



COLORADO
Department of Transportation

**DIVISION OF
TRANSIT AND RAIL
STATE MANAGEMENT PLAN**

**APPENDIX B
NON-FEDERAL
TRANSIT FUNDS**

FASTER • Senate Bill 267
Settlement Funds • Senate Bill 1



COLORADO
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DIVISION OF TRANSIT AND RAIL STATE MANAGEMENT PLAN

APPENDIX B | NON-FEDERAL TRANSIT FUNDS

B.1 FASTER

Draft August 2019

Outline

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Flowchart

Flowchart B1-1. FASTER Local and Regional Bus Planning through Award

Attachments

Senate Bill 09-108

Policy Governing the Efficient Use of FASTER Revenue

Financial Management of FASTER Revenues

FASTER Transit Program

Resolution # TC-17-11-13 FASTER Transit Distribution

B1. FUNDING ADVANCEMENTS FOR SURFACE TRANSPORTATION AND ECONOMIC RECOVERY ACT OF 2009 (FASTER) TRANSIT PROJECTS

Colorado's Funding Advancement for Surface Transportation and Economic Recovery Act (FASTER) supports transit projects with \$15 million every year based on a statutory set aside from the road safety surcharge revenue. This competitive program provides funds for statewide and local transit projects. FASTER does not sunset or expire.

Documents that govern how the Colorado Department of Transportation (CDOT) administers FASTER funds for transit projects include:

- Senate Bill 09-108 (also known as the Funding Advancements for Surface Transportation and Economic Recovery Act of 2009 [FASTER])
<https://www.codot.gov/programs/transitandrail/resource-materials-new/TRACdocument-SB09-108%28FASTER%29/view>
- TC-3183 Policy Directive (PD) 1605 Implementation of the Interregional Express Bus
<https://www.codot.gov/about/transportation-commission/approved-resolutions/resolutions-january-december-2014/august-2014-resolutions/3183-pd-1605-ix-bus-service-program.pdf/view>
- Policy Directive 1605.0 Bustang Interregional Express Bus Service
<https://www.codot.gov/about/transportation-commission/approved-resolutions/resolutions-january-december-2014/august-2014-resolutions/3183-pd-1605-ix-bus-service-program.pdf/view>
- Resolution #TC-16-1-9 Adoption of Policy Directive 704.0 Policy Governing the Efficient Use of FASTER Revenue
<https://www.codot.gov/about/transportation-commission/approved-resolutions/january-2016-through-december-2016-resolutions/january-2016/tc-16-1-9-pd-704.pdf>
- CDOT Procedural Directive 704.1 Financial Management of FASTER Revenues
CDOT Procedural Directive 1608.1 FASTER Transit Program
<https://www.codot.gov/about/transportation-commission/documents/2016-archive-of-supporting-documents/january-2016/6-faster-audit-workshop.pdf>
- Resolution #TC-17-11-13 FY 2018-19 through FY 2021-22 FASTER Transit Distribution
<https://www.codot.gov/about/transportation-commission/approved-resolutions/2017-resolutions/november-2017/resolution-tc-17-11-13-faster-transit-distribution.pdf>

B1.1 Program Goals

The FASTER program allocates a total of \$15 million annually towards transit projects. The Division of Transit and Rail (DTR) awards \$10 million for statewide, interregional, and regional multimodal transit (FASTER regional operating funds come from this pool). The remaining \$5

million are used for local transit projects and are awarded competitively by CDOT regional offices.

Transportation Commission Resolutions listed above outline the distribution breakdown in the table below. Funding is made available on July 1 of each year (the first day of CDOT's fiscal year).

FASTER Funding

Statewide	\$10M		
FASTER Regional Operating		\$2.5M (Nov 2017 resolution)	RFTA Grand Hogback \$0.2M Steamboat Craig \$0.2M Ft Collins Boulder \$0.2M Greeley Startup \$0.04M Remaining unallocated (as startup buses) \$1.86M
Bustang		\$3.5M	
RTD		\$3.0M	
DTR Admin		\$1.0M	
Statewide Total		\$10M	
Local	\$5M		
Local operating		\$4.1M capital	all except Transfort, Mountain Metropolitan Transit, RTD
Local operating		\$0.9M capital	Transfort \$0.2 M Mountain Metropolitan Transit \$ 0.7M
Local Total		\$5M	
FASTER Total	\$15M		

CDOT's goal is use unallocated FASTER operating funds to augment Section 5311(f) funds to develop, with public and stakeholder input, a rural regional bus system that is consistent with the Statewide Transit Plan and will:

- Connect rural residents to services, goods, and institutions located in the regional centers.
- Provide meaningful connections to the national legacy intercity bus network.
- Operate cost-effective services that:
 - Support local communities and their programs.
 - Support local businesses and institutions.
 - Support local, regional, and statewide human service programs.

B1.2 Roles and Responsibilities

Roles and responsibilities related to the FASTER programs are as follows:

- Transportation Commission
 - Established criteria by which types of projects and components of projects are considered eligible to be funded with FASTER funding (PD 704.0).
 - Directed that criteria must be reconsidered and approved or modified prior to the distribution of FY 2019 FASTER funding (PD 704.0).
 - Set forth advisory responsibilities of the Transit and Intermodal Committee (PD 704.0).
- DTR Staff
 - DTR Director approves the FASTER Transit Projects following the procedure set forth in Procedural Directive 1608.1 (PD 704.0).
 - Must base its selection of FASTER Transit Projects on the metrics set forth in Procedural Directive 1608.1 (PD 704.0 and PD 1608.1).
 - Must submit FASTER Transit Projects that exceed the approved project budget by the amount specified in Policy Directive 703.0 for approval to the Commission through the budget supplement set forth in Policy Directive 703.0 (PD 704.0).
 - Annually apprise the T&I Committee of the FASTER Transit Projects recommended for FASTER funding for the next fiscal year (PD 704.0).
 - Requires that the DTR budget analyst and OFMB track FASTER Transit Projects as set forth in Procedural Directive 704.1 and 1608.1 (PD 704.0).
 - Sets out the process to follow for FASTER Transit Project selection, budgeting and contracting (PD 1608.1).
 - Specifies monitoring and oversight requirements for FASTER Transit Projects, including performance schedules for each FASTER Transit Project (PD 1608.1).
 - Includes Performance Standards regarding the status of FASTER Transit Projects (PD 1608.1).
 - Sets out a plan for training on staff roles and SAP/COTRAMS functions (PD 1608.1).
 - The Bus Operations Unit of the DTR manages projects funded through this program.
 - A \$1.0 million sub-pool is established to provide opportunity for state partnerships in supporting and creating fixed-route regional and interregional services.

B1.3 Coordination

CDOT and DTR prepare two plans that scope the needs for intercity and regional bus route needs throughout the state. Both of these plans are developed with input from transit agencies, intercity bus (ICB) providers, and the Bustang/Rural Regional Bus Subcommittee of CDOT's Transit and Rail Advisory Committee.

The **Colorado Intercity and Regional Bus Network Plan** guides the development of bus services for both intercity and regional bus routes. The plan is anticipated to be updated every 5 years. The 2014 plan:

- Identified goals for the development of the intercity and regional bus network/routes.
- Identified station and connectivity needs.
- Defined preferred routes for intercity and regional bus services.
- Identified a phased implementation plan for the intercity and regional bus routes.
- Identified policy, performance, and financing issues associated with implementing the preferred routes.

The **Statewide Transit Plan** establishes the framework for an integrated transit system across Colorado, which includes bus services. In addition to extensive outreach conducted every 5 years as part of the plan update process, the Statewide Transit Plan integrates needs and recommendations from the Regional Transit Plans prepared by each of the state's ten rural Transportation Planning Regions. Bus route needs are included in the planning process.

CDOT funds the development of the identified bus network and routes through Federal Transit Administration (FTA) Section 5311(f) and state FASTER funds.

B1.4 Eligible Subrecipients

Eligible subrecipients of local competitive State FASTER funding assistance are local public and private nonprofit entities, as well as tribal governments, that offer open-door, public transportation, including specialized transportation (service for the elderly and disabled). "Open door" specialized transportation is service available to any elderly and disabled person in need and not limited to a particular clientele or facility.

Applicants must meet the minimum (threshold) requirements outlined in Section B1.4.1. Services must cross service area or Transportation Planning Region boundaries, and routes must be in the Colorado Intercity and Regional Bus Network Plan.

Local entities can apply for operating assistance where the local entity provides a regional or interregional fixed-route service, with a FASTER contribution of up to 50% of operating costs or \$200,000 cap (whichever is lower).

B1.4.1 Applicant Minimum (Threshold) Requirements

All applicants are required to meet certain minimum (threshold) criteria to be considered for an award of funds. A new applicant must submit a New Applicant Questionnaire that includes an overview of the agency's transit services, legal standing, financial management and capacity, technical capacity, asset management plan, procurement procedures, and civil rights policies. The agency must demonstrate that it meets minimum requirements in financial and managerial capability and capacity for managing awarded funds, as well as demonstrate that it has the resources necessary to operate the project on an ongoing basis. The applicant must also be willing to follow state guidelines for third-party procurements.

The New Applicant Questionnaire is not intended to exclude organizations from applying for funds, but rather to ensure they are prepared to administer a project at the time of application, to familiarize the organization with the requirements of administering a project, to familiarize DTR staff with the organization, and to arrange technical assistance, if needed, that could aid the organization in becoming eligible.

Based on the information provided on the questionnaire, the agency is set up in COTRAMS and thereafter is responsible to update its profile in COTRAMS to maintain its eligibility to apply for transit funds. Should an applicant not meet these threshold criteria, DTR is available to work with the agency to meet the criteria and become eligible to apply for funds.

State and federal projects are awarded on a reimbursement basis; that is, the award recipient must first incur costs before being reimbursed by CDOT, after submitting sufficient documentation of such costs. Therefore, the recipient must have the financial ability and cash flow to incur and pay such costs initially. Should an applicant not meet the requirements or has had difficulties managing previously awarded funds, DTR staff are available to work with the agency to maintain eligibility to apply for funds. It is especially important that financial and managerial capability is specifically addressed by applicants that have had delays or other problems implementing projects awarded funding by CDOT. These organizations must demonstrate their financial and project management capabilities and experience, as well as describe the steps taken to correct any past problems. The other items that DTR and the potential subrecipient review to establish technical capacity are included in the following table.

Items to Establish Technical Capacity

Requirement	Description
Legal Standing	Suspension or Debarment, false claims
Technical Capacity	Staff Responsibilities, training , involvement in the most recent Regional Transportation Coordination Human Services Plan
Asset Management/ Continuing Control	Maintenance Plan, Vehicle Replacement Plan, Asset Management Plan, Asset Inventory
Procurement	Written Procurement Policy
Civil Rights	Acknowledgement of civil rights requirements, equity analysis on impacted populations regarding the transit project, when applicable

Eligible Projects

Eligible projects include bus stops, bike parking, transit maintenance facilities, vehicle replacements, multimodal transportation centers, and other planning and capital projects.

FASTER and FTA funding may be used for any items defined as capital expenses by the FTA, including:

- Rolling stock (buses, vans, train cars, gondola cabins).
- Transit stations, transfer facilities, bus storage and/or maintenance facilities.
- Multimodal facilities, i.e., facilities that accommodate some combination of services of multi-regional or statewide significance.
- Park-and-ride facility construction or improvements.
- Technology improvements that enable enhanced transit services in high priority corridors, including signal prioritization and Intelligent Transportation Systems (ITS).
- Technology improvements that significantly improve the coordination of human services transportation by means of mobility management tools.
- High-occupancy vehicles (HOV), high-occupancy toll (HOT) lanes, queue jumps, bus pull-out lanes, Bus Rapid Transit projects, and bus lanes
- Bike racks, lockers and bike parking at multimodal stations.
- Enhanced modal connections, including but not limited to trails, sidewalks and bike lanes leading to major transit stations, provided they have a transit connection and enhance transit ridership.
- Planning projects, transit technical assistance, service planning, research projects and special studies; however, no more than 10% of the total available FASTER funding is made

available for such purposes, because planning funds are available through FTA Section 5303 or 5307 (in urbanized areas) or Section 5304 funding (rural areas).

Projects proposed by state agencies may only be funded by FTA funds or the statewide share of FASTER.

Among the types of projects that have been awarded are the purchase or replacement of transit vehicles; construction of multimodal stations, acquisition of equipment for consolidated call centers, bus stops, bike parking, transit maintenance facilities, vehicle replacements, multimodal transportation centers, and other planning and capital projects.

B1.4.1.1 Bustang

Operating assistance is available for regional and interregional fixed-route services operated by local transit agencies. Eligible projects for the FASTER Regional/Interregional Bus service program must meet the following criteria:

- Services must cross-jurisdictional boundaries (i.e., outside a local agency’s service area and generally also crossing a Transportation Planning Region boundary).
- Services must be included in the Colorado Intercity and Regional Bus Network Plan.
- Services may not already be funded through FTA Section 5311(f).

To make the best use of FASTER funds, existing services meeting eligibility and evaluation criteria are funded at 50% for one year, then must meet farebox recovery rate or load factor goals shown in the table below. New services meeting eligibility and evaluation criteria are funded at 50% for two years, then must meet farebox recovery rate or load factor goals.

Performance Thresholds

Step	Farebox Recovery Rate OR Load Factor*	Eligible Share of FASTER Funding
0	<20%	Not Eligible
1	20% - 29%	30% FASTER Share to \$100,000
2	30% - 39%	40% FASTER Share to \$150,000
3	40%+	50% FASTER Share to \$200,000 (maximum)

*Note: Farebox recovery will be used as the standard, except for systems that, by policy, do not charge a fare or that have purposely set below-market-rate fares. In the case of fare-free or below-market-fare systems, load factors will be used.

