

Initiative 284: Limitations on Fees Funding Mass Transit

Placed on the ballot by citizen initiative • Passes with 55 percent of the vote

1 Initiative 284 proposes amending the Colorado Constitution to:

- 2 • require voter approval for fees that fund mass transit; and
- 3 • limit where fees that fund mass transit can be charged.

4 What Your Vote Means

5 YES

6 A “yes” vote on Initiative 284 limits where
7 fees that fund mass transit can be
8 charged, and requires voter approval for
9 these fees.

10 NO

11 A “no” vote on Initiative 284 keeps the
12 current system for charging fees that fund
13 mass transit in place.

14 Summary and Analysis of Initiative 284

15 What does this measure do?

16 The measure limits the use of fees that fund mass transit projects, including certain bus and
17 rail expenses. The measure applies to both new and existing fees, but does not apply to fees
18 that fund highways, bridges, or roads.

19 The measure requires that:

- 20 • fees only be charged in the area served by the mass transit funded by the fees; and
- 21 • fees be approved by the voters in the area where the fees are charged or by statewide
22 vote.

23 In 2024, the state legislature passed a law that narrows the impact of the measure. The law
24 exempts fees that fund maintenance and operation of current bus and rail routes, bus lanes
25 on highways, park-n-rides, or rail lines located on certain property. As a result, the measure
26 applies only to fees that are used to build new mass transit projects or acquire new buses,
27 trains, bus stations, or other mass transit infrastructure.

28 How is mass transit currently funded?

29 Mass transit is provided by a variety of different agencies, such as state government, city
30 governments, and local transit authorities. Many of these agencies are funded by a
31 combination of taxes, fees (including bus fares), and federal and state grants. Mass transit
32 projects are often paid for with a variety of funding sources.

1 State and local governments charge a number of different fees that may be used to fund
 2 mass transit, including bus fares, vehicle registration fees, fees on gas and diesel purchases,
 3 fees on car rentals, and fees on retail deliveries. While these fees may be used for mass
 4 transit, they can also be spent for other purposes such as road maintenance or construction.
 5 In some cases, the state collects fee revenue and distributes it to local governments who
 6 may use the money for a variety of purposes, including mass transit. Currently, revenue from
 7 statewide fees may be used for local mass transit projects that do not serve the whole state,
 8 and the fees do not require voter approval.

9 **What fees and services will be impacted by Initiative 284?**

10 Most transit agencies and transportation grant programs are funded, in part, by fees. Transit
 11 agencies and grant programs must receive voter approval to use revenue from new or
 12 existing fees to build new projects and replace existing infrastructure, or use tax dollars or
 13 grants instead. Fees can only be charged in the area the mass transit serves. Fees used to
 14 maintain and operate existing buses or trains are not subject to the new limitations. Because
 15 mass transit is often handled locally and different agencies use a combination of fees, taxes,
 16 grants, and other money to fund mass transit, it is unclear exactly how this measure will
 17 impact fees and mass transit in individual areas of the state. Agencies that are funded mostly
 18 or entirely by fees will be the most affected.

For information on those issue committees that support or oppose the measures on the ballot at the November 5, 2024, election, go to the Colorado Secretary of State's elections center web site hyperlink for ballot and initiative information:

<https://coloradosos.gov/pubs/elections/Initiatives/InitiativesHome.html>

19 **Arguments For Initiative 284**

20 1) People should not have to pay fees for transit that they do not use. Most mass transit
 21 projects benefit only a small area, and it is unfair that people in other areas of the state
 22 have to pay fees for projects that do not benefit them.

23 **Arguments Against Initiative 284**

24 1) People benefit from mass transit even if it does not service the area where they live.
 25 Many people use mass transit in areas where they do not live, such as when they are
 26 visiting or commuting. Use of mass transit instead of cars benefits all members of a
 27 community, even those living in surrounding areas, by reducing traffic and pollution.

28 **Fiscal Impact of Initiative 284**

29 The fiscal impact will be included in the second draft.