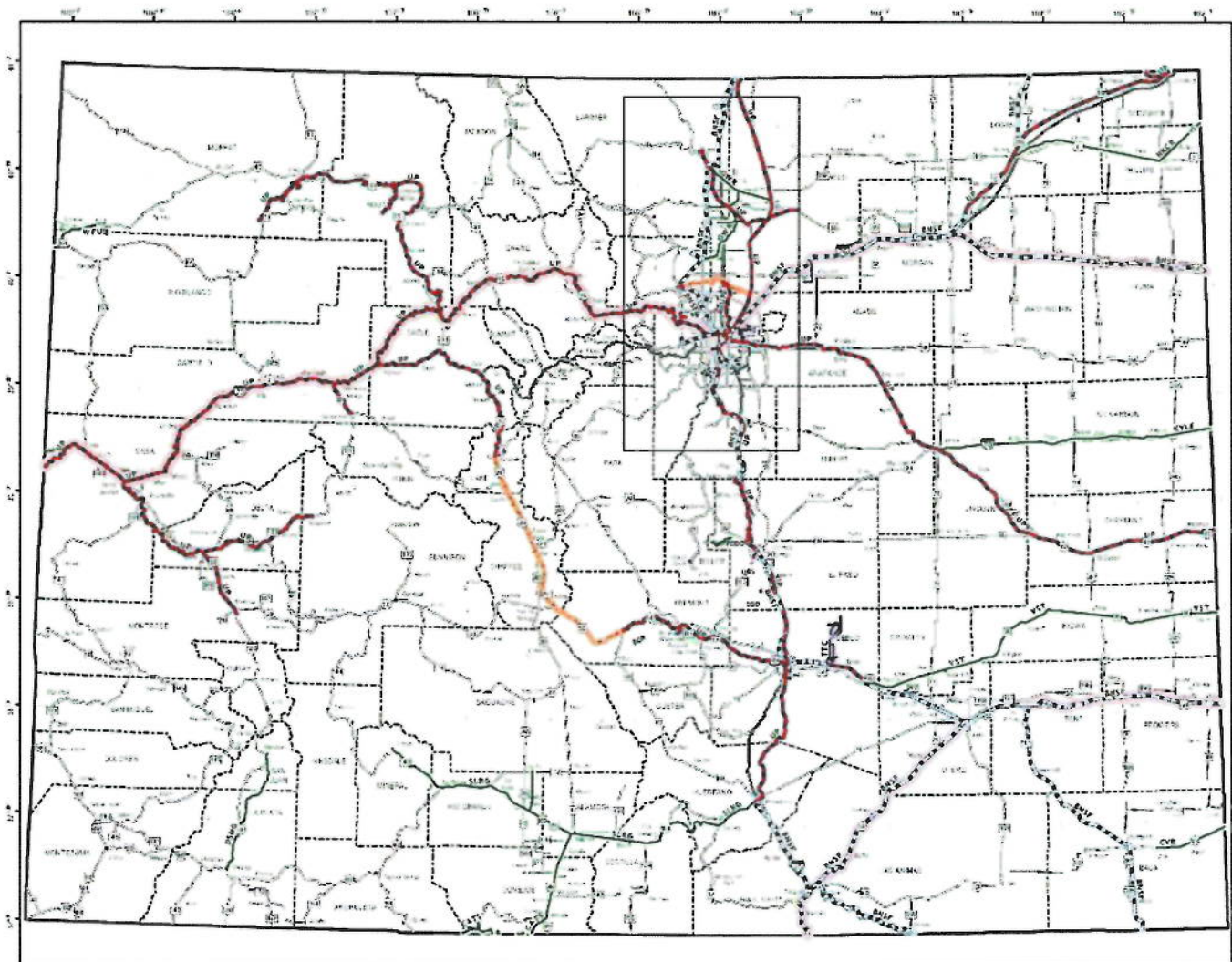
mayoral appointee. DIA is an enterprise for the purposes of the Taxpayer's Bill of Rights (TABOR) and has the authority to issue its own revenue bonds. An Airport Management Advisory Committee, started in 2014, is composed of industry, business, and government members, and advises DIA and the mayor about management, policy, and strategic planning. Committee members serve voluntary one-year terms.

Railroads

Colorado's rail system consists of a freight rail network and a limited passenger rail network.

Freight rail system. Fourteen privately owned freight railroads operate in Colorado, as shown in Figure 3. These freight railroads collectively own more than 2,800 miles of track. BNSF Railway and Union Pacific Railroad carry a majority of the freight in the state and operate over 80 percent of the miles of track. The other 12 freight railroads are short line railroads that provide localized connections between BNSF and Union Pacific, and primarily serve the agricultural industry. The freight rail network currently serves 48 out of 64 Colorado counties. Figure 3 provides an overview of Colorado's rail system.

Figure 3
Colorado's Rail System



Source: Colorado Department of Transportation.

Passenger railroads. Amtrak is currently the only provider of long-distance passenger rail service in Colorado. The two Amtrak lines that provide service in Colorado are the California Zephyr, which runs between Chicago and San Francisco, and the Southwest Chief, which operates between Chicago and Los Angeles.

Southwest Chief. The nine-member Southwest Chief Rail Line Economic Development, Rural Tourism, and Infrastructure Repair and Maintenance Commission was created in 2014.⁷ This mission of the commission is to coordinate and oversee efforts to ensure the continuation of the existing Amtrak Southwest Chief rail service, oversee the expansion of service to Pueblo, and study the benefits of expanding service to Walsenberg.

Scenic railroads. Colorado has eight scenic railroads that operate on standard or narrow gauge tracks (with one operating on a cog rail system), as shown in Table 3 below.

**Table 3
Colorado’s Scenic Railroads**

Scenic Railroad	Route Miles Operated	Time of Operation
Cripple Creek and Victor Narrow Gauge Railroad	4	Mid-May through Mid-October
Cumbres and Toltec Railroad	63	Late-May through Mid-October
Durango and Silverton Narrow Gage	45	Year-round
Georgetown Loop Railroad	4	Late April through December
Leadville Colorado and Southern Railroad	22	Late May through Early October
Manitou and Pikes Peak Railway Company	9	Year-round
Rio Grande Scenic Railroad	62	Late May through October
Royal Gorge Route Railroad	12	Late May through December

Source: Colorado Department of Transportation.