B1.5 Project Selection Criteria and Methodology

The application and award process for FASTER funds is shown in Flowchart B1-1 FASTER Local and Regional Bus Planning through Award.

Funding is made available on July 1 of each year (the first day of CDOT's fiscal year).

Funding decisions for the Local and Statewide competitive capital pools are made during an annual consolidated Capital Call for Projects.

Funding decisions for the Local and Statewide competitive operating pools are made during an annual Operating, Administrative, and Mobility Management Consolidated Call for Projects.

FASTER operating funds are made available to subrecipients through the annual Operating, Administrative, and Mobility Management Consolidated Call for Projects.

First-time applicants are required to complete the application process through COTRAMS.

B1.5.1 Capital Projects Selection Criteria

Projects for these programs are evaluated based on the type of project—that is, revenue vehicles (rolling stock); facilities, design, and equipment; or studies—and whether the project is for replacement or expansion (new) vehicles. Evaluation metrics (or criteria) for each type of project are listed below.

Project selection is based on FTA minimum useful life guidelines for buses and related facilities, and FTA program guidance, including asset management principles. Furthermore, Policy Directive 14 puts performance goals in place for the overall preservation of the statewide transportation system.

For Replacement of Revenue Vehicles

Metric 1: *The vehicle's State of Good Repair (SGR):* Age, Mileage, Usage, Readiness, including how the vehicle's replacement is projected and prioritized within the agency's Asset Management Plan; higher mileage vehicles will be scored higher than lower mileage units. Older vehicles, beyond minimum useful life standards, are scored higher than newer vehicles, with special considerations allowed for "lemons" or irreparable damage due to accident, etc.

Metric 2: Higher scoring will be awarded to applicants that can demonstrate a good state of repair through effective, documented, formal preventive maintenance programs or Transit Asset Management programs, and to those that have and follow a capital replacement plan.

For Expansion of Revenue Vehicles

Metric 1: *Demonstrated Need and Readiness:* Higher scoring will be awarded to projects that clearly demonstrate the need for the expanded service in terms of documented ridership or

need studies and community support, that demonstrate an effective business case and can demonstrate they are truly ready to implement and sustain the expansion.

Metric 2: *Special Considerations:* For vehicle requests, applicants with a lower fleet spare ratio (i.e., less than 20%), who have a capital replacement plan and follow sound asset management practices, who can show strong institutional commitment, and who can show a strong financial commitment (higher local match ratio), will be scored more strongly.

B1.5.2 Operating Projects Selection Criteria

The criteria for these projects are based on a formula that categorizes agencies into groups of peer agencies. The amount of the award is based on the size of the operating budget.

B1.5.3 Project Award

If a project is selected for funding, DTR determines the best program to fund it—FASTER or an FTA program.

After award, services must meet minimum performance thresholds to continue to receive FASTER funds. After the first year of operation, DTR contacts FASTER subrecipients to determine if they want to continue receiving funds. If yes and provided the subrecipient is meeting the performance thresholds, the subrecipient is included in the next year's award pool.

B1.5.4 Local Match

Local recipients are required to provide a minimum 20% local match.

B1.6 Reporting Requirements

Intercity bus providers are responsible for reporting on operation and performance measures, which DTR reports to the Transportation Commission quarterly.

Additional reporting requirements outlined in the operator's subaward agreement include Milestone Progress Reports, DBE reporting, monthly reimbursement requirements, and NTD reporting.

PD 1605 requires the Director of DTR to report operational and performance measures of the Bustang interregional express bus service to the Transit and Intermodal Committee on a quarterly basis.

DTR submits a status report on the uses of FASTER funds to the Transit and Intermodal Committee of the Transportation Commission quarterly.

B1.6.1.1 Transit Revenue Report

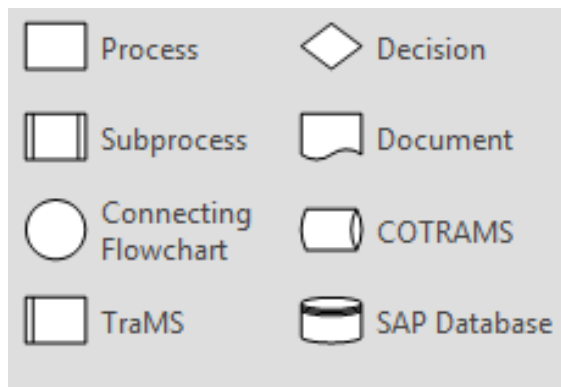
CDOT generates a Transit Revenue Report twice a year prior to issuing the Calls for Projects that contains:

- A detailed justification of all FASTER and FTA revenues allocated and expenditures incurred in a fiscal year.
- An estimate of the FASTER and FTA revenues (by project) that will be returned to DTR if the estimated cost exceeds the actual cost of the project.
- A reconciliation of FASTER and FTA revenues and expenditures to date.

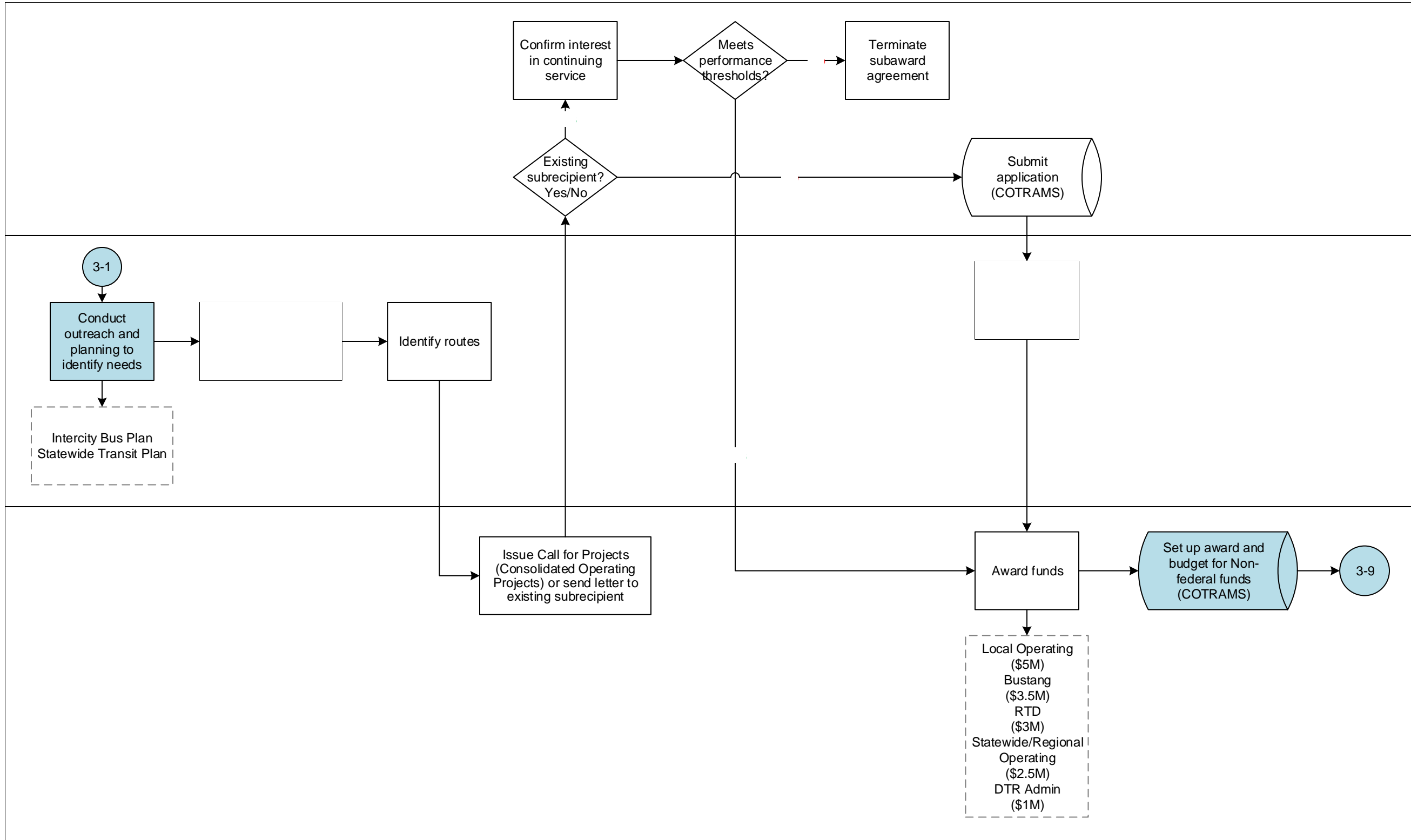
The DTR Director reviews the Transit Revenue Report, which is then presented to the Transportation Commission and made public, as required.

FLOWCHART

Flowchart Shapes/Key



Flowchart B1-1. FASTER Local and Regional Bus Planning through Award



ATTACHMENTS

Senate Bill 09-108

NOTE: This bill has been prepared for the signature of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.



SENATE BILL 09-108

BY SENATOR(S) Gibbs, Bacon, Boyd, Foster, Heath, Hudak, Morse, Romer, Shaffer B., Veiga, Williams, Groff, Newell;
also REPRESENTATIVE(S) Rice, Benefield, Carroll T., Court, Fischer, Frangas, Green, Hullinghorst, Judd, Labuda, Levy, McCann, Merrifield, Middleton, Ryden, Scanlan, Schafer S., Todd, Vigil.

CONCERNING THE IMPROVEMENT OF THE TRANSPORTATION SYSTEM OF THE STATE, AND, IN CONNECTION THEREWITH, PROVIDING ADDITIONAL SOURCES OF FUNDING FOR TRANSPORTATION AND MODIFYING THE TRANSPORTATION PLANNING PROCESS.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Part 8 of article 4 of title 43, Colorado Revised Statutes, is REPEALED AND REENACTED, WITH AMENDMENTS, to read:

PART 8
FUNDING ADVANCEMENT FOR SURFACE
TRANSPORTATION AND ECONOMIC RECOVERY

43-4-801. Short title. THIS PART 8 SHALL BE KNOWN AND MAY BE CITED AS THE "FUNDING ADVANCEMENTS FOR SURFACE TRANSPORTATION

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

AND ECONOMIC RECOVERY ACT OF 2009".

43-4-802. Legislative declaration. (1) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

(a) THE CONTINUED PROSPERITY OF THE STATE AND ITS CITIZENS REQUIRES A SAFE, WELL-MAINTAINED, INTEGRATED, MULTIMODAL, AND SUSTAINABLE SURFACE TRANSPORTATION SYSTEM THAT IS ACCESSIBLE IN ALL PARTS OF THE STATE AND THAT ALLOWS EFFICIENT MOVEMENT OF PEOPLE, GOODS, AND INFORMATION;

(b) THE PRIMARY FUNDING SOURCES DEDICATED FOR SURFACE TRANSPORTATION, STATE AND FEDERAL MOTOR FUEL TAXES, ARE FLAT RATE PER GALLON TAXES THAT HAVE LOST AND WILL CONTINUE TO LOSE MUCH OF THEIR PURCHASING POWER BECAUSE THEY ARE NOT INDEXED TO INFLATION, HAVE NOT BEEN INCREASED IN NEARLY TWO DECADES, AND GENERATE LESS REVENUE PER VEHICLE MILE TRAVELED AS MOTOR VEHICLES BECOME MORE FUEL EFFICIENT;

(c) DUE TO THE DECLINE IN THE PURCHASING POWER OF THE REVENUES GENERATED BY THE STATE AND FEDERAL MOTOR FUEL TAXES, THE STATE AND LOCAL GOVERNMENTS HAVE BEEN UNABLE TO MAINTAIN, REPAIR, RECONSTRUCT, OPERATE, AND IMPROVE SURFACE TRANSPORTATION INFRASTRUCTURE IN A STRATEGIC, TIMELY, AND EFFICIENT MANNER, WHICH HAS ALREADY CAUSED MANY BRIDGES IN THE STATE TO BECOME STRUCTURALLY DEFICIENT OR FUNCTIONALLY OBSOLETE AND WORSENERD THE CONDITION OF ROAD SURFACES, DELAYED CAPACITY EXPANSION PROJECTS, AND INCREASED TRAFFIC CONGESTION AND GREENHOUSE GAS EMISSIONS; AND

(d) BECAUSE THIS DECLINE IN PURCHASING POWER IS ONGOING AND BECOMES MORE SEVERE WITH EACH PASSING YEAR, THE STATE AND LOCAL GOVERNMENTS WILL CONTINUE TO BE UNABLE TO MAINTAIN, REPAIR, RECONSTRUCT, OPERATE, AND IMPROVE SURFACE TRANSPORTATION INFRASTRUCTURE IN A STRATEGIC, TIMELY, AND EFFICIENT MANNER, AND THE SAFETY, EFFICIENCY, AND ENVIRONMENTAL IMPACT OF THE STATE'S SURFACE TRANSPORTATION SYSTEM WILL WORSEN MORE QUICKLY IN THE FUTURE IF SUFFICIENT AND SUSTAINABLE FUNDING SOURCES FOR SURFACE TRANSPORTATION CANNOT BE FOUND.

