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MEMORANDUM

TO: William Ray and Richard Evans

FROM: Legislative Council Staff and Office of Legislative Legal Services

DATE: April 6, 2016

SUBJECT: Proposed initiative measure 2015-2016 #155, concerning a new transportation safety sales and use tax

Section 1-40-105 (1), Colorado Revised Statutes, requires the directors of the Colorado Legislative Council and the Office of Legislative Legal Services to "review and comment" on initiative petitions for proposed laws and amendments to the Colorado constitution. We hereby submit our comments to you regarding the appended proposed initiative.

The purpose of this statutory requirement of the directors of Legislative Council and the Office of Legislative Legal Services is to provide comments intended to aid proponents in determining the language of their proposal and to avail the public of knowledge of the contents of the proposal. Our first objective is to be sure we understand your intent and your objective in proposing the amendment. We hope that the statements and questions contained in this memorandum will provide a basis for discussion and understanding of the proposal.

This initiative was submitted with a series of initiatives including proposed initiatives 2015-2016 #146 to 155. The comments and questions raised in this memorandum will not include comments and questions that were addressed in the memoranda for proposed initiatives 2015-2016 #146 to 154, except as necessary to fully understand the issues raised by the revised proposed initiative. Comments and questions addressed in those other memoranda may also be relevant, and those questions and comments are hereby incorporated by reference in this memorandum. Only new comments and questions are included in this memorandum.

Purposes

The major purposes of the proposed amendment to the Colorado Revised Statutes appear to be:

1. To create a permanent transportation safety sales and use tax at a rate of 3 cents per \$10 of commodities or services sold;
2. To allow the state to use the transportation safety sales and use tax revenue to fund improvements to highways within the state and to fund newly-defined transportation safety and congestion relief projects in the state;
3. To prohibit the transportation safety sales and use tax revenue from being used to directly fund roadway improvements of a toll road; and
4. To require the Colorado Department of Transportation to publicly disclose on its website all of the expenditures related to the transportation safety sales and use tax.

Substantive Comments and Questions

The substance of the proposed initiative raises the following comments and questions:

1. Is it the proponents' intention that the transportation safety sales and use tax revenue be distributed entirely to the state and thus paid to the State Highway Fund and not to the counties or the cities and towns? If so, would the proponents consider writing their statute as follows, "Revenues from the transportation safety sales and use tax shall be paid to the state highway fund and shall be expended as provided in section 43-4-206, except that: . . ."? The way the proposed initiative is written would provide the state with more than 60% of the revenues described in 43-4-205 (6) (b), Colorado Revised Statutes.
2. If the funding is limited to transportation safety and congestion relief projects as defined in section 5 of the proposed initiative, why is the language regarding the three-year period in paragraph (b) of subsection (6.4) in section 4 of the proposed initiative necessary?
3. If it is the proponents' intention that the transportation safety sales and use tax revenue not be distributed to counties, cities, and towns, do the proponents need to remove the words "and local" from the voter approval language in section 6 of the proposed initiative?

Technical Comments

The following comments address technical issues raised by the form of the proposed initiative. These comments will be read aloud at the public meeting only if the proponents so request. You will have the opportunity to ask questions about these comments at the review and comment meeting. Please consider revising the proposed initiative as suggested below.

1. There are no new technical comments for proposed initiative 2015-2016 #155, please see comments from proposed initiative 2015-2016 #146.