Bicycle and Pedestrian Routes

The Transportation Commission routinely considers the needs of bicyclists and pedestrians when planning, designing, and operating transportation facilities in the state, and integrates existing and potential bicycle and pedestrian use into the overall statewide transportation planning process. CDOT also administers federal bicycle and pedestrian programs like [Safe Routes to School](#).

CDOT has committed to spend at least 2.5 percent of the state’s construction budget on bike and pedestrian programs, including infrastructure. In addition, a portion of Great Outdoors Colorado’s lottery revenue is used for trails. [CDOT’s Bicycle and Pedestrian program](#) manages two public awareness campaigns — [Share the Road](#) and a pedestrian safety awareness campaign — and maintains a variety of publications, including the Colorado Bicycling Manual and an interactive and printed Bicycling and Byways map.

State law classifies bicycles as vehicles and details the rules for operating a bicycle.⁸ The law does not require the licensing of bicycles, but when they are used on streets and highways

⁷Section 43-4-1002, C.R.S.

⁸Section 42-4-1412, C.R.S.

within incorporated cities and towns, cyclists are subject to local ordinances regulating the operation of bicycles.⁹

Section 2: State Entities Involved in Transportation

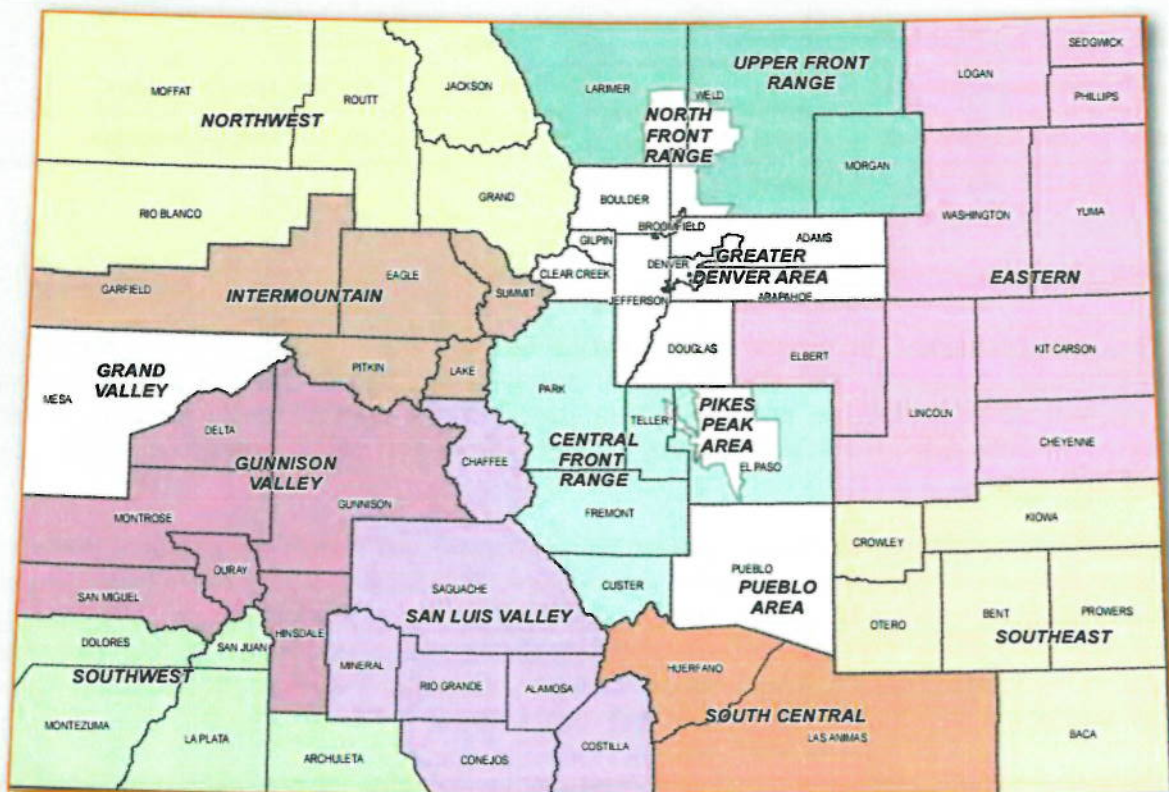
This section highlights the entities involved in transportation planning, including:

- Transportation Planning Regions and Metropolitan Planning Organizations;
- the Statewide Transportation Advisory Committee;
- the Colorado Transportation Commission;
- CDOT;
- the Colorado Public Utilities Commission; and
- the General Assembly

Transportation Planning Regions and Metropolitan Planning Organizations

There are ten Transportation Planning Regions (TPRs) and five Metropolitan Planning Organizations (MPOs) in Colorado. These planning regions identify transportation priorities within their region, which are incorporated into the statewide transportation plan. Figure 4 provides a map of these regions.

Figure 4
Colorado's Transportation Planning Regions



Source: Colorado Department of Transportation.

⁹ Section 42-4-1412 (1), C.R.S.

For the regions identified below, the planning region is represented by a government organization:

- **Central Front Range TPR** – Upper Arkansas Area Council of Governments
- **Greater Denver Area MPO** – Denver Regional Council of Governments
- **Gunnison Valley TPR** – Region 10 League for Economic Assistance and Planning
- **Pikes Peak Region MPO** – Pikes Peak Area Council of Governments
- **Pueblo Area MPO** – Pueblo Area Council of Governments
- **South Central TPR** – South Central Council of Governments
- **Southeast TPR** – Southeast Colorado Enterprise Development
- **Southwest TPR** – Region 9 Economic Development District of Southwest Colorado

One member of each region serves on the Statewide Transportation Advisory Committee (STAC).

Statewide Transportation Advisory Committee

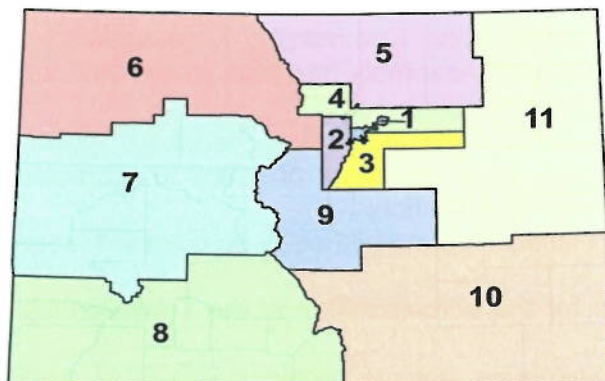
The 17-member advisory committee advises CDOT on statewide transportation needs and offers review and comments on all regional transportation plans as well as the Statewide Transportation Plan. In addition to a representative from each of the state's planning regions, a representative from both the Southern Ute Indian Tribe and the Ute Mountain Ute Indian Tribe in southwest Colorado serve on the committee. The committee meets monthly in Denver.