(2) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT:

(a) THE NATIONAL AND STATE ECONOMIC RECESSION AND ATTENDANT RISE IN UNEMPLOYMENT REPRESENT ADDITIONAL SHORT- TO MEDIUM-TERM CHALLENGES FOR THE STATE AND ALL COLORADANS;

(b) THERE IS AN URGENT PRESENT NEED TO REPAIR AND REPLACE STRUCTURALLY DEFICIENT AND FUNCTIONALLY OBSOLETE BRIDGES AND IMPROVE HIGHWAY SAFETY IN THE STATE;

(c) INCREASING FUNDING FOR DESIGNATED BRIDGE PROJECTS AND ROAD SAFETY PROJECTS IN THE SHORT- AND MEDIUM-TERM THROUGH THE IMPOSITION OF BRIDGE AND ROAD SAFETY SURCHARGES AND OTHER NEW FEES AT RATES REASONABLY CALCULATED BASED ON THE BENEFITS RECEIVED BY THE PERSONS PAYING THE FEES WILL NOT ONLY PROVIDE FUNDING TO COMPLETE THE PROJECTS BUT WILL ALSO ACCELERATE THE STATE'S ECONOMIC RECOVERY BY INCREASING BRIDGE AND ROAD CONSTRUCTION, REPAIR, RECONSTRUCTION, AND MAINTENANCE ACTIVITY, AS WELL AS RELATED ECONOMIC ACTIVITY, AND BY EMPLOYING SIGNIFICANT NUMBERS OF COLORADANS;

(d) THE CREATION OF A STATEWIDE BRIDGE ENTERPRISE AUTHORIZED TO COMPLETE DESIGNATED BRIDGE PROJECTS, TO IMPOSE A BRIDGE SAFETY SURCHARGE AND ISSUE REVENUE BONDS, AND, IF REQUIRED APPROVALS ARE OBTAINED, TO CONTRACT WITH THE STATE TO RECEIVE ONE OR MORE LOANS OF MONEYS RECEIVED BY THE STATE UNDER THE TERMS OF ONE OR MORE LEASE-PURCHASE AGREEMENTS AUTHORIZED BY THIS PART 8 AND TO USE THE REVENUES GENERATED BY THE BRIDGE SAFETY SURCHARGE TO REPAY ANY SUCH LOAN OR LOANS, WILL IMPROVE THE SAFETY AND EFFICIENCY OF THE STATE TRANSPORTATION SYSTEM BY ALLOWING THE STATE TO ACCELERATE THE REPAIR, RECONSTRUCTION, AND REPLACEMENT OF STRUCTURALLY DEFICIENT, FUNCTIONALLY OBSOLETE, AND RATED AS POOR BRIDGES;

(e) THE CREATION OF A HIGH-PERFORMANCE TRANSPORTATION ENTERPRISE WITH THE AUTHORITY AND MISSION TO SEEK OUT OPPORTUNITIES FOR INNOVATIVE AND EFFICIENT MEANS OF FINANCING OTHER IMPORTANT SURFACE TRANSPORTATION INFRASTRUCTURE PROJECTS WILL ENSURE THAT SUCH PROJECTS ARE ALSO PROPERLY PRIORITIZED AND ACCELERATED; AND

(f) GRANTING THE BRIDGE ENTERPRISE AND THE TRANSPORTATION ENTERPRISE BOTH RESPONSIBILITY FOR THE COMPLETION, RESPECTIVELY, OF DESIGNATED BRIDGE PROJECTS AND OTHER IMPORTANT SURFACE TRANSPORTATION PROJECTS AND THE FLEXIBILITY TO EXECUTE THEIR RESPECTIVE MISSIONS IN A VARIETY OF INNOVATIVE WAYS WILL ENSURE THAT AVAILABLE RESOURCES FOR SUCH PROJECTS ARE EFFICIENTLY AND EFFECTIVELY LEVERAGED SO THAT BOTH THE PROJECTS AND THE STATE'S ECONOMIC RECOVERY CAN BE COMPLETED AS QUICKLY AS POSSIBLE.

(3) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT:

(a) WHILE IT IS NECESSARY, APPROPRIATE, AND IN THE BEST INTERESTS OF THE STATE TO FUND DESIGNATED BRIDGE PROJECTS AND HIGHWAY SAFETY PROJECTS AND STIMULATE ECONOMIC RECOVERY IN THE SHORT- AND MEDIUM-TERM, THE STATE MUST ALSO DEVELOP A LONG-TERM STRATEGY TO PROVIDE SUSTAINABLE LONG-TERM REVENUE STREAMS DEDICATED FOR THE CONSTRUCTION OF IMPORTANT SURFACE TRANSPORTATION INFRASTRUCTURE PROJECTS AND THE CONTINUING MAINTENANCE, REPAIR, AND RECONSTRUCTION OF THE STATEWIDE SURFACE TRANSPORTATION SYSTEM THAT WILL:

(I) ALLOW BOTH THE STATE AND LOCAL GOVERNMENTS TO MAINTAIN, REPAIR, RECONSTRUCT, AND IMPROVE THEIR TRANSPORTATION INFRASTRUCTURE IN A STRATEGIC, TIMELY, AND EFFICIENT MANNER; AND

(II) PROVIDE THE STATE AND LOCAL GOVERNMENTS WITH THE RESOURCES AND FLEXIBILITY TO EXPLORE AND INVEST IN MODERN MULTIMODAL AND DEMAND-SIDE TRANSPORTATION SOLUTIONS THAT WILL HELP REDUCE TRAFFIC CONGESTION AND GREENHOUSE GAS EMISSIONS;

(b) THE SPECIFICATION OF ADDITIONAL POLICIES TO BE CONSIDERED AT ALL STAGES OF THE STATEWIDE TRANSPORTATION PLANNING PROCESS AND THE ESTABLISHMENT OF AN EFFICIENCY AND ACCOUNTABILITY COMMITTEE WITHIN THE DEPARTMENT OF TRANSPORTATION WILL HELP TO ENSURE THAT TRANSPORTATION PLANNING IS THOROUGH, INTEGRATED, AND STRATEGIC AND THAT ALL FUNDING DEDICATED FOR SURFACE TRANSPORTATION IS EXPENDED EFFECTIVELY.

43-4-803. Definitions. AS USED IN THIS PART 8, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "AUTHORIZED AGENT" SHALL HAVE THE SAME MEANING AS SET FORTH IN SECTION 42-1-102 (5), C.R.S.

(2) "BOND" MEANS ANY BOND, NOTE, INTERIM CERTIFICATE, COMMERCIAL PAPER, CONTRACT, OR OTHER EVIDENCE OF INDEBTEDNESS OF EITHER THE BRIDGE ENTERPRISE OR THE TRANSPORTATION ENTERPRISE AUTHORIZED BY THIS PART 8, INCLUDING, BUT NOT LIMITED TO, ANY OBLIGATION TO THE UNITED STATES IN CONNECTION WITH A LOAN FROM OR GUARANTEED BY THE UNITED STATES.

(3) "BOND OBLIGATIONS" MEANS THE DEBT SERVICE ON, AND RELATED COSTS AND OBLIGATIONS IN CONNECTION WITH, BONDS, INCLUDING, WITHOUT LIMITATION:

(a) PAYMENTS WITH RESPECT TO PRINCIPAL, INTEREST, PREPAYMENT PREMIUMS, RESERVE FUNDS, SURPLUS FUNDS, SINKING FUNDS, AND COSTS OF ISSUANCE;

(b) PAYMENTS RELATED TO ANY CREDIT ENHANCEMENT, LIQUIDITY SUPPORT, OR INTEREST RATE PROTECTION FOR BONDS;

(c) FEES AND EXPENSES OF ANY TRUSTEE, BOND REGISTRAR, PAYING AGENT, AUTHENTICATING AGENT, REBATE ANALYST OR CONSULTANT, CALCULATION AGENT, REMARKETING AGENT, OR CREDIT ENHANCEMENT, LIQUIDITY SUPPORT, OR INTEREST RATE PROTECTION PROVIDER;

(d) COVERAGE REQUIREMENTS; AND

(e) OTHER COSTS, FEES, AND EXPENSES RELATED TO THE FOREGOING AND ANY OTHER AMOUNTS REQUIRED TO BE PAID PURSUANT TO THE PROVISIONS OF ANY DOCUMENTS AUTHORIZING THE ISSUANCE OF THE BONDS.

(4) "BRIDGE ENTERPRISE" MEANS THE STATEWIDE BRIDGE ENTERPRISE CREATED IN SECTION 43-4-805 (2).

(5) "BRIDGE ENTERPRISE BOARD" MEANS THE BOARD OF DIRECTORS OF THE BRIDGE ENTERPRISE.

(6) "BRIDGE ENTERPRISE DIRECTOR" MEANS THE DIRECTOR OF THE

BRIDGE ENTERPRISE APPOINTED PURSUANT TO SECTION 43-4-805 (2) (a) (I).

(7) "BRIDGE SPECIAL FUND" MEANS THE STATEWIDE BRIDGE ENTERPRISE SPECIAL REVENUE FUND CREATED IN SECTION 43-4-805 (3) (a).

(8) "COMMISSION" MEANS THE TRANSPORTATION COMMISSION CREATED IN SECTION 43-1-106 (1).

(9) "DEPARTMENT" MEANS THE DEPARTMENT OF TRANSPORTATION CREATED IN SECTION 24-1-128.7, C.R.S.

(10) "DESIGNATED BRIDGE" MEANS EVERY BRIDGE, INCLUDING ANY ROADWAYS, SIDEWALKS, OR OTHER INFRASTRUCTURE CONNECTED OR ADJACENT TO OR REQUIRED FOR THE OPTIMAL FUNCTIONING OF THE BRIDGE, THAT:

(a) IS PART OF THE STATE HIGHWAY SYSTEM, AS DESCRIBED IN SECTION 43-2-101; AND

(b) HAS BEEN IDENTIFIED BY THE DEPARTMENT AS STRUCTURALLY DEFICIENT OR FUNCTIONALLY OBSOLETE, AND HAS BEEN RATED BY THE DEPARTMENT AS POOR, AS OF JANUARY 1, 2009, OR IS SUBSEQUENTLY SO IDENTIFIED AND RATED BY THE DEPARTMENT.

(11) "DESIGNATED BRIDGE PROJECT" MEANS A PROJECT THAT INVOLVES THE REPAIR, RECONSTRUCTION, REPLACEMENT, OR ONGOING OPERATION OR MAINTENANCE, OR ANY COMBINATION THEREOF, OF A DESIGNATED BRIDGE BY THE BRIDGE ENTERPRISE PURSUANT TO AN AGREEMENT BETWEEN THE ENTERPRISE AND THE COMMISSION OR DEPARTMENT AUTHORIZED BY SECTION 43-4-805 (5) (f).

(12) "EXECUTIVE DIRECTOR" MEANS THE EXECUTIVE DIRECTOR OF THE DEPARTMENT.

(13) (a) "GRANT" MEANS ANY DIRECT CASH SUBSIDY OR OTHER DIRECT CONTRIBUTION OF MONEY FROM THE STATE OR ANY LOCAL GOVERNMENT IN THE STATE TO THE BRIDGE ENTERPRISE OR THE TRANSPORTATION ENTERPRISE THAT IS NOT REQUIRED TO BE REPAYED.

(b) "GRANT" DOES NOT INCLUDE ANY OF THE FOLLOWING OR ANY

INTEREST OR INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF THE FOLLOWING:

(I) ANY INDIRECT BENEFIT CONFERRED UPON THE BRIDGE ENTERPRISE OR THE TRANSPORTATION ENTERPRISE FROM THE STATE OR ANY LOCAL GOVERNMENT IN THE STATE;

(II) ANY FEDERAL FUNDS RECEIVED BY THE BRIDGE ENTERPRISE OR THE TRANSPORTATION ENTERPRISE, REGARDLESS OF WHETHER THE FEDERAL FUNDS PASS THROUGH THE STATE OR ANY LOCAL GOVERNMENT IN THE STATE PRIOR TO RECEIPT BY THE ENTERPRISE;

(III) ANY REVENUES OF THE BRIDGE ENTERPRISE FROM THE BRIDGE SAFETY SURCHARGE IMPOSED BY THE ENTERPRISE PURSUANT TO SECTION 43-4-805 (5) (g) OR REVENUES OF THE BRIDGE ENTERPRISE OR THE TRANSPORTATION ENTERPRISE FROM ANY OTHER AUTHORIZED RATE, FEE, ASSESSMENT, OR OTHER CHARGE IMPOSED BY EITHER ENTERPRISE FOR THE PROVISION OF GOODS OR SERVICES BY THE ENTERPRISE;

(IV) ANY MONEYS PAID OR ADVANCED TO THE BRIDGE ENTERPRISE OR THE TRANSPORTATION ENTERPRISE BY THE STATE, A LOCAL GOVERNMENT OR GROUP OF LOCAL GOVERNMENTS, AN AUTHORITY, OR ANY OTHER GOVERNMENT-OWNED BUSINESS OR GOVERNMENTAL ENTITY IN EXCHANGE FOR AN AGREEMENT BY EITHER ENTERPRISE TO COMPLETE A DESIGNATED BRIDGE PROJECT OR A SURFACE TRANSPORTATION INFRASTRUCTURE PROJECT; OR

(V) ANY MONEYS LOANED BY THE COMMISSION TO THE BRIDGE ENTERPRISE PURSUANT TO SECTION 43-4-805 (4) OR (5) (r) OR THE TRANSPORTATION ENTERPRISE PURSUANT TO SECTION 43-4-806 (4).

