



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Fiscal Summary

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LCS TITLE: TRANSPORTATION FEES

Fiscal Summary of Initiative 284

This fiscal summary, prepared by the nonpartisan Director of Research of the Legislative Council, contains a preliminary assessment of the measure's fiscal impact. A full fiscal impact statement for this initiative is or will be available at leg.colorado.gov/bluebook. This fiscal summary identifies the following impact.

State revenue. By requiring that fees assessed for mass transit be assessed only in areas that are served by such transit and requiring voter approval for these fees, the measure may impact fee revenue to the Highway Users Tax Fund (HUTF), Clean Transit Enterprise, Community Access Enterprise, and Nonattainment Area Enterprise as well as Bustang fare revenue. The measure will reduce state revenue by up to \$360 million in FY 2024-25 (half-year impact) and up to \$760 million in FY 2025-26. The actual amount of lost revenue will depend on which fees are determined to be impacted by the measure and which, if any, are approved by the voters.

State expenditures. The measure will reduce state expenditures to the extent that it reduces state revenue. Expenditures will be reduced by up to \$257 million in FY 2024-25 (half-year impact) and up to \$485 million in FY 2025-26, including the state portion of HUTF collections, Bustang fare revenue, and all fee revenue to the Clean Transit Enterprise, Community Access Enterprise, and Nonattainment Area Enterprise.

The measure increases workload and expenditures for state agencies for legal services to evaluate which fees are subject to the new requirements. To the extent that the measure results in additional measures being referred to the ballot for voter approval to assess new and existing fees, the measure will result in additional election costs.

Local government impact. The measure reduces revenue for local governments, including counties, municipalities, special districts, and possibly school districts. The measure will reduce revenue distributed from the HUTF to local governments by up to \$129 million in FY 2024-25 and up to \$276 million in FY 2025-26. Additionally, the measure may reduce revenue from fees and fares assessed by local governments and special districts such as the Regional Transportation District (RTD). The measure reduces local expenditures to the extent that it

reduces revenue, and increases workload and expenditures for legal services and expenditure costs.

Economic impacts. To the extent that the initiative results in less revenue being collected, households and businesses will have more income available to spend, save, or invest elsewhere in the economy, while governments will have less funding available for mass transit and other public services. Any overall change in economic activity would depend on the net economic impacts of higher disposable household and business income and reduced investment in public services.