



## House Bill 17-1242

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

### Background

---

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

---

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

---

[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, 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

---

- 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 \$702 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 also eliminates the state share of the Road Safety Surcharge within FASTER, saving consumers roughly \$75 million annually. The change will have the following effect:

- Reduces the surcharge on motorcycles from \$16 to \$6;
  - Reduces the surcharge on small passenger vehicles (2,000 lbs-4,999 lbs.) from \$23 to \$9;
  - Reduces the surcharge on larger passenger vehicles (5,000 lbs. – 10,000 lbs.) from \$28 to \$11.
- The package would generate an estimated \$677 million a year for transportation. The revenues would be allocated as follows:
  - **\$350 million (about 52% of the new money generated) 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.
  - **70% of the remaining dollars (about 32% of the total new money generated) are allocated to city and county governments**, following the existing distribution formula in law. The local government share is projected to reach near \$216 million in the first 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.
  - **30% of the remaining dollars (about 16% of the total new money generated) 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, 75% of the revenues are allocated to the transportation options account, and 25% to the pedestrian and active transportation account, which is for non-motorized use including paths, sidewalks, and roadways for non-motorized equipment.

## Supporting Organizations

---

Colorado Contractors Association\*Colorado Association of Commerce and Industry (CACI)\*  
Action 22\*C3\*Denver Metro Chamber of Commerce