(14) "HIGHWAY" MEANS A ROAD AND RELATED IMPROVEMENTS AND SERVICES. A HIGHWAY MAY CONSIST OF IMPROVEMENTS AND SERVICES, INCLUDING, BUT NOT LIMITED TO, PAVING, GRADING, LANDSCAPING, CURBS, GUTTERS, CULVERTS, SIDEWALKS, BIKEWAYS, LIGHTING, BRIDGES, OVERPASSES, UNDERPASSES, RAIL CROSSINGS, SHOULDERS, FRONTAGE ROADS, ACCESS ROADS, INTERCHANGES, DRAINAGE FACILITIES, TRANSIT LANES AND SERVICES, PARK-AND-RIDE FACILITIES, TRAFFIC DEMAND MANAGEMENT FACILITIES AND SERVICES, OTHER MULTIMODAL IMPROVEMENTS AND SERVICES, TOLL COLLECTION FACILITIES, SERVICE

AREAS, ADMINISTRATIVE OR MAINTENANCE FACILITIES, GAS, ELECTRIC, WATER, SEWER, AND OTHER UTILITIES LOCATED OR TO BE LOCATED IN THE RIGHT-OF-WAY OF THE HIGHWAY, AND OTHER REAL OR PERSONAL PROPERTY, INCLUDING EASEMENTS, RIGHTS-OF-WAY, OPEN SPACE, AND OTHER INTERESTS THEREIN, RELATING TO THE FINANCING, CONSTRUCTION, OPERATION, OR MAINTENANCE OF THE HIGHWAY.

(15) "ISSUING ENTERPRISE" MEANS, WITH RESPECT TO THE ISSUANCE OF BONDS AS AUTHORIZED BY THIS PART 8, EITHER THE BRIDGE ENTERPRISE OR THE TRANSPORTATION ENTERPRISE.

(16) "LOCAL GOVERNMENT" MEANS A MUNICIPALITY, COUNTY, OR CITY AND COUNTY.

(17) "METROPOLITAN PLANNING ORGANIZATION" MEANS A METROPOLITAN PLANNING ORGANIZATION UNDER THE "FEDERAL TRANSIT ACT OF 1998", 49 U.S.C. SEC. 5301 ET SEQ., AS AMENDED.

(18) "PUBLIC-PRIVATE PARTNERSHIP" MEANS AN AGREEMENT, INCLUDING, BUT NOT LIMITED TO, AN OPERATING CONCESSION AGREEMENT BETWEEN THE BRIDGE ENTERPRISE OR THE TRANSPORTATION ENTERPRISE AND ONE OR MORE PRIVATE OR PUBLIC ENTITIES THAT PROVIDES FOR:

(a) ACCEPTANCE OF A PRIVATE CONTRIBUTION TO A SURFACE TRANSPORTATION INFRASTRUCTURE PROJECT IN EXCHANGE FOR A PUBLIC BENEFIT CONCERNING THE PROJECT OTHER THAN ONLY A MONEY PAYMENT;

(b) SHARING OF RESOURCES AND THE MEANS OF PROVIDING SURFACE TRANSPORTATION INFRASTRUCTURE PROJECTS; OR

(c) COOPERATION IN RESEARCHING, DEVELOPING, AND IMPLEMENTING SURFACE TRANSPORTATION INFRASTRUCTURE PROJECTS.

(19) "PUBLIC TRANSPORTATION VEHICLE" MEANS A MOTOR VEHICLE THAT IS PART OF VEHICULAR SERVICE THAT TRANSPORTS THE GENERAL PUBLIC AND THAT IS PROVIDED BY A PUBLIC TRANSPORTATION DISTRICT OR BY A LOCAL GOVERNMENT.

(20) "REGIONAL PLANNING COMMISSION" MEANS A REGIONAL PLANNING COMMISSION FORMED UNDER THE PROVISIONS OF SECTION

30-28-105, C.R.S., THAT PREPARES AND SUBMITS A TRANSPORTATION PLAN PURSUANT TO SECTION 43-1-1103.

(21) "ROAD SAFETY PROJECT" MEANS A CONSTRUCTION, RECONSTRUCTION, OR MAINTENANCE PROJECT THAT THE COMMISSION DETERMINES IS NEEDED TO ENHANCE THE SAFETY OF A STATE HIGHWAY, A COUNTY DETERMINES IS NEEDED TO ENHANCE THE SAFETY OF A COUNTY ROAD, OR A MUNICIPALITY DETERMINES IS NEEDED TO ENHANCE THE SAFETY OF A CITY STREET.

(22) "SURFACE TRANSPORTATION INFRASTRUCTURE" MEANS A HIGHWAY, A BRIDGE OTHER THAN A DESIGNATED BRIDGE, OR ANY OTHER INFRASTRUCTURE, FACILITY, OR EQUIPMENT USED PRIMARILY OR IN LARGE PART TO TRANSPORT PEOPLE ON SYSTEMS THAT OPERATE ON OR ARE AFFIXED TO THE GROUND.

(23) "SURFACE TRANSPORTATION INFRASTRUCTURE PROJECT" MEANS THE PLANNING, DESIGNING, ENGINEERING, ACQUISITION, INSTALLATION, CONSTRUCTION, REPAIR, RECONSTRUCTION, MAINTENANCE, OR OPERATION OF A DEFINED AMOUNT OF SURFACE TRANSPORTATION INFRASTRUCTURE BY:

(a) THE TRANSPORTATION ENTERPRISE; OR

(b) A PARTNER OF THE TRANSPORTATION ENTERPRISE UNDER THE TERMS OF A PUBLIC-PRIVATE PARTNERSHIP.

(24) "TRANSPORTATION ENTERPRISE" MEANS THE HIGH-PERFORMANCE TRANSPORTATION ENTERPRISE CREATED IN SECTION 43-4-806 (2) (a).

(25) "TRANSPORTATION ENTERPRISE BOARD" MEANS THE BOARD OF DIRECTORS OF THE TRANSPORTATION ENTERPRISE.

(26) "TRANSPORTATION ENTERPRISE DIRECTOR" MEANS THE DIRECTOR OF THE TRANSPORTATION ENTERPRISE APPOINTED PURSUANT TO SECTION 43-4-806 (2) (b).

(27) "USER FEE" MEANS COMPENSATION TO BE PAID TO THE TRANSPORTATION ENTERPRISE OR A PARTNER OF THE TRANSPORTATION ENTERPRISE FOR THE PRIVILEGE OF USING SURFACE TRANSPORTATION

INFRASTRUCTURE CONSTRUCTED OR OPERATED BY THE TRANSPORTATION ENTERPRISE OR OPERATED BY ITS PARTNER UNDER THE TERMS OF A PUBLIC-PRIVATE PARTNERSHIP.

(28) "VEHICLE" MEANS A MOTOR VEHICLE AS DEFINED IN SECTION 42-1-102 (58), C.R.S.; EXCEPT THAT, FOR PURPOSES OF THE IMPOSITION OF ANY SURCHARGE, FEE, OR FINE IMPOSED PURSUANT THIS PART 8 IN CONNECTION WITH A VEHICLE REQUIRED TO BE REGISTERED PURSUANT TO THE PROVISIONS OF ARTICLE 3 OF TITLE 42, C.R.S., "VEHICLE" ALSO INCLUDES ANY VEHICLE WITHOUT MOTIVE POWER THAT IS REQUIRED TO BE REGISTERED.

43-4-804. Highway safety projects - surcharges and fees - crediting of moneys to highway users tax fund. (1) ON AND AFTER JULY 1, 2009, THE FOLLOWING SURCHARGES, FEES, AND FINES SHALL BE COLLECTED AND CREDITED TO THE HIGHWAY USERS TAX FUND CREATED IN SECTION 43-4-201 (1) (a) AND ALLOCATED TO THE STATE HIGHWAY FUND, COUNTIES, AND MUNICIPALITIES AS SPECIFIED IN SECTION 43-4-205 (6.3):

(a) (I) A ROAD SAFETY SURCHARGE, WHICH, EXCEPT AS OTHERWISE PROVIDED IN SUBPARAGRAPHS (III) AND (VI) OF THIS PARAGRAPH (a), SHALL BE IMPOSED FOR ANY REGISTRATION PERIOD THAT COMMENCES ON OR AFTER JULY 1, 2009, UPON THE REGISTRATION OF ANY VEHICLE FOR WHICH A REGISTRATION FEE MUST BE PAID PURSUANT TO THE PROVISIONS OF PART 3 OF ARTICLE 3 OF TITLE 42, C.R.S. EXCEPT AS OTHERWISE PROVIDED IN SUBPARAGRAPHS (IV) AND (V) OF THIS PARAGRAPH (a), THE AMOUNT OF THE SURCHARGE SHALL BE:

(A) SIXTEEN DOLLARS FOR ANY VEHICLE THAT IS A MOTORCYCLE, MOTORSCOOTER, OR MOTORBICYCLE, AS RESPECTIVELY DEFINED IN SECTION 42-1-102 (55) AND (59), C.R.S., OR THAT WEIGHS TWO THOUSAND POUNDS OR LESS;

(B) TWENTY-THREE DOLLARS FOR ANY VEHICLE THAT WEIGHS MORE THAN TWO THOUSAND POUNDS BUT NOT MORE THAN FIVE THOUSAND POUNDS;

(C) TWENTY-EIGHT DOLLARS FOR ANY VEHICLE THAT WEIGHS MORE THAN FIVE THOUSAND POUNDS BUT NOT MORE THAN TEN THOUSAND POUNDS;

(D) THIRTY-SEVEN DOLLARS FOR ANY VEHICLE THAT IS A PASSENGER BUS OR THAT WEIGHS MORE THAN TEN THOUSAND POUNDS BUT NOT MORE THAN SIXTEEN THOUSAND POUNDS; AND

(E) THIRTY-NINE DOLLARS FOR ANY VEHICLE THAT WEIGHS MORE THAN SIXTEEN THOUSAND POUNDS.

(II) THE ROAD SAFETY SURCHARGE SHALL BE IMPOSED WHEN A VEHICLE IS REGISTERED AS REQUIRED BY ARTICLE 3 OF TITLE 42, C.R.S. EACH AUTHORIZED AGENT SHALL REMIT TO THE DEPARTMENT OF REVENUE NO LESS FREQUENTLY THAN ONCE A MONTH, BUT OTHERWISE AT THE TIME AND IN THE MANNER REQUIRED BY THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE, ALL ROAD SAFETY SURCHARGES COLLECTED BY THE AUTHORIZED AGENT. THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE SHALL FORWARD ALL ROAD SAFETY SURCHARGES REMITTED BY AUTHORIZED AGENTS PLUS ANY ROAD SAFETY SURCHARGES COLLECTED DIRECTLY BY THE DEPARTMENT OF REVENUE TO THE STATE TREASURER, WHO SHALL CREDIT THE SURCHARGES TO THE HIGHWAY USERS TAX FUND.

(III) THE ROAD SAFETY SURCHARGE SHALL NOT BE IMPOSED ON ANY RENTAL VEHICLE ON WHICH A DAILY VEHICLE RENTAL FEE IS IMPOSED PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION (1).

(IV) THE AMOUNT OF THE ROAD SAFETY SURCHARGE IMPOSED ON ANY VEHICLE THAT IS AN ITEM OF CLASS A PERSONAL PROPERTY, AS DEFINED IN SECTION 42-3-106(2)(a), C.R.S., SHALL BE THE PRODUCT OF THE AMOUNT OF THE SURCHARGE IMPOSED BASED ON THE WEIGHT OF THE VEHICLE PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (a) AND THE PERCENTAGE OF THE ITEM'S TOTAL APPORTIONED REGISTRATION APPORTIONED TO COLORADO.

(V) THE AMOUNT OF THE ROAD SAFETY SURCHARGE IMPOSED PURSUANT TO THIS PARAGRAPH (a) SHALL BE ONE-HALF OF THE AMOUNT SPECIFIED IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (a) FOR ANY VEHICLE THAT IS A TRUCK OR TRUCK TRACTOR THAT IS OWNED BY A FARMER OR RANCHER AND IS USED COMMERCIALY ONLY:

(A) TO TRANSPORT TO MARKET OR PLACE OF STORAGE RAW AGRICULTURAL PRODUCTS ACTUALLY PRODUCED OR LIVESTOCK ACTUALLY RAISED BY THE FARMER OR RANCHER IN FARMING OR RANCHING OPERATIONS;

OR

(B) TO TRANSPORT COMMODITIES OR LIVESTOCK PURCHASED BY THE FARMER OR RANCHER FOR PERSONAL USE IN THE FARMER'S OR RANCHER'S FARMING OR RANCHING OPERATIONS.

(VI) THE ROAD SAFETY SURCHARGE SHALL NOT BE IMPOSED ON ANY VEHICLE FOR WHICH THE DEPARTMENT OF REVENUE HAS ISSUED A HORSELESS CARRIAGE SPECIAL LICENSE PLATE PURSUANT TO SECTION 42-3-219 (1) (a), C.R.S.

(VII) EACH VEHICLE REGISTRATION FEE INVOICE SHALL LIST THE ROAD SAFETY SURCHARGE SEPARATELY FROM ALL OTHER VEHICLE REGISTRATION FEES OR SURCHARGES IMPOSED.

(b) (I) EXCEPT AS OTHERWISE PROVIDED IN SUBPARAGRAPH (III) OF THIS PARAGRAPH (b), A DAILY VEHICLE RENTAL FEE, WHICH SHALL BE IMPOSED ON THE RENTAL OF ANY VEHICLE RENTED IN THE STATE AT THE RATE OF TWO DOLLARS PER DAY. ANY PERSON WHO OWNS VEHICLES THAT ARE BASED IN COLORADO FOR RENTAL PURPOSES OR WHO OWNS VEHICLES THAT ARE BASED IN A STATE OTHER THAN COLORADO FOR RENTAL PURPOSES BUT RENTS SUCH VEHICLES FROM A BUSINESS LOCATION IN COLORADO AND WHOSE PRIMARY BUSINESS IS THE RENTAL OF SUCH VEHICLES FOR PERIODS OF LESS THAN FORTY-FIVE DAYS, INCLUDING RENEWALS, TO ANOTHER PERSON SHALL COLLECT THE DAILY VEHICLE RENTAL FEE FROM THE RENTER OF EACH VEHICLE RENTED. THE RENTAL INVOICE SHALL LIST THE DAILY VEHICLE RENTAL FEE SEPARATELY AS A COLORADO ROAD SAFETY PROGRAM FEE.

