

**Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

Bill E

LLS NO. 24-0242.01 Nicole Myers x4326

SENATE BILL

SENATE SPONSORSHIP

Priola and Jaquez Lewis, Cutter, Exum, Winter F.

HOUSE SPONSORSHIP

Dickson and Vigil, Froelich, Lindsay, Lindstedt, Mabrey, Mauro, Parenti

Senate Committees

House Committees

A BILL FOR AN ACT

101 **CONCERNING METHODS TO INCREASE THE USE OF TRANSIT.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Transportation Legislation Review Committee. Statewide transit pass exploratory committee. Section 1 of the bill creates the statewide transit pass exploratory committee (committee) within the department of transportation (department) to produce a viable proposal for the creation, implementation, and administration of a statewide transit pass. The committee is required to meet as necessary to produce a viable proposal by July 1, 2026, with the goal of implementing a statewide transit pass by January 1, 2028.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

The committee consists of 15 members appointed by the executive director of the department and is required to include representatives of a diverse group of transit agencies throughout the state, a representative of an entity or interest group involved in passenger rail systems, a representative of an organization with a statewide perspective regarding transportation, and 2 representatives of the department, one who is knowledgeable about the department's inter-city regional bus service and one who is knowledgeable about innovative mobility.

In conducting its work and in producing a viable proposal for the creation, implementation, and administration of a statewide transit pass the committee is required to consider:

- Various specified logistics of creating a statewide transit pass;
- A method for determining the price of a statewide transit pass;
- A structure for the sale of the statewide transit pass to individuals and to employers for their employees;
- The services that will be offered to statewide transit pass holders;
- The types of statewide transit passes that would be offered, including different options for the duration of the pass to accommodate Colorado residents and visitors to Colorado;
- Additional opportunities for collaboration across transit agencies in the state to make it easier and more appealing for people to use transit;
- The technology that would be necessary to monitor the use of the statewide transit pass and track ridership across transit agencies;
- Local, tribal, state, and federal laws, rules, or regulations that need to be considered in connection with the creation of a statewide transit pass;
- The best method for advertising and marketing a statewide transit pass;
- The potential impacts that a statewide transit pass will have on transit pass programs that are currently offered by transit agencies;
- The potential impacts of section 20 of article X of the state constitution to local governments in connection with revenue generated by the sale of a statewide transit pass;
- A proposal for the structure and composition of a permanent advisory board to oversee the creation, implementation, and administration of a statewide transit pass; and
- Any other issues that need to be discussed or addressed, as deemed necessary and appropriate by a majority vote of the

members of the committee.

In producing a viable proposal for the creation, implementation, and administration of a statewide transit pass, the committee is required to solicit input from specified subject matter experts and interested parties across the state.

The committee is required to submit its proposal for the creation, implementation, and administration of a statewide transit pass, including recommendations for any necessary legislation in connection with the proposal, to the executive director and the members of the transportation legislation review committee of the general assembly on or before July 1, 2026.

Ozone season transit grant program. The ozone season transit grant program was created in the Colorado energy office in 2022. **Section 2** makes the following changes to the ozone season transit grant program:

- Relocates the ozone season transit grant program to the department;
- Requires the transit association that receives money from the state and uses the money to make grants to transit agencies to consider grants that have been or will be awarded to the transit agency through the youth fare free transit grant program, created in the bill, when making grants to ensure that transit agencies do not receive grants through the ozone season transit grant program for services that are paid for with grants from the youth fare free transit grant program;
- Requires the state treasurer to transfer \$7 million to the ozone season transit grant program fund on July 1, 2024, and on July 1 of each year thereafter; and
- Makes the ozone season transit grant program permanent by repealing the statute that would repeal the ozone season transit grant program on July 1, 2024.

Youth fare free transit grant program. **Section 3** creates the youth fare free transit grant program in the department to provide grants to the regional transportation district (RTD) and a transit association to provide fare free year-round transit services for individuals who are 19 years of age or younger (youth).

To receive a grant, a transit association or the RTD must submit an application to the department in accordance with the policies established by the department. A transit association that receives a grant may use the money to make grants to eligible transit agencies. The eligible transit agencies and the RTD may use the grant money to provide operating support for its transit operations and general transit programs, so long as the eligible transit agency or the RTD provides uninterrupted fare free year-round transit services for youth riders.

The RTD is required to report to the department and an eligible

transit agency that receives a grant from a transit association is required to report to the transit association regarding the estimated change in youth ridership during the year in which fare free services were offered compared to previous years, any changes that the RTD or the eligible transit agency would make in how it provides fare free transit services to youth or in its use of the grant money based on its experiences, and how the RTD or the eligible transit agency marketed the fare free transit services for youth. The transit association is required to submit to the department a summary of the reported information for all eligible transit agencies that received a grant through the transit association.

The bill creates the youth fare free transit grant program fund (fund) and transfers \$7 million from the general fund to the fund on July 1, 2024, and on July 1 of each year thereafter. The money in the fund is continuously appropriated to the department for the youth fare free transit grant program.

The department is required to establish policies governing the youth fare free transit grant program and to report to the house of representatives transportation, housing, and local government committee and the senate transportation committee, or their successor committees, by December 31 of each year of the program.

Income tax credit for the purchase of a transit pass. For income tax years beginning on or after January 1, 2024, but before January 1, 2029, **section 4** creates an income tax credit allowed to any taxpayer in an amount equal to 30% of the amount spent by the taxpayer to purchase one or more transit passes for use by the taxpayer during the income tax year for which the credit is claimed.

To claim the credit a taxpayer is required to include a credit certificate issued by the department with the income tax return filed with the department of revenue. The credit certificate that the department issues must identify the taxpayer and certify that the taxpayer purchased one or more transit passes for the taxpayer's use during the income tax year for which the credit is claimed.

The amount of the credit not used as an offset against income taxes in the current income tax year is refunded to the taxpayer.

No later than January 1, 2025, and no later than January 1 of each year thereafter through January 1, 2029, the department is required to provide the department of revenue with an electronic report of the taxpayers receiving a credit certificate.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 43-1-132 as
3 follows:

1 **43-1-132. Statewide transit pass exploratory committee -**
2 **legislative declaration.** (1) THE GENERAL ASSEMBLY HEREBY FINDS AND
3 DECLARES THAT:

4 (a) (I) OVER-RELIANCE ON PERSONAL PASSENGER VEHICLES FOR
5 TRANSPORTATION CONTRIBUTES TO POOR AIR QUALITY AND CLIMATE
6 CHANGE AND HAS A NEGATIVE ECONOMIC IMPACT ON FAMILIES IN THE
7 STATE;

8 (II) (A) NATIONWIDE, THE NUMBER OF JOBS WITHIN THE TYPICAL
9 COMMUTE DISTANCE FOR RESIDENTS IN MAJOR METROPOLITAN AREAS HAS
10 DECLINED OVER TIME ACCORDING TO A REPORT BY THE BROOKINGS
11 INSTITUTION TITLED "THE GROWING DISTANCE BETWEEN PEOPLE AND
12 JOBS IN METROPOLITAN AMERICA";

13 (B) COLORADANS DRIVE MORE MILES PER PERSON THAN THEY
14 USED TO, IN PART DUE TO STRESS ON TRANSPORTATION INFRASTRUCTURE
15 AND INCREASING HOUSEHOLD COSTS; AND

16 (C) SINCE 1981, PER CAPITA VEHICLE MILES TRAVELED IN
17 COLORADO HAVE RISEN BY OVER TWENTY PERCENT ACCORDING TO DATA
18 FROM THE FEDERAL HIGHWAY ADMINISTRATION;

19 (III) HIGH TRANSPORTATION COSTS IMPACT LOW-INCOME
20 HOUSEHOLDS IN PARTICULAR, WITH HOUSEHOLDS MAKING LESS THAN
21 FORTY THOUSAND DOLLARS PER YEAR IN THE WESTERN UNITED STATES
22 SPENDING OVER TWENTY-FOUR PERCENT OF THEIR INCOME ON
23 TRANSPORTATION, WHEN SPENDING MORE THAN FIFTEEN PERCENT OF
24 INCOME ON TRANSPORTATION IS CONSIDERED COST BURDENED,
25 ACCORDING TO DATA FROM THE BUREAU OF LABOR STATISTICS
26 CONSUMER EXPENDITURE SURVEYS;

