

# Colorado Passenger Rail Enabling Legislation Option 1

## Creation of Public Rail Authority

The legislation would provide a framework allowing local governments to develop geographically defined Passenger Rail Authorities in partnership with the State, private or federal entities.

## Legal authorization

Proposed legislation will mirror some existing language in Colorado Revised Statutes Title 43 including Part 5 – Public Highway Authority Law and Part 6 Regional Transportation Authority Law.

## Formation

Formation of a Passenger Rail Authority requires legislative authorization. The authorization establishes a process which allows local governments to develop Intergovernmental Agreements or Memorandums of Understanding among other counties and municipalities to create a district boundary. The contracts are then filed with the Division of Local Government to ratify the district. Once the local governments create the district boundaries with other cities and counties, the district will begin formalizing a plan towards implementing passenger rail and may develop partnerships with the State, private and/or federal entities.

## Primary powers

The Passenger Rail Authority shall have the power to plan, design, fund, finance, build, operate, and maintain a rail system. This language mirrors some of the existing Public Highway Authority and Regional Transportation Authority laws. An authority would be able to enter into a Public-Private Partnership agreement, and cooperate with other public agencies and private freight railroads.

## Governing body

Legislation will provide for the establishment and organization of the board of directors in which all legislative power of the authority is vested. The board will reflect representation of elected local officials from member jurisdiction or combination of jurisdictions. The state and private entities may be a part of the district governance, as well.

## Ability to collect revenues and issue debt

Mirror some statutory language from the Regional Transportation Authority law which includes a variety of funding possibilities that voter may approve (CRS43-4-605). Additionally, a future Authority could have increment financing powers mirroring those from a Public Highway Authority (CRS 43-4-508). RTA/PHA options include: sales tax, visitor benefits tax, lodging tax, vehicle registration fees as well as the ability to establish local improvement districts, value capture areas and issue bonds.

## **Pros**

Provides a framework and phased approach for advancing discussion while planning and outreach efforts continue. This approach allows the first step towards passenger rail without precluding refinements or statutory creation in legislation in the future. Allows other potential corridors, I-70 Mountain Corridor, North Front Range, etc. to create future passenger rail authorities.

## **Cons**

A Passenger Rail Authority would require a two-step process. (Step 1 - create enabling legislation; and Step 2 - use enabling legislation to establish Front Range Passenger Rail Authority).