(II) A PERSON WHO COLLECTS THE DAILY VEHICLE RENTAL FEE IMPOSED BY SUBPARAGRAPH (I) OF THIS PARAGRAPH (b) AND WHO PAYS SPECIFIC OWNERSHIP TAX ON THE VEHICLES RENTED IN THE MANNER SPECIFIED IN EITHER SECTION 42-3-107 (11) OR (12), C.R.S., OR BOTH, SHALL, NO LATER THAN THE TWENTIETH DAY OF EACH MONTH, SUBMIT TO THE DEPARTMENT OF REVENUE A REPORT, USING FORMS FURNISHED BY THE DEPARTMENT OF REVENUE, OF DAILY VEHICLE RENTAL FEES COLLECTED FOR THE PRECEDING MONTH AND SHALL INCLUDE WITH THE REPORT THE REMITTANCE OF ALL SUCH FEES. A PERSON WHO COLLECTS THE DAILY VEHICLE RENTAL FEE IMPOSED BY SUBPARAGRAPH (I) OF THIS PARAGRAPH (b) BUT DOES NOT PAY SPECIFIC OWNERSHIP TAX ON THE VEHICLES IN THE MANNER SPECIFIED IN EITHER SECTION 42-3-107 (11) OR (12), C.R.S., OR

BOTH, SHALL SUBMIT THE REPORT AND THE REMITTANCE OF FEES COLLECTED IN THE SAME MANNER OR IN SUCH OTHER MANNER AS THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE MAY PRESCRIBE BY RULES PROMULGATED IN ACCORDANCE WITH ARTICLE 4 OF TITLE 24, C.R.S. THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE SHALL FORWARD ALL DAILY VEHICLE RENTAL FEES COLLECTED TO THE STATE TREASURER, WHO SHALL CREDIT THE DAILY VEHICLE RENTAL FEES TO THE HIGHWAY USERS TAX FUND.

(III) BECAUSE VEHICLE SHARING IS AN ALTERNATIVE TO PERSONAL VEHICLE OWNERSHIP THAT REDUCES THE NUMBER OF VEHICLE MILES TRAVELED ON THE HIGHWAYS OF THE STATE BY ENCOURAGING THE USE OF TRANSIT AND REDUCING THE NUMBER OF TRIPS MADE IN PRIVATELY OWNED VEHICLES AND THEREBY BENEFITS THE STATE BY REDUCING TRAFFIC CONGESTION, GREENHOUSE GAS EMISSIONS, AND THE AMOUNT OF WEAR AND TEAR ON THE HIGHWAYS, THE DAILY VEHICLE RENTAL FEE IMPOSED PURSUANT TO THIS PARAGRAPH (b) SHALL NOT BE IMPOSED ON ANY VEHICLE RENTED PURSUANT TO A VEHICLE SHARING ARRANGEMENT IF:

(A) UNDER THE TERMS OF THE ARRANGEMENT, AN ORGANIZATION PROVIDES PASSENGER VEHICLES FOR THE USE OF MEMBERS OF THE ORGANIZATION WHO HAVE PAID A MEMBERSHIP FEE TO THE ORGANIZATION AND CHARGES AN ADDITIONAL FEE FOR EACH USE OF A PASSENGER VEHICLE;

(B) A MEMBER OF THE ORGANIZATION IS NOT REQUIRED TO ENTER INTO A SEPARATE WRITTEN AGREEMENT WITH THE ORGANIZATION EACH TIME THE MEMBER RESERVES AND USES A PASSENGER VEHICLE;

(C) THE AVERAGE PAID USAGE PERIOD FOR ALL PASSENGER VEHICLES PROVIDED BY THE ORGANIZATION DURING THE PRIOR CALENDAR YEAR WAS SIX HOURS OR LESS;

(D) AT LEAST THREE-QUARTERS OF ALL PASSENGER VEHICLE RENTALS MADE BY THE ORGANIZATION DURING THE PRIOR CALENDAR YEAR IN EACH MUNICIPALITY OR COUNTY IN WHICH THE ORGANIZATION DOES BUSINESS WERE MADE TO MEMBERS OF THE ORGANIZATION WHO MAINTAIN A RESIDENCE WITHIN THE CITY OR COUNTY;

(E) FUEL AND FULL INSURANCE COVERAGE ARE INCLUDED IN THE MEMBER USAGE RATES; AND

(F) PASSENGER VEHICLES PROVIDED BY THE ORGANIZATION ARE STATIONED IN SELF-SERVE LOCATIONS THROUGHOUT THE COUNTY OR MUNICIPALITY IN WHICH THE ORGANIZATION DOES BUSINESS.

(c) (I) A SUPPLEMENTAL OVERSIZE AND OVERWEIGHT VEHICLE SURCHARGE IN AN AMOUNT EQUAL TO THE AMOUNT OF THE FEE CHARGED PURSUANT TO SECTION 42-4-510 (11) (a), C.R.S., BY THE DEPARTMENT, THE MOTOR CARRIER SERVICES DIVISION OF THE DEPARTMENT OF REVENUE, OR THE COLORADO STATE PATROL FOR THE ISSUANCE OF THE SINGLE TRIP PERMIT; EXCEPT THAT THE SURCHARGE SHALL NOT BE IMPOSED ON A VEHICLE IF THE SINGLE TRIP PERMIT FEE WAS IMPOSED PURSUANT TO SECTION 42-4-510 (11) (a) (VI) (B), C.R.S.

(II) THE AGENCY ISSUING AN OVERSIZE OR OVERWEIGHT VEHICLE SINGLE TRIP PERMIT SHALL COLLECT THE SUPPLEMENTAL OVERSIZE AND OVERWEIGHT VEHICLE SURCHARGE AT THE SAME TIME AS IT COLLECTS THE SINGLE TRIP PERMIT FEE. THE AGENCY SHALL FORWARD ALL SUPPLEMENTAL OVERSIZE AND OVERWEIGHT VEHICLE SURCHARGES TO THE DEPARTMENT, AND THE EXECUTIVE DIRECTOR OF THE DEPARTMENT SHALL FORWARD THE SUPPLEMENTAL SURCHARGES TO THE STATE TREASURER, WHO SHALL CREDIT THE SURCHARGES TO THE HIGHWAY USERS TAX FUND.

(d) (I) A SUPPLEMENTAL UNREGISTERED VEHICLE FINE IMPOSED IN ADDITION TO THE FINE IMPOSED PURSUANT TO SECTION 42-6-139 (3), C.R.S., UPON CONVICTION OF A MISDEMEANOR FOR KNOWINGLY FAILING TO REGISTER A VEHICLE WITHIN NINETY DAYS OF BECOMING A RESIDENT OF THIS STATE AS REQUIRED BY SECTION 42-3-103 (4) (a), C.R.S.

(II) THE SUPPLEMENTAL UNREGISTERED VEHICLE FINE SHALL BE COLLECTED AT THE SAME TIME AS THE FINE IMPOSED PURSUANT TO SECTION 42-6-139 (3), C.R.S. THE AMOUNT OF THE SUPPLEMENTAL UNREGISTERED VEHICLE FINE SHALL BE TWENTY-FIVE DOLLARS FOR EACH MONTH OR PORTION OF A MONTH THAT THE VEHICLE REMAINED UNREGISTERED FOLLOWING THE NINETY-DAY PERIOD DURING WHICH INITIAL REGISTRATION WAS REQUIRED; EXCEPT THAT THE AMOUNT OF THE SUPPLEMENTAL UNREGISTERED VEHICLE FINE SHALL NOT EXCEED ONE HUNDRED DOLLARS. ALL SUPPLEMENTAL UNREGISTERED VEHICLE FINES SHALL BE FORWARDED TO THE STATE TREASURER, WHO SHALL CREDIT THE FINES TO THE HIGHWAY USERS TAX FUND.

(e) LATE REGISTRATION FEES REQUIRED TO BE CREDITED TO THE HIGHWAY USERS TAX FUND PURSUANT TO SECTION 42-3-112 (2), C.R.S.

43-4-805. Statewide bridge enterprise - creation - board - funds - powers and duties - reporting requirements - legislative declaration.

(1) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

(a) THE COMPLETION OF DESIGNATED BRIDGE PROJECTS IS ESSENTIAL TO ADDRESS INCREASING TRAFFIC CONGESTION AND DELAYS, HAZARDS, INJURIES, AND FATALITIES;

(b) DUE TO THE LIMITED AVAILABILITY OF STATE AND FEDERAL FUNDING AND THE NEED TO ACCOMPLISH THE FINANCING, REPAIR, RECONSTRUCTION, AND REPLACEMENT OF DESIGNATED BRIDGES AS PROMPTLY AND EFFICIENTLY AS POSSIBLE, IT IS NECESSARY TO CREATE A STATEWIDE BRIDGE ENTERPRISE AND TO AUTHORIZE THE ENTERPRISE TO:

(I) ENTER INTO AGREEMENTS WITH THE COMMISSION OR THE DEPARTMENT TO FINANCE, REPAIR, RECONSTRUCT, AND REPLACE DESIGNATED BRIDGES IN THE STATE; AND

(II) IMPOSE A BRIDGE SAFETY SURCHARGE AT RATES REASONABLY CALCULATED TO DEFRAID THE COSTS OF COMPLETING DESIGNATED BRIDGE PROJECTS AND DISTRIBUTE THE BURDEN OF DEFRAIDING THE COSTS IN A MANNER BASED ON THE BENEFITS RECEIVED BY PERSONS PAYING THE FEES AND USING DESIGNATED BRIDGES, RECEIVE AND EXPEND REVENUES GENERATED BY THE SURCHARGE AND OTHER MONEYS, ISSUE REVENUE BONDS AND OTHER OBLIGATIONS, CONTRACT WITH THE STATE, IF REQUIRED APPROVALS ARE OBTAINED, TO RECEIVE ONE OR MORE LOANS OF MONEYS RECEIVED BY THE STATE UNDER THE TERMS OF ONE OR MORE LEASE-PURCHASE AGREEMENTS AUTHORIZED BY THIS PART 8, EXPEND REVENUES GENERATED BY THE SURCHARGE TO REPAY ANY SUCH LOAN OR LOANS RECEIVED, AND EXERCISE OTHER POWERS NECESSARY AND APPROPRIATE TO CARRY OUT ITS PURPOSES; AND

(c) THE CREATION OF A STATEWIDE BRIDGE ENTERPRISE IS IN THE PUBLIC INTEREST AND WILL PROMOTE THE HEALTH, SAFETY, AND WELFARE OF ALL COLORADANS AND VISITORS TO THE STATE BY PROVIDING BRIDGES THAT INCORPORATE THE BENEFITS OF ADVANCED ENGINEERING DESIGN, EXPERIENCE, AND SAFETY.

(2) (a) (I) THE STATEWIDE BRIDGE ENTERPRISE IS HEREBY CREATED. THE BRIDGE ENTERPRISE SHALL BE AND SHALL OPERATE AS A GOVERNMENT-OWNED BUSINESS WITHIN THE DEPARTMENT. THE COMMISSION SHALL SERVE AS THE BRIDGE ENTERPRISE BOARD AND SHALL, WITH THE CONSENT OF THE EXECUTIVE DIRECTOR, APPOINT A BRIDGE ENTERPRISE DIRECTOR WHO SHALL POSSESS SUCH QUALIFICATIONS AS MAY BE ESTABLISHED BY THE COMMISSION AND THE STATE PERSONNEL BOARD. THE BRIDGE ENTERPRISE DIRECTOR SHALL OVERSEE THE DISCHARGE OF ALL RESPONSIBILITIES OF THE BRIDGE ENTERPRISE AND SHALL SERVE AT THE PLEASURE OF THE BRIDGE ENTERPRISE BOARD.

(II) THE BRIDGE ENTERPRISE AND THE BRIDGE ENTERPRISE DIRECTOR SHALL EXERCISE THEIR POWERS AND PERFORM THEIR DUTIES AS IF THE SAME WERE TRANSFERRED TO THE DEPARTMENT BY A **TYPE 1** TRANSFER, AS DEFINED IN SECTION 24-1-105, C.R.S.

(b) THE BUSINESS PURPOSE OF THE BRIDGE ENTERPRISE IS TO FINANCE, REPAIR, RECONSTRUCT, AND REPLACE ANY DESIGNATED BRIDGE IN THE STATE AND, AS AGREED UPON BY THE ENTERPRISE AND THE COMMISSION, OR THE DEPARTMENT TO THE EXTENT AUTHORIZED BY THE COMMISSION, TO MAINTAIN THE BRIDGES IT FINANCES, REPAIRS, RECONSTRUCTS, AND REPLACES. TO ALLOW THE BRIDGE ENTERPRISE TO ACCOMPLISH THIS PURPOSE AND FULLY EXERCISE ITS POWERS AND DUTIES THROUGH THE BRIDGE ENTERPRISE BOARD, THE BRIDGE ENTERPRISE MAY:

(I) IMPOSE A BRIDGE SAFETY SURCHARGE AS AUTHORIZED IN PARAGRAPH (g) OF SUBSECTION (5) OF THIS SECTION;

(II) ISSUE REVENUE BONDS PAYABLE FROM THE REVENUES AND OTHER AVAILABLE MONEYS OF THE BRIDGE ENTERPRISE PLEDGED FOR THEIR PAYMENT AS AUTHORIZED IN SECTION 43-4-807; AND

(III) CONTRACT WITH ANY OTHER GOVERNMENTAL OR NONGOVERNMENTAL SOURCE OF FUNDING FOR LOANS OR GRANTS, INCLUDING, BUT NOT LIMITED TO, ONE OR MORE LOANS FROM THE STATE OF MONEYS RECEIVED BY THE STATE PURSUANT TO THE TERMS OF ONE OR MORE LEASE-PURCHASE AGREEMENTS AUTHORIZED PURSUANT TO PARAGRAPH (r) OF SUBSECTION (5) OF THIS SECTION, TO BE USED TO SUPPORT BRIDGE ENTERPRISE FUNCTIONS.