27 (IV) (A) IN ADDITION TO ECONOMIC IMPACTS, THE INCREASE IN

1 VEHICLE TRAFFIC HAS AN ENVIRONMENTAL IMPACT;

2 (B) THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
3 HAS CLASSIFIED THE DENVER METRO/NORTH FRONT RANGE AREA AS
4 BEING IN SEVERE NONATTAINMENT FOR OZONE AND GROUND LEVEL
5 OZONE, WHICH HAS SERIOUS IMPACTS ON HUMAN HEALTH, PARTICULARLY
6 FOR VULNERABLE POPULATIONS;

7 (C) ACCORDING TO THE GREENHOUSE GAS POLLUTION REDUCTION
8 ROADMAP, PUBLISHED BY THE COLORADO ENERGY OFFICE AND DATED
9 JANUARY 14, 2021, THE TRANSPORTATION SECTOR IS THE SINGLE LARGEST
10 SOURCE OF GREENHOUSE GAS POLLUTION IN COLORADO;

11 (D) NEARLY SIXTY PERCENT OF THE GREENHOUSE GAS EMISSIONS
12 FROM THE TRANSPORTATION SECTOR COME FROM LIGHT-DUTY VEHICLES,
13 WHICH CONSTITUTE THE MAJORITY OF CARS AND TRUCKS THAT
14 COLORADANS DRIVE EVERY DAY;

15 (E) AS PART OF THE GREENHOUSE GAS POLLUTION REDUCTION
16 ROADMAP, A STRATEGIC ACTION PLAN TO ACHIEVE LEGISLATIVELY
17 ADOPTED TARGETS OF REDUCING GREENHOUSE GAS POLLUTION
18 ECONOMY-WIDE BY FIFTY PERCENT BELOW 2005 LEVELS BY 2030 AND
19 NINETY PERCENT BY 2050, THE STATE COMMITTED TO REDUCING
20 EMISSIONS FROM THE TRANSPORTATION SECTOR BY FORTY-ONE PERCENT
21 BY 2030 FROM A 2005 BASELINE; AND

22 (F) THE GREENHOUSE GAS TRANSPORTATION PLANNING
23 STANDARD ADOPTED BY THE TRANSPORTATION COMMISSION IN 2021 SET
24 A TARGET TO REDUCE TRANSPORTATION GREENHOUSE GAS EMISSIONS
25 THROUGH THE TRANSPORTATION PLANNING PROCESS BY ONE MILLION FIVE
26 HUNDRED THOUSAND TONS BY 2030;

27 (b) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT:

1 (I) THE ENVIRONMENTAL AND ECONOMIC ISSUES THAT RESULT
2 FROM INCREASED RELIANCE ON PASSENGER VEHICLES AND AN INCREASE
3 IN THE NUMBER OF MILES TRAVELED PER PERSON IS A MATTER OF
4 STATEWIDE CONCERN;

5 (II) ONE OF THE KEY FINDINGS OF THE GREENHOUSE GAS
6 POLLUTION REDUCTION ROADMAP IS THAT REDUCING GROWTH IN DRIVING
7 IS AN IMPORTANT TOOL TO ACHIEVE THE STATE'S CLIMATE GOALS AND
8 THAT EXPANDING PUBLIC TRANSIT IS AN IMPORTANT NEAR-TERM ACTION
9 THAT CAN HELP ACHIEVE THOSE GOALS; AND

10 (III) IT IS THE STATE'S RESPONSIBILITY TO SUPPORT PROGRAMS
11 THAT REDUCE THE GROWTH IN DRIVING AND EXPAND PUBLIC TRANSIT.

12 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
13 REQUIRES:

14 (a) "COMMITTEE" MEANS THE STATEWIDE TRANSIT PASS
15 EXPLORATORY COMMITTEE CREATED IN SUBSECTION (3) OF THIS SECTION.

16 (b) "STATEWIDE TRANSIT PASS" OR "PASS" MEANS A SINGLE
17 TRANSIT PASS THAT CAN BE USED ON TRANSIT PROVIDED BY TRANSIT
18 AGENCIES ACROSS THE STATE.

19 (c) "TRANSIT AGENCY" MEANS A PROVIDER OF PUBLIC
20 TRANSPORTATION, AS DEFINED IN 49 U.S.C. SEC. 5302 (15), AS AMENDED.

21 (3) (a) NO LATER THAN OCTOBER 1, 2024, THE EXECUTIVE
22 DIRECTOR SHALL CREATE A STATEWIDE TRANSIT PASS EXPLORATORY
23 COMMITTEE TO PRODUCE A VIABLE PROPOSAL FOR THE CREATION,
24 IMPLEMENTATION, AND ADMINISTRATION OF A STATEWIDE TRANSIT PASS.
25 THE COMMITTEE SHALL MEET AS NECESSARY TO PRODUCE A VIABLE
26 PROPOSAL BY JULY 1, 2026, WITH THE GOAL OF IMPLEMENTING A
27 STATEWIDE TRANSIT PASS BY JANUARY 1, 2028.

1 (b) THE COMMITTEE CONSISTS OF THE FOLLOWING FIFTEEN
2 MEMBERS APPOINTED BY THE EXECUTIVE DIRECTOR:

3 (I) THREE REPRESENTATIVES FROM THE FIVE LARGEST TRANSIT
4 AGENCIES IN THE STATE;

5 (II) EIGHT REPRESENTATIVES FROM A DIVERSE GROUP OF TRANSIT
6 AGENCIES THROUGHOUT THE STATE INCLUDING AT LEAST ONE
7 REPRESENTATIVE FROM A TRANSIT AGENCY THAT SERVES A RURAL PART
8 OF THE STATE THAT IS NOT A RESORT COMMUNITY AND AT LEAST ONE
9 REPRESENTATIVE FROM A TRANSIT AGENCY THAT SERVES ONE OR MORE
10 RESORT COMMUNITIES;

11 (III) ONE REPRESENTATIVE OF AN ENTITY OR INTEREST GROUP
12 INVOLVED IN THE PROMOTION, PLANNING, OR DEVELOPMENT OF
13 PASSENGER RAIL SYSTEMS;

14 (IV) ONE REPRESENTATIVE FROM AN ORGANIZATION WITH A
15 STATEWIDE PERSPECTIVE REGARDING TRANSPORTATION; AND

16 (V) TWO REPRESENTATIVES OF THE DEPARTMENT, ONE WHO IS
17 KNOWLEDGEABLE ABOUT THE DEPARTMENT'S INTER-CITY REGIONAL BUS
18 SERVICE AND ONE WHO IS KNOWLEDGEABLE ABOUT THE DEPARTMENT'S
19 INNOVATIVE MOBILITY PROGRAM.

20 (c) MEMBERS OF THE COMMITTEE SERVE AT THE PLEASURE OF THE
21 EXECUTIVE DIRECTOR AND WITHOUT COMPENSATION.

