



## House Bill 17-1242

**Speaker Crisanta Duran, Representative Diane Mitsch Bush, Senate President Kevin Grantham, Senator Randy Baumgardner**

### Background

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The state of Colorado's transportation infrastructure system has reached a critical point. According to an annual study on the state of Colorado roads, "*Colorado Transportation by the Numbers: Meeting the State's Need for Safe, Smooth and Efficient Mobility*," the state's major urban roads are becoming increasingly congested, with drivers wasting significant amounts of time and fuel each year. And, more than 2,400 people were killed in crashes on Colorado's roads from 2011 to 2015. (Read the full report here: <http://www.tripnet.org/> )

Consider these numbers:

- **41%.** 41% of Colorado's major urban roads are in poor condition. 43% are in mediocre or fair condition and the remaining 15% are in good condition.
- **6%** of Colorado's locally and state-maintained bridges are structurally deficient.
- **\$6.8 billion.** Driving on deficient roads costs Colorado motorists a total of \$6.8 billion annually in the form of additional vehicle operating costs (VOC), congestion-related delays and traffic crashes.
- **Colorado Springs, \$1,954; Denver, \$2,162; Northern Colorado, \$1,396; Grand Junction, \$1,264; and Pueblo, \$1,553.** Drivers in the state's largest urban areas incur annual costs as a result of driving on deficient roads. TRIP has calculated the cost to the average motorist in the state's largest urban areas in the form of additional VOC, congestion-related delays and traffic crashes.
- **Colorado Springs, 35 hours; Denver, 49 hours; Northern Colorado, 17 hours; Grand Junction, 11 hours; Pueblo, 10 hours.** Annual time wasted in congestion for drivers in the state's largest urban areas. Mounting congestion robs drivers of time and fuel.

According to a recent poll, critical intensity of focus on transportation infrastructure issues has been reached among voters statewide - this is now a top of mind issue. In fact, in a recent poll, respondents indicated that they would hold their legislator accountable for addressing transportation. 71% said they would be more likely to support their own state legislative member if they voted this year to refer a statewide ballot measure to give voters a choice of whether to approve a long-term funding solution for transportation projects across the state.

Business organizations, environmental groups, industry leaders, and concerned citizens have voiced alarm about the growing costs of not addressing our transportation needs. Our economy is at risk. Job growth is at risk. Safety is at risk. And, our quality of life is at risk.

## The Challenge

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The Challenge is to designate a long-term, sustainable funding source for transportation.

Currently, the primary source of funding for the Colorado Department of Transportation (CDOT), is the state gas tax. Unfortunately, the gas tax - \$.22 per gallon - does not increase annually with inflation and has not been increased since 1991. At the same time, cars have become more fuel efficient which has created a declining collection of revenues and a \$9 billion shortfall over the next ten years for critical infrastructure needs on our state system alone. This number doesn't even begin to address the transportation needs at the local government level. HB 17-1242 is a significant step toward addressing those needs.

## The Bill

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[HB 17-1242](#) is a comprehensive, statewide transportation measure that will address Colorado's long-range needs, tackle the state's highest priorities, give city and county governments a big boost with flexible dollars, and ensure more Coloradans across the state have access to transportation options, from kids to commuters to seniors.

In sum, the bill refers a measure to the ballot that asks voters to raise the state sales tax from 2.9% to 3.52%. At the same time, the bill cuts the FASTER Road Safety surcharge and eliminates late fees, saving Coloradans money on their vehicle registration fees. The revenues generated by the measure would allow the state to leverage up to \$3.5 billion in bonding in order to accelerate the construction of several critically important projects across the state. It also provides a flexible revenue stream to local governments to be dedicated to the transportation projects closest to home for each city and county in the state. And it creates a new program to fund important mobility related improvements statewide. This program would be administered by CDOT and overseen by a citizen and local government driven committee, thereby enhancing transparency and accountability. Additional accountability measures are included in the measure with the authorization of a simple-to-navigate website so Coloradans can track the progress cost and timeline of projects, and ensure the state is spending taxpayer dollars wisely.