(c) THE BRIDGE ENTERPRISE SHALL CONSTITUTE AN ENTERPRISE FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION SO LONG AS IT RETAINS THE AUTHORITY TO ISSUE REVENUE BONDS AND RECEIVES LESS THAN TEN PERCENT OF ITS TOTAL REVENUES IN GRANTS FROM ALL COLORADO STATE AND LOCAL GOVERNMENTS COMBINED. SO LONG AS IT CONSTITUTES AN ENTERPRISE PURSUANT TO THIS PARAGRAPH (c), THE BRIDGE ENTERPRISE SHALL NOT BE SUBJECT TO ANY PROVISIONS OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION. CONSISTENT WITH THE DETERMINATION OF THE COLORADO SUPREME COURT IN *NICHOLL V. E-470 PUBLIC HIGHWAY AUTHORITY*, 896 P.2d 859 (COLO. 1995), THAT THE POWER TO IMPOSE TAXES IS INCONSISTENT WITH "ENTERPRISE" STATUS UNDER SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION, THE GENERAL ASSEMBLY FINDS AND DECLARES THAT A BRIDGE SAFETY SURCHARGE IMPOSED BY THE BRIDGE ENTERPRISE PURSUANT TO PARAGRAPH (g) OF SUBSECTION (5) OF THIS SECTION IS NOT A TAX BUT IS INSTEAD A FEE IMPOSED BY THE BRIDGE ENTERPRISE TO DEFRAY THE COST OF COMPLETING DESIGNATED BRIDGE PROJECTS THAT THE ENTERPRISE PROVIDES AS A SPECIFIC SERVICE TO THE PERSONS UPON WHOM THE FEE IS IMPOSED AND AT RATES REASONABLY CALCULATED BASED ON THE BENEFITS RECEIVED BY SUCH PERSONS.

(3)(a) THE STATEWIDE BRIDGE ENTERPRISE SPECIAL REVENUE FUND, REFERRED TO IN THIS PART 8 AS THE "BRIDGE SPECIAL FUND", IS HEREBY CREATED IN THE STATE TREASURY. ALL REVENUES RECEIVED BY THE BRIDGE ENTERPRISE, INCLUDING, BUT NOT LIMITED TO, ANY REVENUES FROM A BRIDGE SAFETY SURCHARGE COLLECTED PURSUANT TO PARAGRAPH (g) OF SUBSECTION (5) OF THIS SECTION AND ANY MONEYS LOANED TO THE ENTERPRISE BY THE STATE PURSUANT TO PARAGRAPH (r) OF SUBSECTION (5) OF THIS SECTION, SHALL BE DEPOSITED INTO THE BRIDGE SPECIAL FUND. THE BRIDGE ENTERPRISE BOARD MAY ESTABLISH SEPARATE ACCOUNTS WITHIN THE BRIDGE SPECIAL FUND AS NEEDED IN CONNECTION WITH ANY SPECIFIC DESIGNATED BRIDGE PROJECT. THE BRIDGE ENTERPRISE ALSO MAY DEPOSIT OR PERMIT OTHERS TO DEPOSIT OTHER MONEYS INTO THE BRIDGE SPECIAL FUND, BUT IN NO EVENT MAY REVENUES FROM ANY TAX OTHERWISE AVAILABLE FOR GENERAL PURPOSES BE DEPOSITED INTO THE BRIDGE SPECIAL FUND. THE STATE TREASURER, AFTER CONSULTING WITH THE BRIDGE ENTERPRISE BOARD, SHALL INVEST ANY MONEYS IN THE BRIDGE SPECIAL FUND, INCLUDING ANY SURPLUS OR RESERVES, BUT EXCLUDING ANY PROCEEDS FROM THE SALE OF BONDS OR EARNINGS ON SUCH PROCEEDS INVESTED PURSUANT TO SECTION 43-4-807 (2), THAT ARE NOT NEEDED FOR

IMMEDIATE USE. SUCH MONEYS MAY BE INVESTED IN THE TYPES OF INVESTMENTS AUTHORIZED IN SECTIONS 24-36-109, 24-36-112, AND 24-36-113, C.R.S.

(b) ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEYS IN THE BRIDGE SPECIAL FUND SHALL BE CREDITED TO THE BRIDGE SPECIAL FUND AND, IF APPLICABLE, TO THE APPROPRIATE DESIGNATED BRIDGE PROJECT ACCOUNT. MONEYS IN THE BRIDGE SPECIAL FUND SHALL BE CONTINUOUSLY APPROPRIATED TO THE BRIDGE ENTERPRISE FOR THE PURPOSES SET FORTH IN THIS PART 8. ALL MONEYS DEPOSITED IN THE BRIDGE SPECIAL FUND SHALL REMAIN IN THE BRIDGE SPECIAL FUND FOR THE PURPOSES SET FORTH IN THIS PART 8, AND NO PART OF THE BRIDGE SPECIAL FUND SHALL BE USED FOR ANY OTHER PURPOSE.

(c) THE BRIDGE ENTERPRISE MAY EXPEND MONEYS IN THE BRIDGE SPECIAL FUND TO PAY BOND OR LOAN OBLIGATIONS, TO FUND THE ADMINISTRATION, PLANNING, FINANCING, REPAIR, RECONSTRUCTION, REPLACEMENT, OR MAINTENANCE OF DESIGNATED BRIDGES, AND FOR THE ACQUISITION OF LAND TO THE EXTENT REQUIRED IN CONNECTION WITH ANY DESIGNATED BRIDGE PROJECT. THE BRIDGE ENTERPRISE MAY ALSO EXPEND MONEYS IN THE BRIDGE SPECIAL FUND TO PAY ITS OPERATING COSTS AND EXPENSES. THE BRIDGE ENTERPRISE BOARD SHALL HAVE EXCLUSIVE AUTHORITY TO BUDGET AND APPROVE THE EXPENDITURE OF MONEYS IN THE BRIDGE SPECIAL FUND.

(4) THE COMMISSION MAY TRANSFER MONEYS FROM THE STATE HIGHWAY FUND CREATED IN SECTION 43-1-219 TO THE BRIDGE ENTERPRISE FOR THE PURPOSE OF DEFRAYING EXPENSES INCURRED BY THE ENTERPRISE PRIOR TO THE RECEIPT OF BOND PROCEEDS OR REVENUES BY THE ENTERPRISE. THE BRIDGE ENTERPRISE MAY ACCEPT AND EXPEND ANY MONEYS SO TRANSFERRED, AND, NOTWITHSTANDING ANY STATE FISCAL RULE OR GENERALLY ACCEPTED ACCOUNTING PRINCIPLE THAT COULD OTHERWISE BE INTERPRETED TO REQUIRE A CONTRARY CONCLUSION, SUCH A TRANSFER SHALL CONSTITUTE A LOAN FROM THE COMMISSION TO THE BRIDGE ENTERPRISE AND SHALL NOT BE CONSIDERED A GRANT FOR PURPOSES OF SECTION 20 (2) (d) OF ARTICLE X OF THE STATE CONSTITUTION. AS THE BRIDGE ENTERPRISE RECEIVES SUFFICIENT REVENUES IN EXCESS OF EXPENSES, THE ENTERPRISE SHALL REIMBURSE THE STATE HIGHWAY FUND FOR THE PRINCIPAL AMOUNT OF ANY LOAN FROM THE STATE HIGHWAY FUND MADE BY THE COMMISSION PLUS INTEREST AT A RATE SET BY THE COMMISSION. ANY

MONEYS LOANED FROM THE STATE HIGHWAY FUND TO THE BRIDGE ENTERPRISE PURSUANT TO THIS SECTION SHALL BE DEPOSITED INTO A FUND TO BE KNOWN AS THE STATEWIDE BRIDGE ENTERPRISE OPERATING FUND, WHICH FUND IS HEREBY CREATED, AND SHALL NOT BE DEPOSITED INTO THE BRIDGE SPECIAL FUND. MONEYS FROM THE BRIDGE SPECIAL FUND MAY, HOWEVER, BE USED TO REIMBURSE THE STATE HIGHWAY FUND FOR THE AMOUNT OF ANY LOAN FROM THE STATE HIGHWAY FUND OR ANY INTEREST THEREON.

(5) IN ADDITION TO ANY OTHER POWERS AND DUTIES SPECIFIED IN THIS SECTION, THE BRIDGE ENTERPRISE BOARD HAS THE FOLLOWING POWERS AND DUTIES:

(a) TO SUPERVISE AND ADVISE THE BRIDGE ENTERPRISE DIRECTOR;

(b) TO ADOPT BYLAWS FOR THE REGULATION OF ITS AFFAIRS AND THE CONDUCT OF ITS BUSINESS;

(c) TO ISSUE REVENUE BONDS, PAYABLE SOLELY FROM THE BRIDGE SPECIAL FUND, FOR THE PURPOSE OF PAYING THE COST OF FINANCING, REPAIRING, RECONSTRUCTING, REPLACING, AND MAINTAINING DESIGNATED BRIDGES;

(d) TO ACQUIRE, HOLD TITLE TO, AND DISPOSE OF REAL AND PERSONAL PROPERTY AS NECESSARY IN THE EXERCISE OF ITS POWERS AND PERFORMANCE OF ITS DUTIES;

(e) TO ACQUIRE, BY PURCHASE, GIFT, OR GRANT, OR, SUBJECT TO THE REQUIREMENTS OF ARTICLES 1 TO 7 OF TITLE 38, C.R.S., BY CONDEMNATION, ANY AND ALL RIGHTS-OF-WAY, LANDS, BUILDINGS, MONEYS, OR GROUNDS NECESSARY OR CONVENIENT FOR ITS AUTHORIZED PURPOSES;

(f) TO ENTER INTO AGREEMENTS WITH THE COMMISSION, OR THE DEPARTMENT TO THE EXTENT AUTHORIZED BY THE COMMISSION, UNDER WHICH THE BRIDGE ENTERPRISE AGREES TO FINANCE, REPAIR, RECONSTRUCT, REPLACE, AND, IF ANY GIVEN AGREEMENT SO SPECIFIES, MAINTAIN DESIGNATED BRIDGES AS SPECIFIED IN THE AGREEMENTS;

(g) (I) AS NECESSARY FOR THE ACHIEVEMENT OF ITS BUSINESS PURPOSE, TO IMPOSE A BRIDGE SAFETY SURCHARGE, WHICH, EXCEPT AS

OTHERWISE PROVIDED IN SUBPARAGRAPHS (III) AND (VII) OF THIS PARAGRAPH (g), SHALL BE IMPOSED, ON AND AFTER JULY 1, 2009, FOR ANY REGISTRATION PERIOD THAT COMMENCES ON OR AFTER JULY 1, 2009, OR ON AND AFTER SUCH LATER DATE AS MAY BE DETERMINED BY THE BRIDGE ENTERPRISE, FOR ANY REGISTRATION PERIOD THAT COMMENCES ON OR AFTER THE LATER DATE, UPON THE REGISTRATION OF ANY VEHICLE FOR WHICH A REGISTRATION FEE MUST BE PAID PURSUANT TO THE PROVISIONS OF PART 3 OF ARTICLE 3 OF TITLE 42, C.R.S. EXCEPT AS OTHERWISE PROVIDED IN SUBPARAGRAPHS (IV), (V), AND (VI) OF THIS PARAGRAPH (g), THE AMOUNT OF THE SURCHARGE SHALL NOT EXCEED:

(A) THIRTEEN DOLLARS FOR ANY VEHICLE THAT IS A MOTORCYCLE, MOTORSCOOTER, OR MOTORBICYCLE, AS RESPECTIVELY DEFINED IN SECTION 42-1-102 (55) AND (59), C.R.S., OR THAT WEIGHS TWO THOUSAND POUNDS OR LESS;

(B) EIGHTEEN DOLLARS FOR ANY VEHICLE THAT WEIGHS MORE THAN TWO THOUSAND POUNDS BUT NOT MORE THAN FIVE THOUSAND POUNDS;

(C) TWENTY-THREE DOLLARS FOR ANY VEHICLE THAT WEIGHS MORE THAN FIVE THOUSAND POUNDS BUT NOT MORE THAN TEN THOUSAND POUNDS;

(D) TWENTY-NINE DOLLARS FOR ANY VEHICLE THAT IS A PASSENGER BUS OR THAT WEIGHS MORE THAN TEN THOUSAND POUNDS BUT NOT MORE THAN SIXTEEN THOUSAND POUNDS; AND

(E) THIRTY-TWO DOLLARS FOR ANY VEHICLE THAT WEIGHS MORE THAN SIXTEEN THOUSAND POUNDS.

(II) THE BRIDGE SAFETY SURCHARGE SHALL BE IMPOSED WHEN A VEHICLE IS REGISTERED AS REQUIRED BY ARTICLE 3 OF TITLE 42, C.R.S. EACH AUTHORIZED AGENT SHALL REMIT TO THE DEPARTMENT OF REVENUE NO LESS FREQUENTLY THAN ONCE A MONTH, BUT OTHERWISE AT THE TIME AND IN THE MANNER REQUIRED BY THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE, ALL BRIDGE SAFETY SURCHARGES COLLECTED BY THE AUTHORIZED AGENT. THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE SHALL FORWARD ALL BRIDGE SAFETY SURCHARGES REMITTED BY AUTHORIZED AGENTS PLUS ANY BRIDGE SAFETY SURCHARGES COLLECTED DIRECTLY BY THE DEPARTMENT OF REVENUE TO THE STATE TREASURER, WHO SHALL CREDIT THE SURCHARGES TO THE BRIDGE SPECIAL FUND.