22 (4) IN CONDUCTING ITS WORK AND IN PRODUCING A VIABLE
23 PROPOSAL FOR THE CREATION, IMPLEMENTATION, AND ADMINISTRATION
24 OF A STATEWIDE TRANSIT PASS, THE COMMITTEE SHALL CONSIDER THE
25 FOLLOWING:

26 (a) THE LOGISTICS OF CREATING A STATEWIDE TRANSIT PASS,
27 INCLUDING:

1 (I) A VIABLE STRUCTURE FOR THE PASS TO ALLOW PASS HOLDERS
2 TO USE SERVICES PROVIDED BY TRANSIT AGENCIES ACROSS THE STATE
3 WITH A SINGLE PASS;

4 (II) A PLAN FOR COORDINATION AMONG TRANSIT AGENCIES
5 ACROSS THE STATE TO IMPLEMENT AND ADMINISTER THE PASS;

6 (III) A METHOD FOR COST-SHARING THE EXPENSES IN CONNECTION
7 WITH THE CREATION, IMPLEMENTATION, ADMINISTRATION, AND
8 ADVERTISEMENT OF THE PASS;

9 (IV) A STRUCTURE FOR SHARING, APPORTIONING, AND
10 DISTRIBUTING REVENUE FROM THE SALE OF THE PASS AMONG THE TRANSIT
11 AGENCIES THAT PARTICIPATE IN THE PASS; AND

12 (V) THE POSSIBILITY OF CREATING A FORMULA TO DISTRIBUTE
13 REVENUE FROM THE SALE OF THE PASS AMONG THE TRANSIT AGENCIES
14 THAT PARTICIPATE IN THE PASS, THE FACTORS TO CONSIDER IN THE
15 CREATION OF SUCH A FORMULA, AND A DETERMINATION REGARDING THE
16 FREQUENCY WITH WHICH THE FORMULA WOULD BE RECALCULATED;

17 (b) A METHOD FOR DETERMINING THE PRICE OF A STATEWIDE
18 TRANSIT PASS, INCLUDING WHETHER THERE WILL BE OPTIONS FOR
19 DISCOUNTED PASSES FOR LOW-INCOME POPULATIONS AND CONSIDERATION
20 OF HOW TRANSIT OPERATORS WOULD CONTINUE TO COLLECT A FARE FROM
21 THE PASS THAT IS CONSISTENT WITH THEIR EXISTING FARE STRUCTURE;

22 (c) A STRUCTURE FOR THE SALE OF THE STATEWIDE TRANSIT PASS
23 TO INDIVIDUALS AND TO EMPLOYERS FOR THEIR EMPLOYEES, INCLUDING:

24 (I) AN OPT-IN OR OPT-OUT PROGRAM WITH A MOTOR VEHICLE
25 REGISTRATION OR WITH THE RENEWAL OF A DRIVER LICENSE OR STATE
26 IDENTIFICATION CARD ISSUED BY THE DEPARTMENT OF REVENUE;

27 (II) ONLINE SALES; AND

1 (III) SALES KIOSKS AT AIRPORTS, TRAIN AND BUS STATIONS,
2 TOURISM OFFICES, AND OTHER PHYSICAL LOCATIONS ACROSS THE STATE;

3 (d) THE SERVICES THAT WILL BE OFFERED TO STATEWIDE TRANSIT
4 PASS HOLDERS, INCLUDING:

5 (I) CONSIDERATION OF WHETHER THE PASS WOULD COVER ONLY
6 SERVICES ON FIXED ROUTES OR PROVIDE ACCESS-ON-DEMAND SERVICES IN
7 ADDITION TO SERVICES ON FIXED ROUTES;

8 (II) IF ACCESS-ON-DEMAND SERVICES WOULD BE INCLUDED IN THE
9 PASS, HOW THE COST OF THOSE RIDES FACTORS INTO THE COST OF THE
10 PASS;

11 (III) CONSIDERATION OF THE REQUIREMENTS OF THE FEDERAL
12 "AMERICANS WITH DISABILITIES ACT OF 1990", 42, U.S.C., SEC. 12101, ET
13 SEQ., AS AMENDED, REGARDING ACCESSIBILITY AND ACCESS TO TRANSIT;
14 AND

15 (IV) CONSIDERATION OF FEDERAL LAWS RELATING TO
16 ANTIDISCRIMINATION, INCLUDING TITLE VI OF THE FEDERAL "CIVIL
17 RIGHTS ACT OF 1964", PUB.L. 88-352, AS AMENDED;

18 (e) THE TYPES OF STATEWIDE TRANSIT PASSES THAT WOULD BE
19 OFFERED, INCLUDING DIFFERENT OPTIONS FOR THE DURATION OF THE PASS
20 TO ACCOMMODATE COLORADO RESIDENTS WHO MAY USE A PASS
21 YEAR-ROUND, FOR A PORTION OF THE YEAR, OR OTHER LONGER DURATION,
22 AND VISITORS TO COLORADO WHO MAY USE A PASS FOR A DAY, WEEK, OR
23 OTHER LIMITED DURATION;

24 (f) ADDITIONAL OPPORTUNITIES FOR COLLABORATION ACROSS
25 TRANSIT AGENCIES IN THE STATE, IN ADDITION TO THE CREATION,
26 IMPLEMENTATION, AND ADMINISTRATION OF A STATEWIDE TRANSIT PASS,
27 TO MAKE IT EASIER AND MORE APPEALING FOR PEOPLE TO USE TRANSIT,

1 INCLUDING:

2 (I) THE POSSIBILITY OF TRANSIT AGENCIES ALLOWING CUSTOMERS
3 TO PURCHASE A TICKET IN ONE TRANSACTION FOR AN ENTIRE TRIP THAT
4 REQUIRES TRANSIT SERVICES PROVIDED BY MULTIPLE TRANSIT AGENCIES;
5 AND

6 (II) THE POSSIBILITY OF TRANSIT AGENCIES SUBMITTING THEIR
7 TRIP PLANNING DATA TO A CENTRAL SOURCE TO ALLOW CUSTOMERS TO
8 CREATE AN ITINERARY THAT REQUIRES SERVICES PROVIDED BY MULTIPLE
9 TRANSIT AGENCIES;

10 (g) THE TECHNOLOGY THAT WOULD BE NEEDED TO MONITOR THE
11 USE OF THE STATEWIDE TRANSIT PASS AND TRACK RIDERSHIP ACROSS
12 TRANSIT AGENCIES TO ASSIST TRANSIT AGENCIES IN DETERMINING AND
13 UNDERSTANDING THE FINANCIAL IMPACT OF THE PASS IN THE FUTURE;

14 (h) ANY ADDITIONAL LOCAL, TRIBAL, STATE OR FEDERAL LAWS,
15 RULES, OR REGULATIONS THAT NEED TO BE CONSIDERED IN CONNECTION
16 WITH THE CREATION OF A STATEWIDE TRANSIT PASS;

17 (i) THE BEST METHOD FOR ADVERTISING AND MARKETING A
18 STATEWIDE TRANSIT PASS;

19 (j) THE POTENTIAL IMPACTS THAT A STATEWIDE TRANSIT PASS
20 WILL HAVE ON TRANSIT PASS PROGRAMS THAT ARE CURRENTLY OFFERED
21 BY TRANSIT AGENCIES;

22 (k) THE POTENTIAL IMPACTS OF SECTION 20 OF ARTICLE X OF THE
23 STATE CONSTITUTION TO LOCAL GOVERNMENTS IN CONNECTION WITH
24 REVENUE GENERATED BY THE SALE OF A STATEWIDE TRANSIT PASS;

25 (l) A PROPOSAL FOR THE STRUCTURE AND COMPOSITION OF A
26 PERMANENT ADVISORY BOARD TO OVERSEE THE CREATION,
27 IMPLEMENTATION, AND ADMINISTRATION OF A STATEWIDE TRANSIT PASS;

1 AND

2 (m) ANY OTHER ISSUES THAT NEED TO BE DISCUSSED OR
3 ADDRESSED, AS DEEMED NECESSARY AND APPROPRIATE BY A MAJORITY
4 VOTE OF THE MEMBERS OF THE COMMITTEE.