Colorado Transportation Commission

The decision-making authority for the majority of state transportation revenue rests with the Transportation Commission, created in state law in 1913.¹⁰ The commission sets budgetary priorities for and gives policy direction to CDOT.

The Transportation Commission consists of 11 nonpartisan commissioners, appointed by the Governor and confirmed by the Senate, each representing a corresponding district whose boundaries are defined in state law and shown in Figure 5.

Figure 5
Transportation Commission Districts



Source: Colorado Department of Transportation.

¹⁰Section 43-1-106, C.R.S.

Commission members serve four-year terms and must reside in the districts they represent. Term expiration dates are staggered every two years to provide continuity. The commission must meet at least eight times per year. The Governor, CDOT's executive director, the commission chair, or a majority of the commission's members may call special meetings. Commission members receive \$75 per meeting, along with expenses.

The Transportation Commission has the following powers and duties, listed below by category.

General powers and duties. The Transportation Commission is responsible for formulating the general policy related to the management, construction, and maintenance of the state highway system. The commission promulgates and adopts CDOT's budgets and programs. It has the authority to set and change short-term and long-term budget priorities, allowing it to shift funding among projects and regions within the state.

CDOT oversight. The Transportation Commission prescribes the administrative policies for the executive director and chief engineer of CDOT. These officials are required to provide the commission information it requests for studying transportation problems or regarding departmental operations. The commission is also responsible for:

- preparing an inventory of property held by CDOT, determining the benefits of disposing of properties, and directing CDOT to dispose of properties that are unlikely to be used;
- cooperating with CDOT in complying with capital construction long-range planning;
- defining the succession process for CDOT administrative officers; and
- maintaining two CDOT oversight committees, including the Audit Review Committee and the Efficiency and Accountability Committee.

Interagency and intergovernmental cooperation. The Transportation Commission is responsible for working with agencies and local government entities as follows:

- providing services, information, and consultation with boards of county commissioners;
- cooperating with the Division of Parks and Wildlife and its associated commission in the construction, maintenance, and improvement of roads serving state parks and recreation areas, and recreational trails along the state highway system;
- cooperating with other states or independent entities to develop transportation studies and new transportation technology; and
- seeking intergovernmental agreements between CDOT and local governments to maximize the efficiency of state transportation systems.

Rulemaking. The Transportation Commission is responsible for general rulemaking to carry out its duties. The General Assembly has also tasked the commission with creating the following programs and policies by rule:

- creating the emerging small business program to promote the participation of such businesses in highway construction;
- designating certain lanes on state highways as diamond lanes for buses, vanpools, and carpools;
- promulgating rules for the administration of the Transportation Infrastructure Revolving Fund; and
- creating and disseminating policies requiring CDOT to notify the public and affected neighborhoods and businesses about transportation projects, including notification requirements for contractors and impact mitigation.

Conducting studies. Pursuant to state law, the Transportation Commission is responsible for developing studies to guide CDOT policy. In addition, several specific studies have been

required over time, including studies related to: toll feasibility; the construction of a highway beltway in the Denver metropolitan area; bus regulation; existing and future state transportation systems; and the application of traffic systems management and intelligent vehicle highway systems.

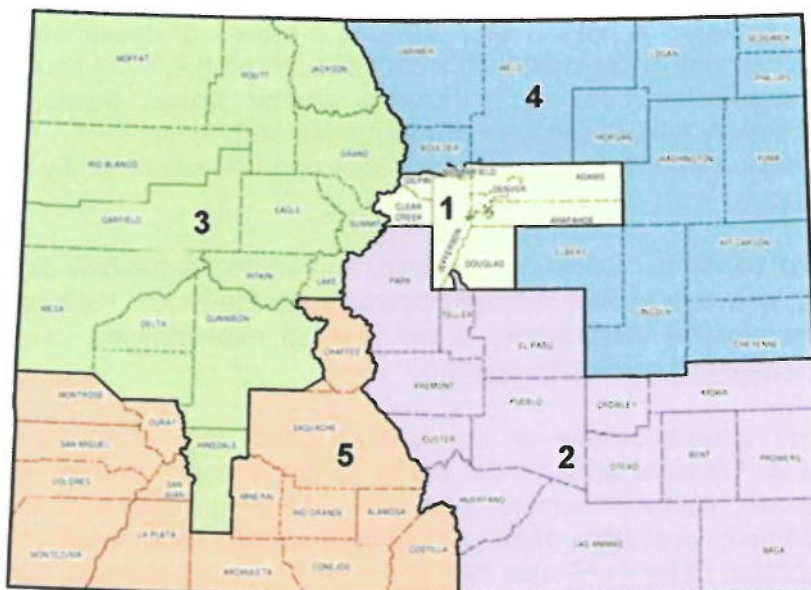
Colorado Department of Transportation

CDOT provides the strategic planning for the statewide transportation system and is tasked with promoting coordination between different modes of transportation.¹¹ CDOT is responsible for the construction and maintenance of the state highway system, which totals about 23,000 total lane miles and includes federal interstate highways, U.S. highways, state highways, and about 3,500 bridges. The department also supports statewide aviation and operates Bustang, an interregional express bus service.

Structure. CDOT is led by an executive director who is tasked with planning, developing, constructing, and coordinating an integrated transportation system in cooperation with federal, regional, local, and private organizations. The executive director leads the Executive Management Team, which includes the deputy executive director, division and office directors, the Regional Transportation Director, and the Chief Engineer. Additionally, the Division of Aeronautics provides support for local airports through the leadership of the Aeronautics Board and CDOT’s executive director.

Regions. CDOT is divided into five engineering regions. Regional transportation directors report to the Chief Engineer, and each director is responsible for implementing and managing CDOT’s activities within his or her geographic area. These activities include the design, construction, inspection and management of all construction projects in a region. Figure 6 shows the five engineering regions in Colorado.

Figure 6
CDOT Engineering Regions



Source: Colorado Department of Transportation.