(III) THE BRIDGE SAFETY SURCHARGE SHALL NOT BE IMPOSED ON ANY RENTAL VEHICLE ON WHICH A DAILY VEHICLE RENTAL FEE IS IMPOSED PURSUANT TO SECTION 43-4-804 (1) (b).

(IV) THE AMOUNT OF THE BRIDGE SAFETY SURCHARGE IMPOSED ON ANY VEHICLE THAT IS AN ITEM OF CLASS A PERSONAL PROPERTY, AS DEFINED IN SECTION 42-3-106 (2) (a), C.R.S., SHALL BE THE PRODUCT OF THE AMOUNT OF THE SURCHARGE IMPOSED BASED ON THE WEIGHT OF THE VEHICLE PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (g) AND THE PERCENTAGE OF THE ITEM'S TOTAL APPORTIONED REGISTRATION APPORTIONED TO COLORADO.

(V) THE MAXIMUM AMOUNT OF THE BRIDGE SAFETY SURCHARGE THAT THE BRIDGE ENTERPRISE MAY IMPOSE PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (g) FOR ANY ANNUAL VEHICLE REGISTRATION PERIOD COMMENCING DURING THE 2009-10 FISCAL YEAR SHALL BE ONE-HALF OF THE MAXIMUM AMOUNT OF THE SURCHARGE SPECIFIED IN SAID SUBPARAGRAPH (I), AND THE MAXIMUM AMOUNT OF THE BRIDGE SAFETY SURCHARGE THAT THE BRIDGE ENTERPRISE MAY IMPOSE PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (g) FOR ANY VEHICLE REGISTRATION PERIOD COMMENCING DURING THE 2010-11 FISCAL YEAR SHALL BE SEVENTY-FIVE PERCENT OF THE MAXIMUM AMOUNT OF THE SURCHARGE SPECIFIED IN SAID SUBPARAGRAPH (I).

(VI) THE AMOUNT OF ANY BRIDGE SAFETY SURCHARGE IMPOSED PURSUANT TO THIS PARAGRAPH (g) SHALL BE ONE-HALF OF THE AMOUNT OF THE SURCHARGE IMPOSED PURSUANT TO SUBPARAGRAPH (I) OF THIS PARAGRAPH (g) FOR ANY VEHICLE THAT IS A TRUCK OR TRUCK TRACTOR THAT IS OWNED BY A FARMER OR RANCHER AND IS USED COMMERCIALY ONLY:

(A) TO TRANSPORT TO MARKET OR PLACE OF STORAGE RAW AGRICULTURAL PRODUCTS ACTUALLY PRODUCED OR LIVESTOCK ACTUALLY RAISED BY THE FARMER OR RANCHER IN FARMING OR RANCHING OPERATIONS; OR

(B) TO TRANSPORT COMMODITIES OR LIVESTOCK PURCHASED BY THE FARMER OR RANCHER FOR PERSONAL USE IN THE FARMER'S OR RANCHER'S FARMING OR RANCHING OPERATIONS.

(VII) THE BRIDGE SAFETY SURCHARGE SHALL NOT BE IMPOSED ON ANY VEHICLE FOR WHICH THE DEPARTMENT OF REVENUE HAS ISSUED A HORSELESS CARRIAGE SPECIAL LICENSE PLATE PURSUANT TO SECTION 42-3-219 (1) (a), C.R.S.

(VIII) EACH VEHICLE REGISTRATION FEE INVOICE SHALL LIST THE BRIDGE SAFETY SURCHARGE SEPARATELY FROM ALL OTHER VEHICLE REGISTRATION FEES OR SURCHARGES IMPOSED.

(h) TO MAKE AND ENTER INTO CONTRACTS OR AGREEMENTS WITH A PRIVATE ENTITY, TO FACILITATE A PUBLIC-PRIVATE INITIATIVE PURSUANT TO SECTIONS 43-1-1203 AND 43-1-1204, INCLUDING, BUT NOT LIMITED TO:

(I) AN AGREEMENT PURSUANT TO WHICH THE BRIDGE ENTERPRISE OR THE ENTERPRISE ON BEHALF OF THE DEPARTMENT OPERATES, MAINTAINS, OR PROVIDES SERVICES OR PROPERTY IN CONNECTION WITH A DESIGNATED BRIDGE PROJECT; AND

(II) AN AGREEMENT PURSUANT TO WHICH A PRIVATE ENTITY DESIGNS, DEVELOPS, CONSTRUCTS, RECONSTRUCTS, REPAIRS, OPERATES, OR MAINTAINS ALL OR ANY PORTION OF A DESIGNATED BRIDGE PROJECT ON BEHALF OF THE BRIDGE ENTERPRISE;

(i) TO MAKE AND TO ENTER INTO ALL OTHER CONTRACTS OR AGREEMENTS, INCLUDING, BUT NOT LIMITED TO, DESIGN-BUILD CONTRACTS, AS DEFINED IN SECTION 43-1-1402 (3), AND INTERGOVERNMENTAL AGREEMENTS PURSUANT TO SECTION 29-1-203, C.R.S., THAT ARE NECESSARY OR INCIDENTAL TO THE EXERCISE OF ITS POWERS AND PERFORMANCE OF ITS DUTIES;

(j) TO EMPLOY OR CONTRACT FOR THE SERVICES OF CONSULTING ENGINEERS OR OTHER EXPERTS AS ARE NECESSARY IN ITS JUDGMENT TO CARRY OUT ITS POWERS AND DUTIES;

(k) TO PREPARE, OR CAUSE TO BE PREPARED, DETAILED PLANS, SPECIFICATIONS, OR ESTIMATES FOR ANY DESIGNATED BRIDGE PROJECT WITHIN THE STATE;

(l) IN CONNECTION WITH ANY DESIGNATED BRIDGE PROJECT, TO ACQUIRE, FINANCE, REPAIR, RECONSTRUCT, REPLACE, OPERATE, AND

MAINTAIN ANY DESIGNATED BRIDGE WITHIN THE STATE;

(m) TO SET AND ADOPT, ON AN ANNUAL BASIS, A BUDGET FOR THE BRIDGE ENTERPRISE;

(n) TO PURCHASE, TRADE, EXCHANGE, ACQUIRE, BUY, SELL, LEASE, LEASE WITH AN OPTION TO PURCHASE, DISPOSE OF, OR ENCUMBER REAL OR PERSONAL PROPERTY OR ANY INTEREST THEREIN, INCLUDING EASEMENTS AND RIGHTS-OF-WAY, WITHOUT RESTRICTION OR LIMITATION;

(o) TO ENTER INTO INTEREST RATE EXCHANGE AGREEMENTS FOR BONDS THAT HAVE BEEN ISSUED IN ACCORDANCE WITH ARTICLE 59.3 OF TITLE 11, C.R.S.;

(p) PURSUANT TO SECTION 24-1-107.5, C.R.S., TO ESTABLISH, CREATE, AND APPROVE NONPROFIT ENTITIES AND BONDS ISSUED BY OR ON BEHALF OF SUCH NONPROFIT ENTITIES FOR THE PURPOSE OF COMPLETING A DESIGNATED BRIDGE PROJECT, TO ACCEPT THE ASSETS OF ANY SUCH NONPROFIT ENTITY, TO OBTAIN AN OPTION TO ACQUIRE THE ASSETS OF ANY SUCH NONPROFIT ENTITY BY PAYING ITS BONDS, TO APPOINT OR APPROVE THE APPOINTMENT OF MEMBERS OF THE GOVERNING BOARD OF ANY SUCH NONPROFIT ENTITY, AND TO REMOVE THE MEMBERS OF THE GOVERNING BOARD OF ANY SUCH NONPROFIT ENTITY FOR CAUSE;

(q) TO TRANSFER MONEY, PROPERTY, OR OTHER ASSETS OF THE BRIDGE ENTERPRISE TO THE DEPARTMENT TO THE EXTENT NECESSARY TO IMPLEMENT THE FINANCING OF ANY DESIGNATED BRIDGE PROJECT OR FOR ANY OTHER PURPOSE AUTHORIZED IN THIS PART 8;

(r) (I) TO CONTRACT WITH THE STATE TO BORROW MONEYS UNDER THE TERMS OF ONE OR MORE LOAN CONTRACTS ENTERED INTO BY THE STATE AND THE BRIDGE ENTERPRISE PURSUANT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH (r), TO EXPEND ANY MONEYS BORROWED FROM THE STATE FOR THE PURPOSE OF COMPLETING DESIGNATED BRIDGE PROJECTS AND FOR ANY OTHER AUTHORIZED PURPOSE THAT CONSTITUTES THE CONSTRUCTION, SUPERVISION, AND MAINTENANCE OF THE PUBLIC HIGHWAYS OF THIS STATE FOR PURPOSES OF SECTION 18 OF ARTICLE X OF THE STATE CONSTITUTION, AND TO USE REVENUES GENERATED BY ANY BRIDGE SAFETY SURCHARGE IMPOSED PURSUANT TO PARAGRAPH (g) OF THIS SUBSECTION (5) AND ANY OTHER LEGALLY AVAILABLE MONEYS OF THE BRIDGE ENTERPRISE TO REPAY

THE MONEYS BORROWED AND ANY OTHER AMOUNTS PAYABLE UNDER THE TERMS OF THE LOAN CONTRACT.

(II) IF THE BRIDGE ENTERPRISE BOARD SEEKS TO ENTER INTO A CONTRACT TO BORROW MONEYS FROM THE STATE AS AUTHORIZED BY SUBPARAGRAPH (I) OF THIS PARAGRAPH (r), THE BOARD SHALL PROVIDE THE GOVERNOR WITH A LIST OF DESIGNATED BRIDGE PROJECTS TO BE FINANCED WITH THE BORROWED MONEYS AND A STATEMENT OF BOTH THE TOTAL AMOUNT OF THE LOAN REQUESTED AND THE ESTIMATED AMOUNT OF THE LOAN THAT WILL BE USED TO FUND EACH PROJECT ON THE LIST. IF THE GOVERNOR DETERMINES, IN THE GOVERNOR'S SOLE DISCRETION, THAT LENDING MONEYS TO THE BRIDGE ENTERPRISE AS REQUESTED BY THE ENTERPRISE, OR LENDING A LESSER AMOUNT OF MONEYS TO THE ENTERPRISE, IS IN THE BEST INTEREST OF THE STATE, THE GOVERNOR, AFTER CONSULTATION WITH THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF PERSONNEL AND THE STATE TREASURER, SHALL PREPARE AND PROVIDE TO THE STATE TREASURER A LIST OF STATE BUILDINGS OR OTHER STATE CAPITAL FACILITIES THAT THE STATE, ACTING BY AND THROUGH THE STATE TREASURER, MAY SELL OR LEASE AND LEASE BACK PURSUANT TO THE TERMS OF ONE OR MORE LEASE-PURCHASE AGREEMENTS THAT THE STATE, ACTING BY AND THROUGH THE STATE TREASURER, MAY ENTER INTO PURSUANT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH (r). WHEN PROVIDING THE LIST, THE GOVERNOR SHALL ALSO SPECIFY TO THE STATE TREASURER THE MAXIMUM PERMITTED PRINCIPAL AMOUNT OF ANY LOAN THAT MAY BE MADE TO THE BRIDGE ENTERPRISE UNDER THE TERMS OF ANY LOAN CONTRACT THAT THE STATE, ACTING BY AND THROUGH THE STATE TREASURER, MAY ENTER INTO PURSUANT TO SUB-SUBPARAGRAPH (A) OF SUBPARAGRAPH (III) OF THIS PARAGRAPH (r).

(III) (A) IF THE STATE TREASURER RECEIVES A LIST FROM THE GOVERNOR PURSUANT TO SUBPARAGRAPH (II) OF THIS PARAGRAPH (r), THE STATE, ACTING BY AND THROUGH THE STATE TREASURER, MAY ENTER INTO A LOAN CONTRACT WITH THE BRIDGE ENTERPRISE AND MAY RAISE THE MONEY NEEDED TO MAKE A LOAN PURSUANT TO THE TERMS OF THE LOAN CONTRACT BY SELLING OR LEASING ONE OR MORE OF THE STATE BUILDINGS OR OTHER STATE CAPITAL FACILITIES ON THE LIST. THE STATE TREASURER SHALL HAVE SOLE DISCRETION TO ENTER INTO A LOAN CONTRACT ON BEHALF OF THE STATE AND TO DETERMINE THE AMOUNT OF A LOAN; EXCEPT THAT THE PRINCIPAL AMOUNT OF A LOAN SHALL NOT EXCEED THE MAXIMUM AMOUNT SPECIFIED BY THE GOVERNOR PURSUANT TO SUBPARAGRAPH (II) OF

THIS PARAGRAPH (r). THE STATE TREASURER SHALL ALSO HAVE SOLE DISCRETION TO DETERMINE THE TIMING OF THE ENTRY OF THE STATE INTO ANY LOAN CONTRACT OR THE SALE OR LEASE OF ONE OR MORE STATE BUILDINGS OR OTHER STATE CAPITAL FACILITIES. THE LOAN CONTRACT SHALL REQUIRE THE BRIDGE ENTERPRISE TO PLEDGE TO THE STATE ALL OR A PORTION OF THE REVENUES OF ANY BRIDGE SAFETY SURCHARGE IMPOSED PURSUANT TO PARAGRAPH (g) OF THIS SUBSECTION (5) FOR THE REPAYMENT OF THE LOAN AND MAY ALSO REQUIRE THE ENTERPRISE TO PLEDGE TO THE STATE ANY OTHER LEGALLY AVAILABLE REVENUES OF THE ENTERPRISE. ANY LOAN CONTRACT ENTERED INTO BY THE STATE, ACTING BY AND THROUGH THE STATE TREASURER, AND THE BRIDGE ENTERPRISE PURSUANT TO THIS SUB-SUBPARAGRAPH (A) AND ANY PLEDGE OF REVENUES BY THE ENTERPRISE PURSUANT TO SUCH A LOAN CONTRACT SHALL BE ONLY FOR THE BENEFIT OF, AND ENFORCEABLE ONLY BY, THE STATE AND THE ENTERPRISE. SPECIFICALLY, BUT WITHOUT LIMITING THE GENERALITY OF SAID LIMITATION, NO SUCH LOAN CONTRACT OR PLEDGE SHALL BE FOR THE BENEFIT OF, OR ENFORCEABLE BY, A LESSOR UNDER A LEASE-PURCHASE AGREEMENT ENTERED INTO PURSUANT TO THIS SUBPARAGRAPH (III), AN OWNER OF ANY INSTRUMENT EVIDENCING RIGHTS TO RECEIVE RENTALS OR OTHER PAYMENTS MADE AND TO BE MADE UNDER SUCH A LEASE-PURCHASE AGREEMENT AS AUTHORIZED BY SUB-SUBPARAGRAPH (B) OF SUBPARAGRAPH (IV) OF THIS PARAGRAPH (r), A PARTY TO ANY ANCILLARY AGREEMENT OR INSTRUMENT ENTERED INTO PURSUANT TO SUBPARAGRAPH (V) OF THIS PARAGRAPH (r), OR A PARTY TO ANY INTEREST RATE EXCHANGE AGREEMENT ENTERED INTO PURSUANT TO SUB-SUBPARAGRAPH (A) OF SUBPARAGRAPH (VII) OF THIS PARAGRAPH (r).