5 (5) IN PRODUCING A VIABLE PROPOSAL FOR THE CREATION,
6 IMPLEMENTATION, AND ADMINISTRATION OF A STATEWIDE TRANSIT PASS,
7 THE COMMITTEE SHALL SOLICIT INPUT FROM SUBJECT MATTER EXPERTS
8 AND INTERESTED PARTIES ACROSS THE STATE, INCLUDING:

9 (a) THE TRANSIT AND RAIL ADVISORY COMMITTEE CREATED IN
10 SECTION 43-1-1104 (1)(b);

11 (b) TRANSIT AGENCIES FROM ACROSS THE STATE, INCLUDING A
12 PRESENTATION BY AND DISCUSSION WITH MEMBERS OF THE COMMITTEE
13 REGARDING A STATEWIDE TRANSIT PASS AT AN ANNUAL MEETING
14 ORGANIZED BY A NONPROFIT ENTITY TO PROVIDE TRAINING ON A VARIETY
15 OF TOPICS, INCLUDING TRANSIT MANAGEMENT, LEADERSHIP
16 DEVELOPMENT, DRIVER SAFETY, SYSTEM SAFETY, HUMAN SERVICES
17 ISSUES, MOBILITY, AND POLICY ISSUES IN CONNECTION WITH THE FEDERAL
18 TRANSIT ADMINISTRATION AND THE DEPARTMENT; AND

19 (c) MEMBERS OF THE PUBLIC, INCLUDING AN OPPORTUNITY FOR
20 MEMBERS OF THE PUBLIC TO FOLLOW THE WORK OF THE COMMITTEE AND
21 TO PROVIDE WRITTEN COMMENTS REGARDING THE PROPOSAL FOR THE
22 CREATION, IMPLEMENTATION, AND ADMINISTRATION OF A STATEWIDE
23 TRANSIT PASS OR DISCUSSIONS IN CONNECTION WITH THE PROPOSAL.

24 (6) THE COMMITTEE SHALL SUBMIT ITS PROPOSAL FOR THE
25 CREATION, IMPLEMENTATION, AND ADMINISTRATION OF A STATEWIDE
26 TRANSIT PASS, INCLUDING RECOMMENDATIONS FOR ANY NECESSARY
27 LEGISLATION IN CONNECTION WITH THE PROPOSAL, TO THE EXECUTIVE

1 DIRECTOR AND THE MEMBERS OF THE TRANSPORTATION LEGISLATION
2 REVIEW COMMITTEE OF THE GENERAL ASSEMBLY ON OR BEFORE JULY 1,
3 2026.

4 **SECTION 2.** In Colorado Revised Statutes, **add with amended**
5 **and relocated provisions** 43-1-133 as follows:

6 **43-1-133. [Formerly 24-38.5-114]. Ozone season transit grant**
7 **program - fund - creation - policies - report - definitions.** (1) As used
8 in this section, unless the context otherwise requires:

9 (a) "Eligible transit agency" means a transit agency that is:

10 (I) A regional service authority providing surface transportation
11 pursuant to part 1 of article 7 of title 32, a regional transportation
12 authority created pursuant to part 6 of article 4 of title 43, or any other
13 political subdivision of the state, public entity, or nonprofit corporation
14 providing mass transportation services to the general public other than the
15 regional transportation district; and

16 (II) Eligible to receive money under a grant authorized by 49
17 U.S.C. sec. 5307 or 49 U.S.C. sec. 5311.

18 (b) "Fund" means the ozone season transit grant program fund
19 established in subsection (8) of this section.

20 ~~(c) "Office" means the Colorado energy office created in section~~
21 ~~24-38.5-101.~~

22 ~~(d)~~ (c) "Ozone season" means the period from June 1 to August
23 31 of a calendar year; except that, if an eligible transit agency operates in
24 an area in which ozone-causing traffic levels are typically highest during
25 a different period than June 1 to August 31 of a calendar year and the
26 eligible transit agency identifies the different period in an application for
27 a grant to offer fare-free service during the identified period that is

1 submitted to a transit association in accordance with the requirements of
2 this section, "ozone season" means, for that eligible transit agency, the
3 different period identified in the grant application.

4 (e) (d) "Program" means the ozone season transit grant program
5 created in subsection (2) of this section.

6 (f) (e) "Regional transportation district" means the regional
7 transportation district established in article 9 of title 32.

8 (f.5) (f) "Transit agency" means a provider of public
9 transportation, as defined in 49 U.S.C. sec. 5302 (15), as amended.

10 (g) "Transit association" means a Colorado nonprofit corporation
11 formed to represent transit interests in Colorado whose membership
12 includes transit agencies, transit-related businesses, and governmental
13 entities.

14 (2) The ozone season transit grant program is created in the ~~office~~
15 DEPARTMENT. The purposes of the program are:

16 (a) To provide grants to transit associations for the purpose of
17 providing grants to eligible transit agencies in order to offer free transit
18 services for a minimum of thirty days during ozone season; and

19 (b) To provide grants to the regional transportation district for the
20 purpose of providing free transportation services for a minimum of thirty
21 days during ozone season.

22 (3) The ~~office~~ DEPARTMENT shall administer the program and
23 award grants in accordance with this section and the policies developed
24 by the ~~office~~ DEPARTMENT pursuant to subsection (6) of this section.
25 Subject to available appropriations, grants shall be paid out of the fund.

26 (4) (a) To receive a grant, a transit association or the regional
27 transportation district must submit an application to the ~~office~~

1 DEPARTMENT in accordance with the requirements of this section and the
2 policies established by the ~~office~~ DEPARTMENT in accordance with
3 subsection (6) of this section. The ~~office~~ DEPARTMENT may award grants
4 of up to three million dollars each year to a transit association and up to
5 eleven million dollars each year to the regional transportation district;
6 except that:

7 (I) If the ~~office~~ DEPARTMENT awards a grant for a year to a transit
8 association in an amount less than three million dollars, then the
9 maximum amount of the grant that the ~~office~~ DEPARTMENT may award to
10 the transit association for the next year is three million dollars plus an
11 amount equal to the difference between three million dollars and the
12 amount of the grant awarded to the transit association for the prior year;
13 and

14 (II) If the ~~office~~ DEPARTMENT awards a grant for a year to the
15 regional transportation district in an amount less than eleven million
16 dollars, then the maximum amount of the grant that the ~~office~~
17 DEPARTMENT may award to the regional transportation district for the next
18 year is eleven million dollars plus an amount equal to the difference
19 between eleven million dollars and the amount of the grant awarded to the
20 regional transportation district for the prior year.

21 (b) A transit association, the regional transportation district, or an
22 eligible transit agency that receives a grant ~~from a transit association~~
23 THROUGH THE PROGRAM is not required to expend a grant in the year in
24 which it is received and retains the grant amount until it is expended. The
25 retention of all or a portion of a grant received during one year by a transit
26 association or the regional transportation district for use in a subsequent
27 year does not reduce the maximum amount that the transit association or

1 regional transportation district is eligible to receive as a new grant during
2 the subsequent year as set forth in this subsection (4).

3 (5) A grant recipient may use the grant money as follows:

4 (a) (I) A transit association that receives a grant may use the
5 money to establish a grant program for eligible transit agencies in
6 accordance with this section. A transit association may use a portion of
7 the grant money to pay its direct and indirect costs in administering the
8 grant program including reasonable costs to market the program to
9 eligible transit agencies.

10 (II) To receive a grant from the transit association, an eligible
11 transit agency must submit an application to the transit association. At a
12 minimum, the application must describe the free transit services that will
13 be newly provided, expanded to include additional free types of service,
14 expanded to include additional free routes, or provided more frequently
15 with the grant money, indicate to what extent the eligible transit agency
16 will match the grant money with other money, and commit to providing
17 the new or expanded free services for at least thirty days during the ozone
18 season.

19 (III) An eligible transit agency that receives a grant through the
20 transit association may use the money to cover the costs associated with
21 providing new or expanded free transit services within its service area
22 during ozone season, including offering additional free services or free
23 routes or increasing the frequency of service on routes for which the
24 eligible transit agency currently offers free service. Grant money may be
25 used to replace fare box revenue and to pay for other expenses necessary
26 to implement and measure the effectiveness of the program, including
27 reasonable marketing expenses incurred to raise awareness of free service

1 and increase ridership, expenses incurred in conducting rider surveys to
2 better measure the impact of the program on ridership and vehicle miles
3 traveled in private motor vehicles, and expenses associated with an
4 increase in ridership as a result of the program.

5 (IV) An eligible transit agency shall not use grant money to offset
6 or replace funding for free transit services that the eligible transit agency
7 offers as of January 1 of the funding year; except that an eligible transit
8 agency may use grant money that was not expended in the year in which
9 it was received or grant money from a grant awarded for a subsequent
10 year to continue funding for any such free transit services that were
11 previously funded with grant money.