¹¹Section 43-1-101, *et seq.*, C.R.S.

¹²Colo. Const. art X, § 20 (2)(d).

Enterprises. CDOT oversees two enterprises, the Statewide Bridge Enterprise and the HPTE. The state constitution defines an enterprise as a government-owned business that has authority to issue revenue bonds and receives less than 10 percent of its revenue from state and local government sources.¹² Revenue to enterprises is exempt from the state's constitutional spending (TABOR) limit.

Statewide Bridge Enterprise. The Statewide Bridge Enterprise was created to finance, repair, reconstruct, and replace designated bridges in the state.¹³ The enterprise is authorized to impose a bridge safety surcharge at rates reasonably calculated to defray the costs of completing bridge projects. Members of the Transportation Commission serve as the board of directors of this enterprise.

High-Performance Transportation Enterprise. The HPTE, which replaced the Colorado Tolling Enterprise, is tasked with actively pursuing innovative means of transportation finance through public-private partnerships, operation of concession agreements, and fee-based projects.¹⁴ The HPTE may impose user fees on a highway segment or highway lanes that have previously served vehicular traffic on a fee-free basis. The HPTE is required to follow a public outreach process, which includes collaboration with local governments, the public, and the planning regions. More information on this public outreach process is available [here](#).

Colorado Public Utilities Commission

The Colorado Public Utilities Commission (PUC) within the Department of Regulatory Agencies regulates passenger carriers, such as taxis, shuttles, charter buses, and transportation network companies, and the state's railroad infrastructure.¹⁵

The PUC regulates the following types of vehicular passenger carriers:

- **Common carriers:** A person who provides a means of transportation or related service in a vehicle that indiscriminately carries passengers for compensation (i.e. taxis);
- **Contract carriers:** A person who provides a means of passenger transportation over any public highway in the state with a special contract (i.e. hotel shuttles);
- **Limited regulation carriers:** Includes charter scenic buses, luxury limousines, children's activity buses, and fire-crew transport; and
- **Transportation network companies:** Uber and Lyft are currently permitted to operate in the state.

Regulation of carriers. Common, contract, and limited regulation carriers are subject to insurance, safety, and operational standard oversight by the PUC. As a part of this oversight, the PUC requires vehicle inspections, driver medical examinations, and insurance liability certificates before allowing carriers to operate.

The PUC has adopted many of the federal safety regulations as prescribed by the U.S. Department of Transportation in the areas of driver qualifications, vehicle identification, vehicle requirements, hours of service, and record-keeping. Some of these rules are very specific. For example, operators must comply with specific tread-depth requirements for the tires on their vehicles. The PUC also has the authority to promulgate rules; issue operating

¹³Section 43-4-805 (1)(b)(I), C.R.S.

¹⁴Section 43-4-806, C.R.S.

¹⁵Section 40-1-101, C.R.S.

permits; take enforcement actions, including assessing fines for violations; and establish annual stamp fees (which are currently \$5 annual fee per vehicle per year for these types of carriers).

According to PUC regulations, common and contract carriers are considered public utilities and affect the public interest, so they are also subject to the regulation of rates, routes, services, and market entry, in addition to insurance and safety requirements. Limited regulation carriers are deemed to affect the public interest, but are not a public utility. Therefore, they are not subject to regulation of their rates, routes, or services.

Regulation of transportation network companies. Transportation network companies vary from traditional carriers in a number of ways. Unlike taxicabs, these companies do not accept cash — the smartphone application is the method by which a passenger requests a ride and provides payment. Once the request is submitted via the application, nearby drivers are notified and meters start running when a passenger enters the vehicle. Fares are automatically calculated by the application and charged to the passenger’s credit card. Receipts are emailed to passengers and include a fare breakdown. Companies are also able to set their own rates, as opposed to taxis, which have their rates set by the PUC.

These companies are exempt from the regulation for common carriers, contract carriers, and motor carriers, but must meet certain requirements, as defined in state law, and be permitted by the PUC. These requirements include:

- filing a certificate of insurance with the PUC for at least \$1 million in primary liability coverage per occurrence for incidents occurring while a network driver has a rider;
- for all drivers, requiring personal automotive liability insurance that recognizes the driver is engaged in this activity;
- obtaining criminal history record checks and driving history reports on drivers; and
- prohibiting the use of drivers with certain felony convictions, moving violations, or who are under 21.

In addition, the PUC may promulgate rules related to safety; civil penalties; the issuance, extension, transfer, and revocation of authority to operate as a motor carrier; insurance and permit requirements; tariff and time schedule requirements; the identification, condition, and leasing of motor vehicles; record-keeping; and service standards. The PUC may take an enforcement action against a company that fails to comply with a PUC order, decision, or rule, and the company is subject to a penalty of up to \$11,000 per offense depending on the violation. The PUC cannot assess a penalty against a driver.

Table 4 shows the level of PUC oversight for each type of carrier.

**Table 4
Level of PUC Oversight by Carrier**

Type of Carrier	Type of Oversight						
	Safety	Insurance	Operational Standards	Rates	Routes	Services	Market Entry
Common	X	X	X	X	X	X	X
Contract	X	X	X	X	X	X	X
Limited Regulation	X	X	X				
Transportation Network Company	X	X	X				

Source: Public Utilities Commission.

Railroads. While the federal government has preempted most areas of railroad safety, the PUC currently has primary jurisdiction over all public highway-rail crossings.

Additionally, the PUC is responsible for the oversight of the safety and security of rail fixed guideway systems within the state, which includes any light, heavy, and rapid rail systems, monorail, inclined plane, funicular, trolley, or automated guideway system used to transport passengers that are not regulated by the [Federal Railroad Administration](#). The Federal Railroad Administration is responsible for compliance and enforcement in operating practices, track, signal and trail control, equipment, and hazardous materials. The federal Surface Transportation Board maintains economic jurisdiction over railroads that are part of the national railroad system, and this board is charged with resolving railroad service disputes and reviewing proposed railroad mergers.

General Assembly

Subject to certain constitutional limitations, the General Assembly has by statute determined the methods of administering and financing Colorado's transportation system by:

- outlining the state transportation planning process;
- establishing and determining the roles and responsibilities of CDOT and the Transportation Commission;
- identifying revenue sources and financing for state highway construction and maintenance; and
- determining the distribution of state funding to CDOT and Colorado's local governments.

