



MEMORANDUM

TO: CLEAN TRANSIT ENTERPRISE
FROM: FAHAD KHAN, OFFICE OF POLICY AND GOVERNMENT RELATIONS
DATE: OCTOBER 22, 2021
SUBJECT: CONCERNING CREATION OF FUNDS AND IMPOSITION OF FEES FOR THE CLEAN TRANSIT ENTERPRISE PURSUANT TO SB21-260, COLO. REV. STAT. § 43-4-1203

Purpose

The purpose of this memorandum is to provide the Transportation Commission information concerning creation of funds and imposition of new fees for the newly created Clean Transit Enterprise, pursuant to SB21-260, C.R.S. § 43-4-1203

Action

No immediate action is required; this memorandum is for informational purposes only

To accomplish the business purpose of the Clean Transit Enterprise and fully exercise its powers and duties through the board the ***Clean Transit Enterprise Fund*** and ***Clean Transit Initial Expenses Fund*** are created in the State Treasury

- The Fund consists of revenue from the ***Clean Transit Retail Delivery Fee***, monetary gifts, grants, donations, Federal money that be credited to the fund, and appropriated/transfers from the General Assembly
- The Commission may transfer money from the State Highway Fund to the Enterprise for the purpose of defraying expenses incurred by the Enterprise before it receives fee revenue or revenue bond proceeds
 - Such transfers are to be considered a loan to the Clean Transit Enterprise Initial Expenses Fund and must be reimbursed
 - As the Enterprise receives sufficient revenue in excess of expenses, the Enterprise shall reimburse the State Highway Fund for the principal amount of any loan made by the Commission plus interest at a rate set by the Commission



Imposition of New Fees

- Beginning in Fiscal Year 2022-2023, the enterprise may impose the ***Clean Transit Retail Delivery Fee***
 - Each retailer who makes a retail delivery shall add to the price of the retail delivery, collect from the purchaser, and pay to the Department of Revenue
 - The Department of Revenue shall collect and administer the Clean Transit Retail Delivery Fee on behalf of the Enterprise
- **Fee Amounts:**
 - For retail deliveries of “tangible personal property” purchased, during State Fiscal Year, 2022-2023, the Enterprise shall impose the Clean Transit Retail Delivery Fee in a maximum amount of three cents
 - State Fiscal Year 2023-2024 and subsequent years, the Enterprise shall impose the fee in the maximum amount for the prior state fiscal year adjusted for inflation
- The Enterprise shall notify the Department of Revenue of the fee amount to be collected ***no later than March 15*** of the calendar year in which state fiscal years begins
 - The Department of Revenue shall publish the amount ***no later than April 15*** of the calendar year in which state fiscal years begins
 - The Enterprise is authorized to adjust the amount of the Clean Transit Retail Delivery Fee during a state fiscal year only if the Department of Revenue adjusts the amount of the fee

Background

The **Clean Transit Enterprise** is created to serve the primary business purpose of reducing and mitigating the adverse environmental and health impacts of air pollution and greenhouse gas emissions produced by retail deliveries by:

- Supporting the replacement of existing gasoline and diesel public transit vehicles with electric motor vehicles
- Providing the associated recharging infrastructure for electric transit fleet motor vehicles,
- Supporting facility modifications that allow for the safe operation and maintenance of electric transit motor vehicles
- Funding planning studies that enable transit agencies to plan for transit vehicle electrification

Attachments

[REVISED FISCAL NOTE](#)