12 (V) In awarding grants under this subsection (5)(a), the transit
13 association shall:

14 (A) Allocate money among applicants with the goals of reducing
15 ozone formation, increasing ridership on transit, and reducing vehicle
16 miles traveled in the state; and

17 (B) Consider the extent to which the applicant will match grant
18 money with other money; AND

19 (C) CONSIDER THE GRANTS THAT APPLICANTS HAVE BEEN
20 AWARDED THROUGH THE YOUTH FARE FREE TRANSIT GRANT PROGRAM,
21 CREATED IN SECTION 43-1-134, TO ENSURE THAT THE APPLICANT DOES
22 NOT RECEIVE GRANT MONEY PURSUANT TO THE PROGRAM FOR
23 TRANSPORTATION SERVICES COVERED BY GRANTS AWARDED THROUGH
24 THE YOUTH FARE FREE TRANSIT GRANT PROGRAM.

25 (VI) Each eligible transit agency that receives a grant shall report
26 on the use of the money to the transit association in accordance with
27 policies established by the transit association and the ~~office~~ DEPARTMENT.

1 The report must include, at a minimum, information on how the grant
2 money was spent; the free services that were offered using the grant
3 money; and estimates of the change in ridership during the period that
4 free services were offered compared to previous months, the same month
5 in previous years, and the months after the program concluded. The report
6 may include additional information, including a narrative analysis, to
7 provide context on the ridership data included in the report. On or before
8 December 1 of each year of the grant program, the transit association
9 shall submit a report to the ~~office~~ DEPARTMENT compiling and
10 summarizing the reported information for all eligible transit agencies that
11 received a grant through the transit association.

12 (VII) A transit association receiving a grant shall develop and
13 publicize policies for the grant, including the process and deadlines for
14 an eligible transit agency to apply for and receive a grant, the information,
15 including notice that the eligible transit agency must identify any period
16 other than June 1 to August 31 of a calendar year for its ozone season in
17 the application, and documentation required for the application, reporting
18 requirements and deadlines, and any additional requirements necessary
19 to administer the grant.

20 (b) (I) The regional transportation district may use grant money
21 to cover the costs of providing at least thirty days of free transit on all
22 services offered by the regional transportation district. Grant money may
23 be used to replace fare box revenue and to pay for other expenses
24 necessary to implement the program, including reasonable marketing
25 expenses incurred to raise awareness of free service and increase
26 ridership and expenses associated with an increase in ridership as a result
27 of the program.

1 (II) On or before December 1 of each year for which the regional
2 transportation district receives a grant, the regional transportation district
3 shall submit a report to the ~~office~~ DEPARTMENT on the implementation of
4 the program in accordance with the policies established by the ~~office~~
5 DEPARTMENT. At a minimum, the report must include information on how
6 the grant money was spent; the free services that were offered using the
7 grant money; and estimates of the change in ridership during the period
8 that free services were offered compared to previous months, the same
9 month in previous years, and the months after the program concluded.
10 The report may include additional information, including a narrative
11 analysis, to provide context on the ridership data included in the report.

12 (III) The state auditor shall audit the regional transportation
13 district's use of the grant money as part of its next performance audit of
14 the regional transportation district conducted pursuant to section 32-9-115
15 (3).

16 (6) The ~~office~~ DEPARTMENT shall establish and publicize policies
17 for the program. At a minimum, the policies must address the process and
18 any deadlines for applying for and receiving a grant under the program,
19 the information and documentation required for the application, reporting
20 requirements and deadlines, and any additional policies necessary to
21 administer the program.

22 (7) The ~~office~~ DEPARTMENT may seek, accept, and expend gifts,
23 grants, or donations from private or public sources for the purposes of this
24 section. The ~~office~~ DEPARTMENT shall transmit all money received
25 through gifts, grants, or donations to the state treasurer, who shall credit
26 the money to the fund.

27 (8) (a) The ozone season transit grant program fund is hereby

1 created in the state treasury. The fund consists of money transferred to the
2 fund in accordance with ~~subsection (8)(d)~~ SUBSECTIONS (8)(d) AND (8)(e)
3 of this section, any other money that the general assembly appropriates or
4 transfers to the fund, and any gifts, grants, or donations credited to the
5 fund pursuant to subsection (7) of this section.

6 (b) The state treasurer shall credit all interest and income derived
7 from the deposit and investment of money in the fund to the fund.

8 (c) Money in the fund is continuously appropriated to the ~~office~~
9 DEPARTMENT for the purposes specified in this section.

10 (d) Three days after May 26, 2022, the state treasurer shall
11 transfer twenty-eight million dollars from the general fund to the fund.

12 (e) ON JULY 1, 2024, AND ON JULY 1 OF EACH YEAR THEREAFTER,
13 THE GENERAL ASSEMBLY SHALL TRANSFER SEVEN MILLION DOLLARS TO
14 THE FUND.

15 (9) On or before December 31 of each year of the program, the
16 ~~office~~ DEPARTMENT shall submit a report on the implementation of the
17 program to the house of representatives transportation and local
18 government committee and the senate transportation and energy
19 committee, or their successor committees. The report must summarize
20 and compile the information submitted to the ~~office~~ DEPARTMENT
21 pursuant to subsections (5)(a)(VI) and (5)(b)(II) of this section.

22 (10) ~~This section is repealed, effective July 1, 2024.~~

23 **SECTION 3.** In Colorado Revised Statutes, **add** 43-1-134 as
24 follows:

25 **43-1-134. Youth fare free transit grant program - fund -**
26 **creation - policies - report - definitions - repeal.** (1) AS USED IN THIS
27 SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

1 (a) "ELIGIBLE TRANSIT AGENCY" MEANS A TRANSIT AGENCY THAT
2 IS:

3 (I) A REGIONAL SERVICE AUTHORITY PROVIDING SURFACE
4 TRANSPORTATION PURSUANT TO PART 1 OF ARTICLE 7 OF TITLE 32, A
5 REGIONAL TRANSPORTATION AUTHORITY CREATED PURSUANT TO PART 6
6 OF ARTICLE 4 OF TITLE 43, OR ANY OTHER POLITICAL SUBDIVISION OF THE
7 STATE, PUBLIC ENTITY, OR NONPROFIT CORPORATION PROVIDING MASS
8 TRANSPORTATION SERVICES TO THE GENERAL PUBLIC OTHER THAN THE
9 REGIONAL TRANSPORTATION DISTRICT; AND

10 (II) ELIGIBLE TO RECEIVE MONEY UNDER A GRANT AUTHORIZED BY
11 49 U.S.C. SEC. 5307 OR 49 U.S.C. SEC. 5311.

12 (b) "FUND" MEANS THE YOUTH FARE FREE TRANSIT GRANT
13 PROGRAM FUND ESTABLISHED IN SUBSECTION (8) OF THIS SECTION.

14 (c) "PROGRAM" MEANS THE YOUTH FARE FREE TRANSIT GRANT
15 PROGRAM CREATED IN SUBSECTION (2) OF THIS SECTION.

16 (d) "REGIONAL TRANSPORTATION DISTRICT" MEANS THE REGIONAL
17 TRANSPORTATION DISTRICT ESTABLISHED IN ARTICLE 9 OF TITLE 32.

18 (e) "TRANSIT AGENCY" MEANS A PROVIDER OF PUBLIC
19 TRANSPORTATION, AS DEFINED IN 49 U.S.C. SEC. 5302 (15), AS AMENDED.

20 (f) "TRANSIT ASSOCIATION" MEANS A COLORADO NONPROFIT
21 CORPORATION FORMED TO REPRESENT TRANSIT INTERESTS IN COLORADO
22 WHOSE MEMBERSHIP INCLUDES TRANSIT AGENCIES, TRANSIT-RELATED
23 BUSINESSES, AND GOVERNMENTAL ENTITIES.

24 (g) "YOUTH" MEANS AN INDIVIDUAL WHO IS NINETEEN YEARS OF
25 AGE OR YOUNGER.