While the Transportation Commission serves a fiduciary role by declaring and adopting transportation construction and program budgets, it does not have the authority to raise tax revenue; this power is retained by the General Assembly and the voters.

Section 3: Transportation Planning in Colorado

This section describes how regional and statewide transportation plans are created and how transportation projects are prioritized. Specifically, these plans include:

- Regional transportation plans;
- the Statewide Transportation Plan;
- the Statewide Transportation Improvement Program;
- CDOT's Development Program; and
- other plans.

Regional transportation plans. The state's transportation planning process begins at the regional level. CDOT gathers input from the fifteen planning regions to develop [regional transportation plans](#) for each region. The plans typically establish a region's long-term transportation investment priorities, and are incorporated in the Statewide Transportation Plan.

Statewide Transportation Plan. State law requires CDOT to produce a 20-year plan, updated every five years. The current [2040 Plan](#) estimates needs and revenue from 2016 to 2040. The plan outlines CDOT's overall funding plan, identifies the future needs of Colorado's transportation system, establishes CDOT's vision and goals for the state, and outlines strategies to achieve these goals.

Statewide Transportation Improvement Program. Federal regulations require CDOT to develop a [Statewide Transportation Improvement Program \(STIP\)](#), which is a four-year planning document for state transportation projects. CDOT updates this plan annually. Projects included in the annual plan come from the 20-year statewide transportation plan.

The Transportation Commission takes various factors into account when prioritizing projects, such as funding interplay, highway safety issues, regional priorities, and the balance of long- and short-term benefits of specific projects. Federal regulations also require Colorado's five MPOs to create their own transportation improvement programs. Each individual MPO creates its own formal process for improvement plan development, and these are integrated into CDOT's annual improvement plan without modification.

Before the Transportation Commission adopts the annual improvement plan, it releases a draft document for public review and comment, which includes a public hearing. The Transportation Commission receives and incorporates comments prior to final adoption of this plan. After adoption, the improvement plan is sent to the Federal Highway Administration and the Federal Transit Administration for final approval. Subsequent to its approval, the plan may be amended. Any major change requires public review and federal approval.

CDOT's Development Program. CDOT recently created the [Development Program](#) to bridge the gap between the annual and the 20-year plans by identifying the state transportation system's inventory of major investment needs and establishing priorities through a 10-year development program.

Inventory of major investment needs. The inventory of major investment needs is intended to capture highway projects defined as "major" by each CDOT region, and major investment needs for transit, bicycle/pedestrian, and operations. Generally, the investment needs identified through this program highlight projects unlikely to be funded to completion through traditional funding sources. The inventory only includes projects that would be funded with revenues flowing through CDOT, if sufficient revenue were available. It does not include projects that are anticipated to be funded primarily with local, regional, or private funding.

10-year development program. The development program is a subset of the inventory list, intended to identify major investment needs that are a higher priority over the next 10 years. The October 2016 draft list is available [here](#).

Other plans. In addition to the planning documents and processes outlined above, CDOT also creates the following modal plans:

- the Statewide Transit Plan;
- the Strategic Highway Safety Plan;
- the Statewide Transportation System Management and Operations Plan;
- the State Highway Freight Plan;
- the State Freight and Passenger Rail Plan;
- the Statewide Bicycle and Pedestrian Plan;
- the Colorado Aviation System Plan; and
- the Risk-Based Transportation Asset Management Plan.

These plans are available on [CDOT's website](#).

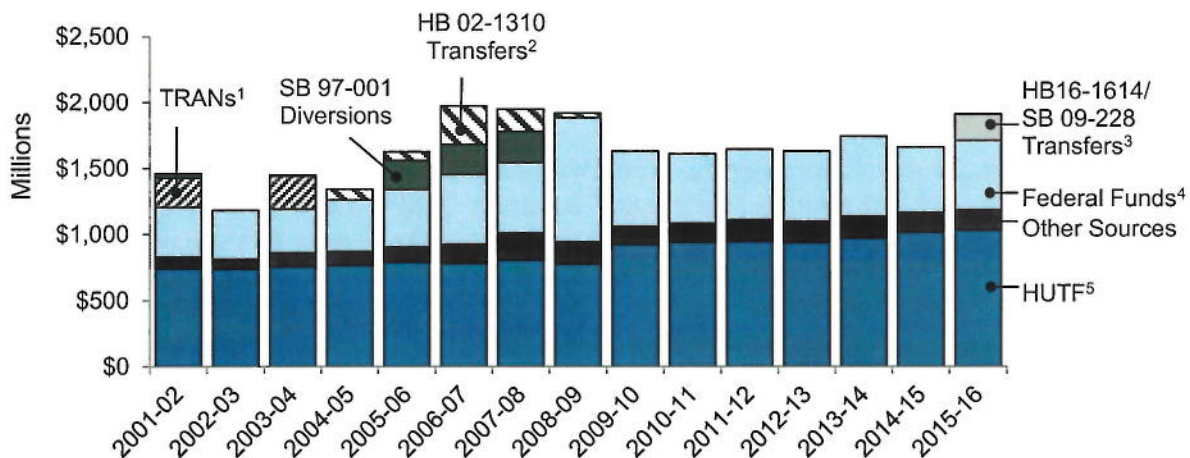
Section 4: State Transportation Funding

This section provides an overview the state's transportation funding system, which primarily comes from the Highway Users Tax Fund and federal funds.

The Colorado Constitution requires that all vehicle registration fees and fines charged with respect to the operation of a motor vehicle on Colorado's public highways or any motor fuel taxes be used for the construction, maintenance, and supervision of the state highway system. Further, any taxes charged on aviation fuel must be used exclusively for aviation purposes.¹⁶ Under these constitutional limitations, the General Assembly may determine the sources of transportation revenue¹⁷ and the distribution of this revenue for statewide and local programs.

Figure 7 shows a 15-year history of the major state sources of funding for Colorado's transportation system. Each funding source is described in greater detail below.

Figure 7
Major Sources of Funding for
the Colorado Transportation System since FY 2001-02



Sources: Office of the State Controller and Colorado Department of Transportation.

Note: Funding sources exclude revenue to regional transit authorities, local governments, and enterprises.

¹CDOT sold Transportation Revenue Anticipation Notes (TRANs) as a means of generating revenue between FY 1999-00 and FY 2003-04. All TRANs revenue has been spent. Debt service on TRANs is paid with money from the federal government and state matching funds; the final debt service payment is scheduled in FY 2016-17.