## The Details

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- The bill refers a measure to the 2017 ballot increasing the state sales tax from 2.9% to 3.52% to generate revenue for transportation improvements at the state and local governments level. If passed by voters in November, the measure is estimated to generate \$705.2 million a year beginning in 2018.
- The new sales tax rate would be in effect beginning in January 2018 and would remain in place for 20 years.
- The bill eliminates the state share of the Road Safety Surcharge within FASTER for passenger vehicles 10,000 lbs. or less, saving consumers roughly \$80.5 million annually.

- The bill also eliminates the late vehicle registration fees established by FASTER that is anticipated to save Coloradans an additional \$20.7 million per year.
- The package would generate approximately \$715 million a year dedicated to transportation (\$614 million after accounting for reduced FASTER fees). As the bill currently stands, the revenues would be allocated as follows:
  - **\$375 million (52% of the newly generated funds) would go to CDOT to leverage up to a \$3.5 billion bond package**, allowing the Department to accelerate the construction of several critical projects statewide. New revenue to CDOT after accounting for reduced FASTER fees would be \$283 million per year.
  - **70% of the remaining dollars (33% of the newly generated funds) are allocated to city and county governments**, following the existing distribution formula in law. The local government share is projected to be \$238 million in the first full year. City and county governments are provided maximum flexibility to spend their resources on local priorities. They can also use dollars as matching dollars to unlock funding from the newly proposed multi-modal transportation options fund described below. After accounting for reduced FASTER fees, new revenue to the cities and counties would be \$115 million and \$114 million per year, respectively.
  - **30% of the remaining dollars (14% of the newly generated funds) are allocated to a new multi-modal transportation options fund**. The fund is directed by a new commission made up of local government officials, transit experts, metro planning organizations, and advocates. The commission will direct funding toward various uses, including transportation projects that facilitate the ability for our seniors to access “age in place” by expanding their access to transportation options, safe routes to schools, bus and rail, and “last mile” related projects that allow for expanded access to existing transit options. Within this fund, not more than 75% of the revenues are allocated to the transportation options account, and at least 25% to the pedestrian and active transportation account, which is for non-motorized use including paths, sidewalks, and roadways for non-motorized equipment.



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### Supporting Organizations

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Action 22  
Adams County Economic Development  
Associated General Contractors of Colorado  
American Subcontractors Association of Colorado  
American Council of Engineering Companies  
Aurora Development Council  
Building Jobs4Colorado  
Children's Hospital Colorado  
Club 20  
Colorado Association of Commerce and Industry (CACI)  
Colorado Association of Mechanical and Plumbing Contractors  
Colorado Asphalt Pavement Association  
Colorado Business Roundtable  
Colorado Competitive Council  
Colorado Contractors Association  
Colorado Farm Bureau  
Colorado Municipal League  
Colorado Counties Inc.  
Colorado Ready Mixed Concrete Association  
Colorado Association of Transit Agencies

Colorado Ski Country  
Colorado Stone, Sand and Gravel Association  
Colorado Wyoming American Concrete Pavement Association  
Commuting Solutions  
Conservation Colorado  
Construction Industry Coalition  
Counties and Commissions Acting Together  
Denver Metro Chamber of Commerce  
Denver Regional Council of Governments  
I-70 Coalition  
Lafarge-Holcim  
Live Well Colorado  
Move Colorado  
Metro North Chamber of Commerce  
Ports to Plains Alliance  
Progressive 15  
Sheet Metal & Air Conditioning Contractors National Association  
South Metro Denver Chamber of Commerce  
Southwest Energy Efficiency Project  
Transit Alliance  
US 36 Mayors and Commissioners Coalition  
Vail Associates



Associated General Contractors of Colorado  
Exclusive Resources | Competitive Edge





COLORADO READY MIXED CONCRETE ASSOCIATION