26 (2) THE YOUTH FARE FREE TRANSIT GRANT PROGRAM IS CREATED
27 IN THE DEPARTMENT. THE PURPOSES OF THE PROGRAM ARE:

1 (a) TO PROVIDE GRANTS TO TRANSIT ASSOCIATIONS FOR THE
2 PURPOSE OF PROVIDING GRANTS TO ELIGIBLE TRANSIT AGENCIES IN ORDER
3 TO OFFER YEAR-ROUND FARE FREE TRANSIT SERVICES TO YOUTH RIDERS;
4 AND

5 (b) TO PROVIDE GRANTS TO THE REGIONAL TRANSPORTATION
6 DISTRICT FOR THE PURPOSE OF PROVIDING YEAR-ROUND FARE FREE
7 TRANSIT SERVICES TO YOUTH RIDERS.

8 (3) THE DEPARTMENT SHALL ADMINISTER THE PROGRAM AND
9 AWARD GRANTS IN ACCORDANCE WITH THIS SECTION AND THE POLICIES
10 DEVELOPED BY THE DEPARTMENT PURSUANT TO SUBSECTION (6) OF THIS
11 SECTION. SUBJECT TO AVAILABLE APPROPRIATIONS, GRANTS ARE PAID OUT
12 OF THE FUND.

13 (4) (a) TO RECEIVE A GRANT, A TRANSIT ASSOCIATION OR THE
14 REGIONAL TRANSPORTATION DISTRICT MUST SUBMIT AN APPLICATION TO
15 THE DEPARTMENT IN ACCORDANCE WITH THE REQUIREMENTS OF THIS
16 SECTION AND THE POLICIES ESTABLISHED BY THE DEPARTMENT IN
17 ACCORDANCE WITH SUBSECTION (6) OF THIS SECTION. THE DEPARTMENT
18 MAY AWARD GRANTS OF UP TO FIVE MILLION DOLLARS EACH YEAR TO A
19 TRANSIT ASSOCIATION AND UP TO FOUR MILLION FIVE HUNDRED
20 THOUSAND DOLLARS EACH YEAR TO THE REGIONAL TRANSPORTATION
21 DISTRICT; EXCEPT THAT:

22 (I) IF THE DEPARTMENT AWARDS A GRANT FOR A YEAR TO A
23 TRANSIT ASSOCIATION IN AN AMOUNT LESS THAN FIVE MILLION DOLLARS,
24 THEN THE MAXIMUM AMOUNT OF THE GRANT THAT THE DEPARTMENT MAY
25 AWARD TO THE TRANSIT ASSOCIATION FOR THE NEXT YEAR IS FIVE MILLION
26 DOLLARS PLUS AN AMOUNT EQUAL TO THE DIFFERENCE BETWEEN FIVE
27 MILLION DOLLARS AND THE AMOUNT OF THE GRANT AWARDED TO THE

1 TRANSIT ASSOCIATION FOR THE PRIOR YEAR; AND

2 (II) IF THE DEPARTMENT AWARDS A GRANT FOR A YEAR TO THE
3 REGIONAL TRANSPORTATION DISTRICT IN AN AMOUNT LESS THAN FOUR
4 MILLION FIVE HUNDRED THOUSAND DOLLARS, THEN THE MAXIMUM
5 AMOUNT OF THE GRANT THAT THE DEPARTMENT MAY AWARD TO THE
6 REGIONAL TRANSPORTATION DISTRICT FOR THE NEXT YEAR IS FOUR
7 MILLION FIVE HUNDRED THOUSAND DOLLARS PLUS AN AMOUNT EQUAL TO
8 THE DIFFERENCE BETWEEN FOUR MILLION FIVE HUNDRED THOUSAND
9 DOLLARS AND THE AMOUNT OF THE GRANT AWARDED TO THE REGIONAL
10 TRANSPORTATION DISTRICT FOR THE PRIOR YEAR.

11 (b) A TRANSIT ASSOCIATION, THE REGIONAL TRANSPORTATION
12 DISTRICT, OR AN ELIGIBLE TRANSIT AGENCY THAT RECEIVES A GRANT IS
13 NOT REQUIRED TO EXPEND A GRANT IN THE YEAR IN WHICH IT IS RECEIVED
14 AND RETAINS THE GRANT AMOUNT UNTIL IT IS EXPENDED. THE RETENTION
15 OF ALL OR A PORTION OF A GRANT RECEIVED DURING ONE YEAR BY A
16 TRANSIT ASSOCIATION OR THE REGIONAL TRANSPORTATION DISTRICT FOR
17 USE IN A SUBSEQUENT YEAR DOES NOT REDUCE THE MAXIMUM AMOUNT
18 THAT THE TRANSIT ASSOCIATION OR REGIONAL TRANSPORTATION DISTRICT
19 IS ELIGIBLE TO RECEIVE PURSUANT TO THIS SUBSECTION (4) AS A NEW
20 GRANT DURING THE SUBSEQUENT YEAR.

21 (5) (a) (I) A TRANSIT ASSOCIATION THAT RECEIVES A GRANT MAY
22 USE THE MONEY TO ESTABLISH A GRANT PROGRAM FOR ELIGIBLE TRANSIT
23 AGENCIES IN ACCORDANCE WITH THIS SECTION. A TRANSIT ASSOCIATION
24 MAY USE A PORTION OF THE GRANT MONEY TO PAY ITS DIRECT AND
25 INDIRECT COSTS IN ADMINISTERING THE GRANT PROGRAM INCLUDING
26 REASONABLE COSTS TO CREATE A STATEWIDE MARKETING CAMPAIGN FOR
27 USE BY ELIGIBLE TRANSIT AGENCIES.

1 (II) TO RECEIVE A GRANT FROM A TRANSIT ASSOCIATION, AN
2 ELIGIBLE TRANSIT AGENCY MUST SUBMIT AN APPLICATION TO THE TRANSIT
3 ASSOCIATION. AT A MINIMUM, THE APPLICATION MUST DESCRIBE THE
4 ELIGIBLE TRANSIT AGENCY'S CURRENT YOUTH RIDERSHIP AND THE
5 METHOD THAT THE ELIGIBLE TRANSIT AGENCY USES TO TRACK YOUTH
6 RIDERS.

7 (III) AN ELIGIBLE TRANSIT AGENCY THAT RECEIVES A GRANT
8 THROUGH THE TRANSIT ASSOCIATION MAY USE THE GRANT MONEY TO
9 PROVIDE OPERATING SUPPORT FOR ITS TRANSIT OPERATIONS AND GENERAL
10 TRANSIT PROGRAMS, SO LONG AS THE ELIGIBLE TRANSIT AGENCY PROVIDES
11 UNINTERRUPTED FARE FREE YEAR-ROUND TRANSIT SERVICES FOR YOUTH
12 RIDERS.

13 (IV) IN AWARDING GRANTS UNDER THIS SUBSECTION (5)(a), A
14 TRANSIT ASSOCIATION SHALL:

15 (A) ALLOCATE MONEY AMONG APPLICANTS WITH THE GOALS OF
16 INCREASING YOUTH RIDERSHIP ON TRANSIT, REDUCING OZONE FORMATION,
17 AND REDUCING VEHICLE MILES TRAVELED IN THE STATE; AND

18 (B) CONSIDER DISTRIBUTING GRANT MONEY USING A FORMULA
19 DEVELOPED BY THE TRANSIT ASSOCIATION THAT TAKES INTO ACCOUNT
20 YOUTH RIDERSHIP IN THE SERVICE AREA OF THE APPLICANT AND THE
21 EXTENT TO WHICH THE APPLICANT WILL MATCH GRANT MONEY WITH
22 OTHER MONEY; EXCEPT THAT APPLICANTS ARE NOT REQUIRED TO MATCH
23 GRANT MONEY TO BE ELIGIBLE TO RECEIVE A GRANT.