²House Bill 02-1310 transfers were repealed during the 2009 legislative session.

³House Bill 16-1416 replaced the first two years of Senate Bill 09-228 transfers with fixed dollar amounts to provide certainty in the budget process.

⁴Federal funds include \$404.2 million in American Recovery and Reinvestment Act (ARRA) funds in FY 2008-09.

⁵HUTF revenue includes additional registration fees paid pursuant to Senate Bill 09-108 (FASTER) beginning in FY 2009-10.

¹⁶Colo. Const. art. X, § 18.

¹⁷Colo. Const. art. X, § 20 (4)(a) requires that the state obtain voter approval to create a new tax, increase a tax rate, extend an expiring tax, or change tax policy in a way that causes a net tax revenue gain.

Highway Users Tax Fund. The Highway Users Tax Fund (HUTF) is the primary source of state highway system funding in Colorado. Preliminary estimates of revenue to the fund totaled \$1.0 billion in FY 2015-16. Revenue from the HUTF comes from the following sources:

- **Motor fuel taxes.** State motor fuel excise taxes make up the largest share of HUTF revenue. Excise taxes are levied on a per-gallon basis at 22 cents per gallon for gasoline and 20.5 cents per gallon for diesel fuel. In FY 2015-16, revenue from these taxes totaled \$609.7 million. The Colorado Constitution requires that any motor fuel taxes be used for the construction, maintenance, and supervision of the state highway system.¹⁸
- **Registration fees.** Motor vehicle registration fees make up the second largest share of HUTF revenue. Registration fees are based on the age and weight of the vehicle registered. Notably, registration fees differ from the specific ownership tax, revenues from which are apportioned to local governments in a manner similar to property taxes. Registration fees include the apportionment of interstate motor carrier fee revenue under the International Registration Plan, a reciprocal agreement among states.¹⁹ In FY 2015-16, registration fee revenue totaled \$356.0 million, which includes additional registration fees passed in 2009.²⁰
- **Other HUTF receipts.** Other HUTF revenue comes from driver license fees, court fines, and interest earnings. In FY 2015-16, revenue from these sources totaled \$64.5 million.

HUTF funds are allocated to CDOT, counties, and municipalities, based on statutory formulas.²¹ Figure 8 shows the sources and distribution of revenue in the fund. The terms "first stream" and "second stream" are commonly used when explaining the distribution of revenue from the HUTF. Prior to the first stream distribution, appropriations are made to the Department of Revenue, for highway-related functions, and to the Department of Public Safety, for the State Patrol. These appropriations are referred to as "off-the-top" deductions. Remaining first stream revenue is distributed to CDOT (65 percent), counties (26 percent), and municipalities (9 percent). Second stream revenue is distributed to CDOT (60 percent), counties (22 percent), and municipalities (18 percent).

State Highway Fund. The State Highway Fund is administered by CDOT and receives the state's share of HUTF distributions and federal funds. The fund also generates its own revenue, primarily from interest earnings on the fund balance and local government matching funds to federal transportation funding programs. The State Highway Fund is the primary account used for maintenance of the state's highway system. In FY 2015-16, \$52.2 million in revenue from these sources was deposited into the fund.

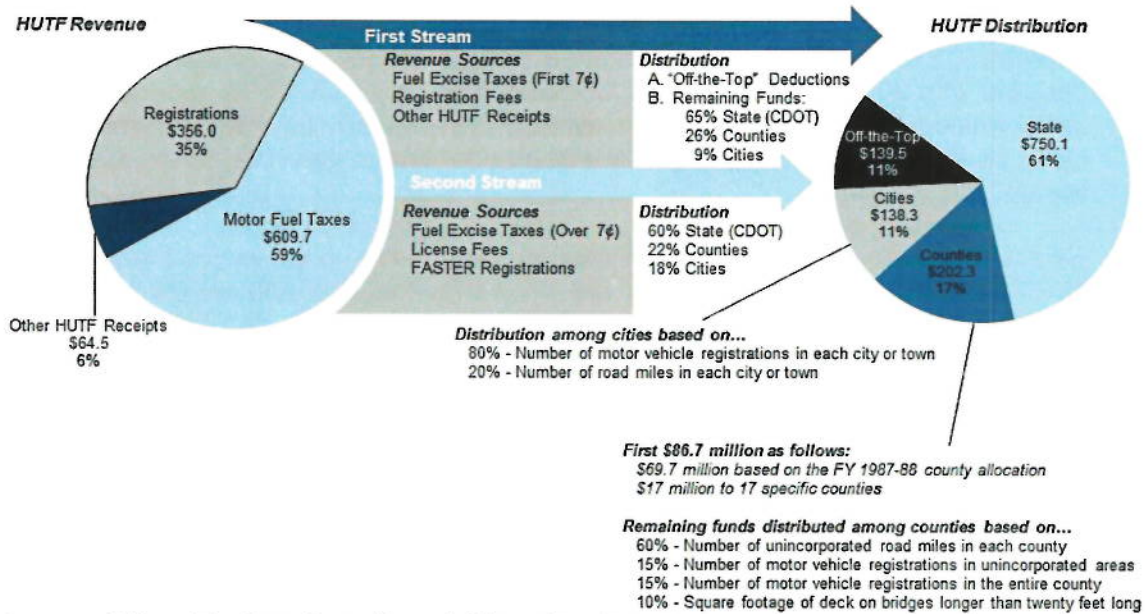
¹⁸ Colo. Const. art. X, § 18.

¹⁹ Sections 43-4-205 through 43-4-208, C.R.S.

²⁰ SB 09-108.

²¹ Sections 43-4-205 through 43-4-208, C.R.S.

Figure 8
HUTF Revenue and Distributions, FY 2015-16
Dollars in Millions



Sources: Office of the State Controller and Office of the State Treasurer.

Other sources of state transportation revenue. Smaller sources of transportation revenue include the aviation fuel tax, highway safety-related fees and fines, other registration fees, enterprise fees, and transportation bonds.

