



COLORADO

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DATE: February 1, 2019
TO: Transportation Commissioners, Executive Director, Executive Management Team, Branch Managers, and Office Directors
FROM: Andy Karsian, Office of Policy & Government Relations
RE: Legislative Update

Politics and drama collided this week under the dome, with one Representative saying the week had all the makings of a movie: overflowing crowds testifying on controversial bills, fiery oratory on the Senate floor, and confirmation hearings on Cabinet members. Luckily, or unfortunately, depending on who one asks, this week's drama had little to do with CDOT.

On Tuesday, the Senate Transportation Committee voted unanimously in favor of Shoshana Lew's appointment to become the next Executive Director of CDOT. Next Monday, the full Senate will make history by officially confirming her to become the first female executive director in the department's history.

Legislation

As of today, CDOT is tracking 16 bills for possible direct or indirect impacts to CDOT, its employees, and the state's transportation network. Below are summaries of a few bills introduced or heard this week.

House Bill 19-1157 (Modify Specific Ownership Tax):

Vehicle owners pay a specific ownership tax (SOT) as part of their annual vehicle registration. It is designed to be a property tax on certain vehicles. As a vehicle ages, the tax decreases until after the tenth year when it is reduced to only \$3.00. This tax revenue currently goes to local governments and schools.

This legislation proposes modifying the formula. After ten years, instead of dropping to \$3.00, a new tax of 25% of the vehicle's value is collected. This new revenue flows to the HUTF and is distributed 65% to the state, 22% to the counties, and 18% to the municipalities. Existing vehicles older than ten years are grandfathered into the program. Revenue would grow over time, and in four to six years and estimates show \$80-\$100 million for the HUTF. The revenue begins to plateau after ten years when all vehicles have phased into the new SOT valuation process. Based off of current vehicle registration models, the annual revenue after this ten-year timeline could be around \$180 million annually.

The legislature debated this policy in prior years and had little appetite for it. Local governments and school districts argue the additional revenue should remain dedicated to their purposes, and the longer timeframe for generating revenue does not address immediate needs. If the bill passes the legislature, the voters would need to approve it as a statewide tax policy change.

House Bill 19-1099 (Eliminate Red Light Cameras):

Every legislative session some lawmakers raise the specter of red light camera policy. These are the cameras that capture drivers going through red lights. This bill repeals the ability for the state, counties or municipalities to use these cameras as traffic enforcement. While there is language in the bill that exempts out tolling infrastructure, this bill removes the state's capability to use the cameras, not in intersections for red light enforcement, but for speed enforcement in work zones on highways.

CDOT and HPTE are concerned about the bill's de facto ban on implementing technology in the future on express lanes to capture drivers weaving in and out of the express lanes. The sponsor agreed to amend the bill to allow this technology in the future.