24 (V) (A) EACH ELIGIBLE TRANSIT AGENCY THAT RECEIVES A GRANT
25 SHALL REPORT ON THE USE OF THE MONEY TO THE TRANSIT ASSOCIATION
26 IN ACCORDANCE WITH POLICIES ESTABLISHED BY THE TRANSIT
27 ASSOCIATION AND THE DEPARTMENT. THE REPORT MUST INCLUDE, AT A

1 MINIMUM, ESTIMATES OF THE CHANGE IN YOUTH RIDERSHIP DURING THE
2 YEAR IN WHICH FARE FREE SERVICES WERE OFFERED TO YOUTH RIDERS
3 COMPARED TO PREVIOUS YEARS, ANY CHANGES THAT THE ELIGIBLE
4 TRANSIT AGENCY WOULD MAKE IN HOW IT PROVIDES FARE FREE TRANSIT
5 SERVICES TO YOUTH RIDERS OR IN ITS USE OF THE GRANT MONEY BASED ON
6 ITS EXPERIENCES, AND HOW THE ELIGIBLE TRANSIT AGENCY MARKETED
7 THE FARE FREE TRANSIT SERVICES FOR YOUTH RIDERS. THE REPORT MAY
8 INCLUDE ADDITIONAL INFORMATION, INCLUDING A NARRATIVE ANALYSIS,
9 TO PROVIDE CONTEXT ON THE RIDERSHIP DATA INCLUDED IN THE REPORT.
10 EACH ELIGIBLE TRANSIT AGENCY THAT RECEIVES A GRANT THROUGH THE
11 TRANSIT ASSOCIATION SHALL SUBMIT ITS REPORT TO THE TRANSIT
12 ASSOCIATION BY JANUARY 31, 2025, AND BY JANUARY 31 OF EACH YEAR
13 THEREAFTER.

14 (B) BY FEBRUARY 28, 2025, AND BY FEBRUARY 28 OF EACH YEAR
15 THEREAFTER, THE TRANSIT ASSOCIATION SHALL SUBMIT A REPORT TO THE
16 DEPARTMENT COMPILING AND SUMMARIZING THE REPORTED INFORMATION
17 FOR ALL ELIGIBLE TRANSIT AGENCIES THAT RECEIVED A GRANT THROUGH
18 THE TRANSIT ASSOCIATION.

19 (VI) A TRANSIT ASSOCIATION THAT RECEIVES A GRANT FROM THE
20 DEPARTMENT SHALL DEVELOP AND PUBLICIZE POLICIES FOR THE GRANT,
21 INCLUDING THE PROCESS AND DEADLINES FOR AN ELIGIBLE TRANSIT
22 AGENCY TO APPLY FOR AND RECEIVE A GRANT, THE INFORMATION AND
23 DOCUMENTATION REQUIRED FOR THE APPLICATION, REPORTING
24 REQUIREMENTS AND DEADLINES, AND ANY ADDITIONAL REQUIREMENTS
25 NECESSARY TO ADMINISTER THE GRANT.

26 (b) (I) THE REGIONAL TRANSPORTATION DISTRICT MAY USE GRANT
27 MONEY TO PROVIDE OPERATING SUPPORT FOR ITS TRANSIT OPERATIONS

1 AND GENERAL TRANSIT PROGRAMS, SO LONG AS THE REGIONAL
2 TRANSPORTATION DISTRICT PROVIDES UNINTERRUPTED FARE FREE
3 YEAR-ROUND TRANSIT SERVICES FOR YOUTH RIDERS.

4 (II) ON OR BEFORE DECEMBER 1 OF EACH YEAR FOR WHICH THE
5 REGIONAL TRANSPORTATION DISTRICT RECEIVES A GRANT, THE REGIONAL
6 TRANSPORTATION DISTRICT SHALL SUBMIT A REPORT TO THE DEPARTMENT
7 ON THE IMPLEMENTATION OF THE PROGRAM IN ACCORDANCE WITH THE
8 POLICIES ESTABLISHED BY THE DEPARTMENT. THE REPORT MUST INCLUDE,
9 AT A MINIMUM, ESTIMATES OF THE CHANGE IN YOUTH RIDERSHIP DURING
10 THE YEAR IN WHICH FARE FREE SERVICES WERE OFFERED TO YOUTH RIDERS
11 COMPARED TO PREVIOUS YEARS, ANY CHANGES THAT THE REGIONAL
12 TRANSPORTATION DISTRICT WOULD MAKE IN HOW IT PROVIDES FARE FREE
13 TRANSIT SERVICES TO YOUTH RIDERS OR IN ITS USE OF THE GRANT MONEY
14 BASED ON ITS EXPERIENCES, AND HOW THE REGIONAL TRANSPORTATION
15 DISTRICT MARKETED THE FARE FREE TRANSIT SERVICES FOR YOUTH
16 RIDERS. THE REPORT MAY INCLUDE ADDITIONAL INFORMATION, INCLUDING
17 A NARRATIVE ANALYSIS, TO PROVIDE CONTEXT ON THE RIDERSHIP DATA
18 INCLUDED IN THE REPORT.

19 (III) THE STATE AUDITOR SHALL AUDIT THE REGIONAL
20 TRANSPORTATION DISTRICT'S USE OF THE GRANT MONEY AS PART OF ITS
21 NEXT PERFORMANCE AUDIT OF THE REGIONAL TRANSPORTATION DISTRICT
22 CONDUCTED PURSUANT TO SECTION 32-9-115 (3).

23 (6) (a) (I) THE DEPARTMENT SHALL ESTABLISH AND PUBLICIZE
24 POLICIES FOR THE PROGRAM. AT A MINIMUM, THE POLICIES MUST ADDRESS
25 THE PROCESS AND ANY DEADLINES FOR APPLYING FOR AND RECEIVING A
26 GRANT UNDER THE PROGRAM, THE INFORMATION AND DOCUMENTATION
27 REQUIRED FOR THE APPLICATION, REPORTING REQUIREMENTS AND

1 DEADLINES, AND ANY ADDITIONAL POLICIES NECESSARY TO ADMINISTER
2 THE PROGRAM.

3 (II) IN ADMINISTERING THE GRANT PROGRAM, THE DEPARTMENT
4 SHALL AWARD FORMULA-BASED GRANTS TO A TRANSIT ASSOCIATION AND
5 THE REGIONAL TRANSPORTATION DISTRICT FOR USE BY THE TRANSIT
6 ASSOCIATION OR THE REGIONAL TRANSPORTATION DISTRICT DURING THE
7 TWELVE MONTHS FOLLOWING THE AWARD OF THE GRANT MONEY. THE
8 DEPARTMENT SHALL ENSURE THAT GRANTS ARE AWARDED BY JULY 15,
9 2024, AND BY JULY 15 OF EACH YEAR THEREAFTER.

10 (7) THE DEPARTMENT MAY SEEK, ACCEPT, AND EXPEND GIFTS,
11 GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR THE
12 PURPOSES OF THIS SECTION. THE DEPARTMENT SHALL TRANSMIT ALL
13 MONEY RECEIVED THROUGH GIFTS, GRANTS, OR DONATIONS TO THE STATE
14 TREASURER, WHO SHALL CREDIT THE MONEY TO THE FUND.

15 (8) (a) THE YOUTH FARE FREE TRANSIT GRANT PROGRAM FUND IS
16 HEREBY CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF
17 MONEY TRANSFERRED TO THE FUND IN ACCORDANCE WITH SUBSECTION
18 (8)(d) OF THIS SECTION, ANY OTHER MONEY THAT THE GENERAL ASSEMBLY
19 APPROPRIATES OR TRANSFERS TO THE FUND, AND ANY GIFTS, GRANTS, OR
20 DONATIONS CREDITED TO THE FUND PURSUANT TO SUBSECTION (7) OF THIS
21 SECTION.

22 (b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
23 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
24 FUND TO THE FUND.

25 (c) MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE
26 DEPARTMENT FOR THE PURPOSES SPECIFIED IN THIS SECTION.