- **Aviation Fund.** The state's aviation fund is comprised solely of excise and sales tax revenue on aviation fuels sold at Colorado airports, collected by the Colorado Department of Revenue. The fund is administered by the Division of Aeronautics within CDOT. Tax revenue includes a 6 cent per gallon fuel excise tax on fuel used by smaller propeller-driven aircraft, a 4 cent per gallon jet fuel excise tax, and a 2.9 percent sales tax on the retail cost of jet fuel. Any taxes charged on aviation fuel must be used exclusively for aviation purposes.²² Aviation Fund revenue is shared between the local governments that own airports and CDOT. Local governments use their share of aviation fuel tax revenue to maintain and operate 74 airports across the state. CDOT uses its share of this revenue to provide discretionary grants to airports and fund the operation of the CDOT aeronautics division. In FY 2015-16, \$15.2 million in revenue was generated to this fund.
- **Highway safety revenue.** Revenue to transportation also comes from statutory fees charged for the Law Enforcement Assistance Fund, and from fines for driving under the influence or driving while ability impaired. Revenue from these sources is generally used to fund traffic signals and statewide public safety campaigns. Revenue is shared with the Judicial Branch, the Department of Public Health and Environment, and the Division of Motor Vehicles in the Department of Revenue. In FY 2015-16, revenue from these fees and fines totaled \$9.3 million.
- **Other registration fees.** In addition to the registration fees paid to the HUTF, a number of additional fees are charged when a motor vehicle is registered. These include: Emergency Medical Services fees, emissions inspection fees, motorcycle and motor

²²Colo. Const. art. X, § 18.

vehicle license fees, and Police Officer Standards and Training Board fees. Revenue from these fees totaled \$77.9 million in FY 2015-16.²³

- *Statewide Bridge Enterprise.* To support the Statewide Bridge Enterprise, there is currently a charge of between \$13 and \$32 collected when vehicles are registered as determined by vehicle weight. Revenue from this TABOR-exempt fee totaled \$107.3 million in FY 2015-16.
- *High-Performance Transportation Enterprise.* Revenue to the HPTE comes from express lane tolls and fines collected on sections of I-25 and I-70, federal grants, interest income, and miscellaneous smaller sources. (US 36/I-25 Downtown toll revenue is collected by Plenary Roads Denver. While CDOT manages the I-70 Mountain Express Lane, these toll revenue proceeds go to the HPTE.) Toll revenue has dramatically increased as more express lanes come online that are managed by the HPTE. According to the CDOT budget submitted November 2016, total revenue to the HPTE was \$123.7 million in FY 2015-16, up from \$8.8 million in FY 2014-15.
- *Transportation bonds.* In 1999, Colorado voters authorized CDOT to borrow up to \$1.7 billion by selling TRANs, with a maximum repayment cost of \$2.3 billion. Debt service on TRANs is paid with money from the federal government and state matching funds. TRANs proceeds were exempt from the TABOR revenue limit and could be used only for 28 prioritized statewide projects. The use of TRANs allowed CDOT to accelerate construction on these projects, including the widening of I-25 in Denver (T-REX). CDOT issued a total of \$1.5 billion in installments from 2000 through 2011, with a total repayment cost of \$2.3 billion. The final debt service payment on these bonds occurred in December 2016. Debt service payments have been made with state transportation dollars and federal funds.

Federal funds. Congress authorizes the expenditure of federal funds by state and local governments through multi-year transportation funding acts. The most recent authorization, the Fixing America's Surface Transportation Act (FAST) Act, was signed into law in December 2015. The FAST Act is a \$305 billion, five-year authorization of federal surface transportation programs. In FY 2015-16, Colorado received \$573.1 million from the FAST Act. The FAST Act distributes money for the following purposes.

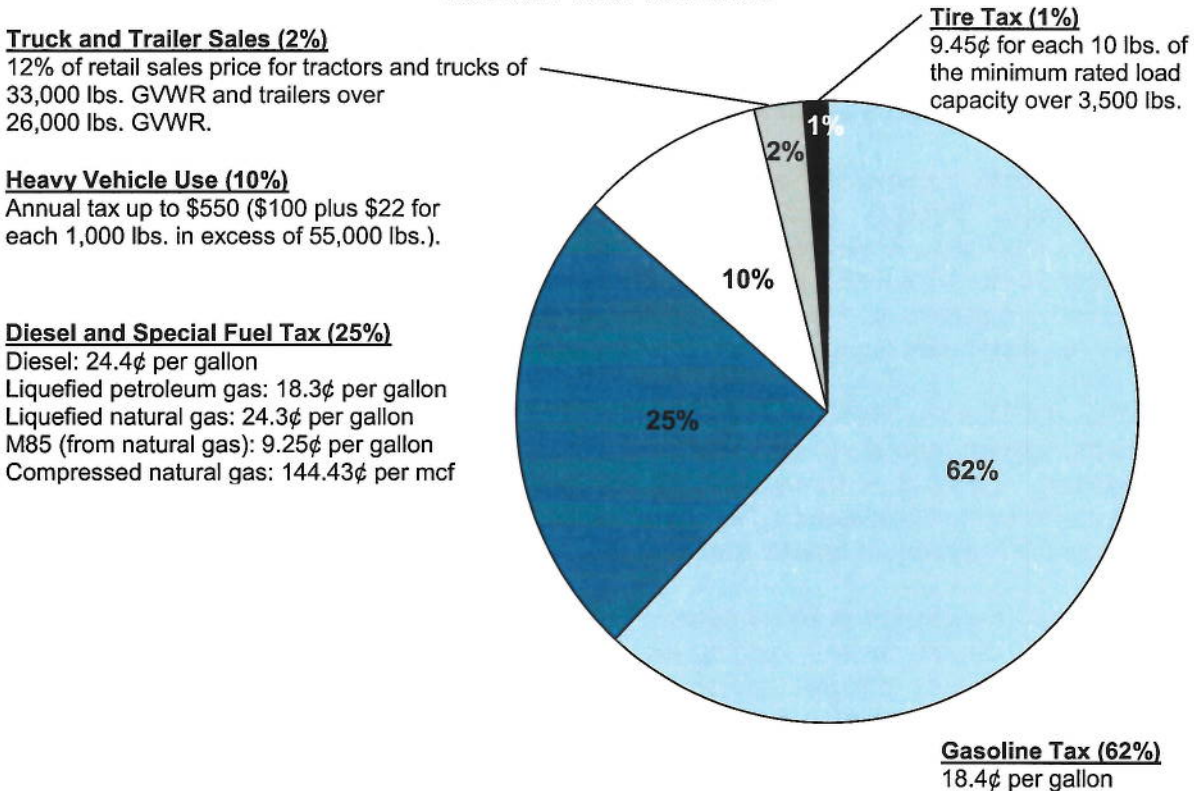
- *National Highway Performance Program.* The National Highway Performance Program is the largest federal aid highway program and is used to support the national highway system. Funding is formula-based and can be used to maintain and construct the national highway system. The national highway performance program accounts for about 55.7 percent of federal transportation funding.
- *Surface Transportation Block Grant Program.* Surface transportation block grants are the most flexible federal funding source. Grants can be used for projects covering highways, transit, bridges, tunnels, pedestrian infrastructure, and more. The funds are allocated between states and local governments. Surface transportation block grants account for about 27.9 percent of federal transportation funding.
- *Congestion mitigation and air quality.* Congestion mitigation and air quality funding is directed to programs and projects that reduce emissions and help meet Clean Air Act requirements. This includes signal improvements, HOV lanes, and turning lanes. Congestion mitigation accounts for about 5.8 percent of federal transportation funding.

²³This figure includes driver's license registration fees diverted from the HUTF to the Licensing Services Cash Fund, as required pursuant to Section 42-2-113, C.R.S. HUTF diversions to the Licensing Services Cash Fund continue through FY 2014-15.

- *Highway Safety Improvement Program.* Safety improvement funds are aimed at reducing traffic fatalities and injuries on public roads. Some of these funds are formula-based and aimed at improving driver behavior. Other safety funds are competitively awarded in a number of areas, including impaired driving, occupant protection, and distracted driving. Highway safety improvements account for about 5.5 percent of federal transportation funding.
- *Additional federal transportation funds.* Colorado also receives federal money for various other purposes, including:
 - maintaining a highway freight network;
 - financing innovative transportation infrastructure;
 - public transportation; and
 - accelerating project construction.

Federal funds are distributed to states from the federal Highway Trust Fund, which collects motor fuel taxes and truck-related taxes (truck and trailer sales, truck tires, and heavy vehicle use). Highway Trust Fund disbursements are paid to states based on formulas in federal law. Figure 9 shows the sources of revenue to the fund.

Figure 9
Revenue Sources to the Federal Highway Trust Fund
Federal Fiscal Year 2015



Source: Congressional Budget Office.

General Fund. The General Assembly has used various mechanisms to provide General Fund revenue for transportation. Since 1979, the General Assembly has used statutory mechanisms to transfer General Fund revenue to the HUTF when sufficient funds are available.²⁴ Beginning July 1, 2003, House Bill 02-1310 required that two-thirds of excess General Fund reserves from the prior fiscal year be transferred to highways, with the remaining one-third transferred to the Capitol Construction Fund. The excess General Fund reserve was any money left over after appropriations had been increased by 6 percent, a 4 percent reserve had been fully funded, and a diversion of 10.355 percent of sales and use tax revenue was made to the HUTF. In 2009, the General Assembly passed Senate Bill 09-228, which transfers General Fund money for five consecutive fiscal years to transportation when certain conditions are met.

Senate Bill 09-228 requires that transfers equal to 2.0 percent of General Fund revenue be made to the HUTF during certain years. Statute requires that this revenue be deposited in the State Highway Fund, where it must be spent to implement the current Statewide Transportation Improvement Plan.²⁵ Further, no more than 90 percent of transfers may be spent on highways and highway-related capital improvements, while at least 10 percent must be spent on transit and transit-related capital improvements.²⁶

The transfers may be reduced or eliminated during any year in which state revenue exceeds the constitutional spending limit contained in the TABOR amendment.²⁷ Transfers are cut in half if the TABOR surplus during a fiscal year is greater than 1.0 percent and less than or equal to 3.0 percent of General Fund revenue. If the TABOR surplus exceeds 3.0 percent of General Fund revenue, transfers are eliminated for that year. A surplus less than or equal to 1.0 percent of General Fund revenue does not affect the transfers. Transfers that are dependent on the size of the TABOR surplus and General Fund revenue create uncertainty in the budget process because small changes in any revenue source can have a large impact on the size of the transfers.

The first Senate Bill 09-228 transfer of \$199.2 million was scheduled to occur in FY 2015-16 with transfers in the following four fiscal years. However, House Bill 16-1416 set transfers at fixed dollar amounts of \$199.2 million in FY 2015-16 and \$158.0 million in FY 2016-17.

Current revenue projections forecast a full Senate Bill 09-228 transfer in FY 2017-18 of \$217.7 million and a half transfer of \$114.9 million in FY 2018-19. Small margins of error in the forecasts for General Fund revenue and the TABOR surplus have a large impact on the size of the transfers. These errors include the impact of legislation enacted in the future by the General Assembly or the U.S. Congress that affect General Fund revenue or cash fund revenue subject to TABOR. Thus, these transfers may occur in full or not at all.

Local funding. Municipal and county governments in Colorado fund local transportation projects with various revenue sources. Local transportation funding decisions are determined at the local level.

- *Gasoline and special fuel excise tax.* Municipal and county governments receive a portion of the state's gasoline and special fuel excise tax collections. The distributions are set by statutory formula.

²⁴SB 79-536; SB 97-001; HB 02-1310; SB 09-228, and HB 16-1416.

²⁵Section 43-4-206 (2)(a), C.R.S. Statute refers to the strategic transportation project investment program, which is also referred to as the Statewide Transportation Improvement Plan.

²⁶Section 43-4-206 (2)(a)(I), C.R.S.

²⁷Colo. Const. art X, § 20 (7).

- *Sales taxes.* Some cities have dedicated sales taxes to fund local transportation needs. In addition, regional transportation authorities receive the sales and use taxes identified in Table 2 on page 8. The Regional Transportation District also receives a 1 percent sales tax collected in the district.
- *Property taxes.* Counties are allowed to levy up to 1 mill on the property within the county dedicated to fund transportation projects. The property tax revenue collected from property within incorporated municipalities is shared with the municipalities.
- *Federal funds.* In addition to the federal funds that CDOT receives for highway and transit projects that are passed on to cities and counties, local governments may also apply for federal funds directly. In general, local governments provide matching funds to receive federal dollars used for transportation projects.
- *User fees.* Certain local transportation entities collect user fees. Two public highway authorities — E-470 and Northwest Parkway — collect tolls. Regional transportation authorities and the Regional Transportation District also collect fares from riders.
- *General Fund.* Municipal and county governments are allowed to use money from their general funds for local transportation projects. Sales and property taxes are the largest sources of local general fund revenue.