27 (d) ON JULY 1, 2024, AND ON JULY 1 OF EACH YEAR THEREAFTER,

1 THE STATE TREASURER SHALL TRANSFER SEVEN MILLION DOLLARS FROM
2 THE GENERAL FUND TO THE FUND.

3 (9) ON OR BEFORE DECEMBER 31 OF EACH YEAR OF THE PROGRAM,
4 THE DEPARTMENT SHALL SUBMIT A REPORT ON THE IMPLEMENTATION OF
5 THE PROGRAM TO THE HOUSE OF REPRESENTATIVES TRANSPORTATION AND
6 LOCAL GOVERNMENT COMMITTEE AND THE SENATE TRANSPORTATION AND
7 ENERGY COMMITTEE, OR THEIR SUCCESSOR COMMITTEES. THE REPORT
8 MUST SUMMARIZE AND COMPILE THE INFORMATION SUBMITTED TO THE
9 DEPARTMENT PURSUANT TO SUBSECTIONS (5)(a)(V) AND (5)(b)(II) OF THIS
10 SECTION.

11 **SECTION 4.** In Colorado Revised Statutes, **add** 39-22-560 as
12 follows:

13 **39-22-560. Credit against tax - taxpayer expenditures for**
14 **transit passes - legislative declaration - definitions.** (1) IN
15 ACCORDANCE WITH SECTION 39-21-304 (1), WHICH REQUIRES EACH BILL
16 THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE A TAX PREFERENCE
17 PERFORMANCE STATEMENT AS PART OF A STATUTORY LEGISLATIVE
18 DECLARATION, THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES
19 THAT:

20 (a) THE GENERAL LEGISLATIVE PURPOSES OF THE TAX CREDIT
21 ALLOWED BY THIS SECTION ARE:

22 (I) TO INDUCE CERTAIN DESIGNATED BEHAVIOR BY TAXPAYERS,
23 SPECIFICALLY THE PURCHASE OF TRANSIT PASSES AND THE USE OF TRANSIT
24 AS AN ALTERNATIVE TO TRAVELING IN PERSONAL MOTOR VEHICLES; AND

25 (II) TO PROVIDE TAX RELIEF TO TAXPAYERS THAT USE TRANSIT AS
26 AN ALTERNATIVE TO TRAVELING IN PERSONAL MOTOR VEHICLES.

27 (b) THE SPECIFIC LEGISLATIVE PURPOSE OF THE TAX CREDIT

1 ALLOWED BY THIS SECTION IS TO INCREASE THE USE OF TRANSIT BY
2 TAXPAYERS AS AN ALTERNATIVE TO TRAVELING IN PERSONAL MOTOR
3 VEHICLES BY PROVIDING AN INCENTIVE TO TAXPAYERS WHO USE TRANSIT
4 ON A REGULAR BASIS AS EVIDENCED BY THE PURCHASE OF A TRANSIT PASS.
5 TO ALLOW THE GENERAL ASSEMBLY AND THE STATE AUDITOR TO
6 MEASURE THE EFFECTIVENESS OF THE CREDIT, THE DEPARTMENT OF
7 REVENUE, WHEN ADMINISTERING THE CREDIT, SHALL REQUIRE EACH
8 TAXPAYER WHO CLAIMS THE CREDIT TO PROVIDE INFORMATION ABOUT
9 THE SPECIFIC TRANSIT PASS PURCHASED, THE NUMBER OF MONTHS IN
10 WHICH THE TAXPAYER PURCHASED A TRANSIT PASS DURING THE INCOME
11 TAX YEAR FOR WHICH THE CREDIT IS CLAIMED, AND IF FEASIBLE, THE
12 NUMBER OF TRIPS TAKEN BY THE TAXPAYER USING TRANSIT DURING THE
13 INCOME TAX YEAR FOR WHICH THE CREDIT IS CLAIMED.

14 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
15 REQUIRES:

16 (a) "DEPARTMENT" MEANS THE DEPARTMENT OF TRANSPORTATION
17 CREATED IN SECTION 43-1-103 (1).

18 (b) "PUBLIC TRANSPORTATION ENTITY" MEANS A MASS TRANSIT
19 DISTRICT, A MASS TRANSIT AUTHORITY, OR ANY OTHER PUBLIC ENTITY
20 AUTHORIZED UNDER THE LAWS OF THIS STATE TO PROVIDE MASS
21 TRANSPORTATION SERVICES TO THE GENERAL PUBLIC.

22 (c) "TRANSIT PASS" MEANS ANY PASS, COUPON, CARD,
23 IDENTIFICATION, OR OTHER DOCUMENT ISSUED BY A PUBLIC
24 TRANSPORTATION ENTITY THAT CAN BE USED TO OBTAIN PUBLIC TRANSIT
25 FOR A PERIOD OF AT LEAST ONE MONTH.

26 (3) FOR INCOME TAX YEARS BEGINNING ON OR AFTER JANUARY 1,
27 2024, BUT BEFORE JANUARY 1, 2029, SUBJECT TO THE PROVISIONS OF

1 SUBSECTION (4) OF THIS SECTION, THERE IS ALLOWED A CREDIT TO ANY
2 TAXPAYER IN AN AMOUNT EQUAL TO THIRTY PERCENT OF THE AMOUNT
3 SPENT BY THE TAXPAYER TO PURCHASE ONE OR MORE TRANSIT PASSES FOR
4 USE BY THE TAXPAYER DURING THE INCOME TAX YEAR FOR WHICH THE
5 CREDIT IS CLAIMED.

6 (4) (a) TO CLAIM THE CREDIT UNDER THIS SECTION, A TAXPAYER
7 MUST INCLUDE A CREDIT CERTIFICATE WITH THE INCOME TAX RETURN
8 FILED WITH THE DEPARTMENT OF REVENUE.

9 (b) THE DEPARTMENT SHALL DEVELOP A PROCESS FOR ISSUING
10 CREDIT CERTIFICATES TO TAXPAYERS WHO INTEND TO CLAIM THE CREDIT
11 ALLOWED IN THIS SECTION. THE CREDIT CERTIFICATE MUST IDENTIFY THE
12 TAXPAYER AND CERTIFY THAT THE TAXPAYER PURCHASED ONE OR MORE
13 TRANSIT PASSES FOR THE TAXPAYER'S USE DURING THE INCOME TAX YEAR
14 FOR WHICH THE CREDIT IS CLAIMED. THE DEPARTMENT SHALL DETERMINE
15 THE FORM AND MANNER FOR A TAXPAYER WHO REQUESTS A CREDIT
16 CERTIFICATE TO PROVIDE PROOF TO THE DEPARTMENT THAT THE
17 TAXPAYER PURCHASED ONE OR MORE TRANSIT PASSES FOR THE
18 TAXPAYER'S USE.

19 (5) THE AMOUNT OF ANY CREDIT ALLOWED UNDER THIS SECTION
20 THAT EXCEEDS THE TAXPAYER'S INCOME TAXES DUE IS REFUNDED TO THE
21 TAXPAYER.

22 (6) NO LATER THAN JANUARY 1, 2025, AND NO LATER THAN
23 JANUARY 1 OF EACH YEAR THEREAFTER THROUGH JANUARY 1, 2029, THE
24 DEPARTMENT SHALL PROVIDE THE DEPARTMENT OF REVENUE WITH AN
25 ELECTRONIC REPORT OF THE TAXPAYERS RECEIVING A CREDIT CERTIFICATE
26 AS ALLOWED IN THIS SECTION FOR THE PREVIOUS CALENDAR YEAR THAT
27 INCLUDES THE FOLLOWING INFORMATION:

- 1 (a) EACH TAXPAYER'S NAME;
- 2 (b) THE AMOUNT THAT EACH TAXPAYER SPENT ON ONE OR MORE
- 3 TRANSIT PASSES DURING AN INCOME TAX YEAR FOR WHICH THE CREDIT IS
- 4 CLAIMED FOR THE TAXPAYER'S USE; AND
- 5 (c) THE AMOUNT OF THE CREDIT ALLOWED PURSUANT TO THIS
- 6 SECTION.

7 (7) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2033.

8 **SECTION 5.** In Colorado Revised Statutes, **repeal** 24-38.5-114.

9 **SECTION 6. Effective date.** This act takes effect upon passage;

10 except that section 2 of this act takes effect July 1, 2024.

11 **SECTION 7. Safety clause.** The general assembly finds,

12 determines, and declares that this act is necessary for the immediate

13 preservation of the public peace, health, or safety or for appropriations for

14 the support and maintenance of the departments of the state and state

15 institutions.