(B) THE STATE, ACTING BY AND THROUGH THE STATE TREASURER, MAY ENTER INTO ONE OR MORE LEASE-PURCHASE AGREEMENTS WITH RESPECT TO THE STATE BUILDINGS OR OTHER CAPITAL FACILITIES SOLD OR LEASED PURSUANT TO SUB-SUBPARAGRAPH (A) OF THIS SUBPARAGRAPH (III) WITH ANY FOR-PROFIT OR NONPROFIT CORPORATION, TRUST, OR COMMERCIAL BANK ACTING AS A TRUSTEE, AS THE LESSOR.

(C) ANY LEASE-PURCHASE AGREEMENT AUTHORIZED PURSUANT TO SUB-SUBPARAGRAPH (B) OF THIS SUBPARAGRAPH (III) SHALL PROVIDE THAT ALL OF THE OBLIGATIONS OF THE STATE UNDER THE AGREEMENT SHALL BE SUBJECT TO THE ACTION OF THE GENERAL ASSEMBLY IN ANNUALLY MAKING MONEYS AVAILABLE FOR ALL PAYMENTS THEREUNDER.

(D) ANY LEASE-PURCHASE AGREEMENT AUTHORIZED PURSUANT TO SUB-SUBPARAGRAPH (B) OF THIS SUBPARAGRAPH (III) SHALL ALSO PROVIDE THAT THE OBLIGATIONS OF THE STATE UNDER THE AGREEMENT SHALL NOT BE DEEMED OR CONSTRUED AS CREATING AN INDEBTEDNESS OF THE STATE WITHIN THE MEANING OF ANY PROVISION OF THE STATE CONSTITUTION OR THE LAWS OF THIS STATE CONCERNING OR LIMITING THE CREATION OF INDEBTEDNESS BY THE STATE, AND SHALL NOT CONSTITUTE A MULTIPLE-FISCAL YEAR DIRECT OR INDIRECT DEBT OR OTHER FINANCIAL OBLIGATION OF THE STATE WITHIN THE MEANING OF SECTION 20 (4) (a) OF ARTICLE X OF THE STATE CONSTITUTION. IF THE STATE DOES NOT RENEW A LEASE-PURCHASE AGREEMENT AUTHORIZED PURSUANT TO SUB-SUBPARAGRAPH (B) OF THIS SUBPARAGRAPH (III), THE SOLE SECURITY AVAILABLE TO THE LESSOR SHALL BE THE PROPERTY THAT IS THE SUBJECT OF THE NONRENEWED LEASE-PURCHASE AGREEMENT.

(IV) (A) ANY LEASE-PURCHASE AGREEMENT AUTHORIZED PURSUANT TO SUB-SUBPARAGRAPH (B) OF SUBPARAGRAPH (III) OF THIS PARAGRAPH (r) MAY CONTAIN SUCH TERMS, PROVISIONS, AND CONDITIONS AS THE STATE TREASURER, ACTING ON BEHALF OF THE STATE, MAY DEEM APPROPRIATE, INCLUDING ALL OPTIONAL TERMS; EXCEPT THAT EACH LEASE-PURCHASE AGREEMENT SHALL SPECIFICALLY AUTHORIZE THE STATE TO RECEIVE FEE TITLE TO ALL REAL AND PERSONAL PROPERTY THAT IS THE SUBJECT OF THE LEASE-PURCHASE AGREEMENT ON OR PRIOR TO THE EXPIRATION OF THE TERMS OF THE LEASE-PURCHASE AGREEMENT UPON PAYMENT OF ALL AMOUNTS PAYABLE UNDER THE TERMS OF THE LEASE-PURCHASE AGREEMENT AND ANY AMOUNT REQUIRED TO BE PAID TO REMOVE LIENS OR ENCUMBRANCES ON OR CLAIMS WITH RESPECT TO THE PROPERTY THAT IS THE SUBJECT OF THE LEASE-PURCHASE AGREEMENT, INCLUDING, BUT NOT LIMITED TO, LIENS, ENCUMBRANCES, OR CLAIMS RELATING TO ANY ANCILLARY AGREEMENT OR INSTRUMENT ENTERED INTO PURSUANT TO SUB-SUBPARAGRAPH (A) OF SUBPARAGRAPH (VII) OF THIS PARAGRAPH (r). ANY TITLE TO SUCH PROPERTY RECEIVED BY THE STATE ON OR PRIOR TO THE EXPIRATION OF THE TERMS OF THE LEASE-PURCHASE AGREEMENT SHALL BE HELD FOR THE BENEFIT AND USE OF THE STATE.

(B) ANY LEASE-PURCHASE AGREEMENT AUTHORIZED PURSUANT TO SUB-SUBPARAGRAPH (B) OF SUBPARAGRAPH (III) OF THIS PARAGRAPH (r) MAY PROVIDE FOR THE ISSUANCE, DISTRIBUTION, AND SALE OF INSTRUMENTS EVIDENCING RIGHTS TO RECEIVE RENTALS AND OTHER PAYMENTS MADE AND TO BE MADE UNDER THE LEASE-PURCHASE AGREEMENT. THE INSTRUMENTS

MAY BE ISSUED, DISTRIBUTED, OR SOLD ONLY BY THE LESSOR OR ANY PERSON DESIGNATED BY THE LESSOR AND NOT BY THE STATE. THE INSTRUMENTS SHALL NOT CREATE A RELATIONSHIP BETWEEN THE PURCHASERS OF THE INSTRUMENTS AND THE STATE OR CREATE ANY OBLIGATION ON THE PART OF THE STATE TO THE PURCHASERS. THE INSTRUMENTS SHALL NOT BE NOTES, BONDS, OR ANY OTHER EVIDENCE OF INDEBTEDNESS OF THE STATE WITHIN THE MEANING OF ANY PROVISION OF THE STATE CONSTITUTION OR THE LAW OF THE STATE CONCERNING OR LIMITING THE CREATION OF INDEBTEDNESS OF THE STATE AND SHALL NOT CONSTITUTE A MULTIPLE-FISCAL YEAR DIRECT OR INDIRECT DEBT OR OTHER FINANCIAL OBLIGATION OF THE STATE WITHIN THE MEANING OF SECTION 20 (4) (a) OF ARTICLE X OF THE STATE CONSTITUTION.

(C) INTEREST PAID UNDER A LEASE-PURCHASE AGREEMENT AUTHORIZED PURSUANT TO SUB-SUBPARAGRAPH (B) OF SUBPARAGRAPH (III) OF THIS PARAGRAPH (r), INCLUDING INTEREST REPRESENTED BY THE INSTRUMENTS, SHALL BE EXEMPT FROM STATE INCOME TAX.

(V) THE STATE, ACTING BY AND THROUGH THE STATE TREASURER, MAY ENTER INTO ANCILLARY AGREEMENTS AND INSTRUMENTS DEEMED NECESSARY OR APPROPRIATE IN CONNECTION WITH A LEASE-PURCHASE AGREEMENT AUTHORIZED PURSUANT TO SUB-SUBPARAGRAPH (B) OF SUBPARAGRAPH (III) OF THIS PARAGRAPH (r), INCLUDING BUT NOT LIMITED TO DEEDS, LEASES, SUB-LEASES, EASEMENTS, OR OTHER INSTRUMENTS RELATING TO THE REAL PROPERTY ON WHICH THE FACILITIES ARE LOCATED OR AN AGREEMENT ENTERED INTO PURSUANT TO SUBPARAGRAPH (VII) OF THIS PARAGRAPH (r).

(VI) THE PROVISIONS OF SECTION 24-30-202 (5) (b), C.R.S., SHALL NOT APPLY TO A LEASE-PURCHASE AGREEMENT AUTHORIZED PURSUANT TO SUB-SUBPARAGRAPH (B) OF SUBPARAGRAPH (III) OF THIS PARAGRAPH (r) OR ANY ANCILLARY AGREEMENT OR INSTRUMENT OR INTEREST RATE EXCHANGE AGREEMENT ENTERED INTO PURSUANT TO SUBPARAGRAPH (V) OR SUB-SUBPARAGRAPH (A) OF SUBPARAGRAPH (VII) OF THIS PARAGRAPH (r). ANY PROVISION OF THE FISCAL RULES PROMULGATED PURSUANT TO SECTION 24-30-202 (1) AND (13), C.R.S., THAT THE STATE CONTROLLER DEEMS TO BE INCOMPATIBLE OR INAPPLICABLE WITH RESPECT TO SUCH A LEASE-PURCHASE AGREEMENT, ANCILLARY AGREEMENT OR INSTRUMENT, OR INTEREST RATE EXCHANGE AGREEMENT MAY BE WAIVED BY THE CONTROLLER OR HIS OR HER DESIGNEE.

(VII) (A) PRIOR TO EXECUTING A LEASE-PURCHASE AGREEMENT PURSUANT TO SUB-SUBPARAGRAPH (B) OF SUBPARAGRAPH (III) OF THIS PARAGRAPH (r), IN ORDER TO PROTECT AGAINST FUTURE INTEREST RATE INCREASES, THE LESSOR UNDER ANY LEASE-PURCHASE AGREEMENT OR THE STATE, ACTING BY AND THROUGH THE STATE TREASURER AND AT THE DISCRETION OF THE STATE TREASURER, MAY ENTER INTO AN INTEREST RATE EXCHANGE AGREEMENT IN ACCORDANCE WITH ARTICLE 59.3 OF TITLE 11, C.R.S. A LEASE-PURCHASE AGREEMENT ENTERED INTO PURSUANT TO SUB-SUBPARAGRAPH (B) OF SUBPARAGRAPH (III) OF THIS PARAGRAPH (r) SHALL BE A PROPOSED PUBLIC SECURITY FOR THE PURPOSES OF ARTICLE 59.3 OF TITLE 11, C.R.S.

(B) ANY AGREEMENT ENTERED INTO PURSUANT TO THIS SUBPARAGRAPH (VII) SHALL ALSO PROVIDE THAT THE OBLIGATIONS OF THE STATE SHALL NOT BE DEEMED OR CONSTRUED AS CREATING AN INDEBTEDNESS OF THE STATE WITHIN THE MEANING OF ANY PROVISION OF THE STATE CONSTITUTION OR THE LAWS OF THIS STATE CONCERNING OR LIMITING THE CREATION OF INDEBTEDNESS BY THE STATE AND SHALL NOT CONSTITUTE A MULTIPLE-FISCAL YEAR DIRECT OR INDIRECT DEBT OR OTHER FINANCIAL OBLIGATION OF THE STATE WITHIN THE MEANING OF SECTION 20 (4) (a) OF ARTICLE X OF THE STATE CONSTITUTION.

(C) ANY MONEYS RECEIVED BY THE STATE UNDER AN AGREEMENT ENTERED INTO PURSUANT TO THIS SUBPARAGRAPH (VII) SHALL BE USED TO MAKE PAYMENTS ON LEASE-PURCHASE AGREEMENTS ENTERED INTO PURSUANT TO SUB-SUBPARAGRAPH (A) OF SUBPARAGRAPH (III) OF THIS PARAGRAPH (r).

(s) TO HAVE AND EXERCISE ALL RIGHTS AND POWERS NECESSARY OR INCIDENTAL TO OR IMPLIED FROM THE SPECIFIC POWERS AND DUTIES GRANTED IN THIS SECTION.

(6) NO LATER THAN FEBRUARY 15, 2010, AND NO LATER THAN FEBRUARY 15 OF EACH YEAR THEREAFTER, THE BRIDGE ENTERPRISE SHALL PRESENT A REPORT TO THE COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE SENATE THAT HAVE JURISDICTION OVER TRANSPORTATION. THE REPORT SHALL INCLUDE A SUMMARY OF THE BRIDGE ENTERPRISE'S ACTIVITIES FOR THE PREVIOUS YEAR, A SUMMARY OF THE STATUS OF ANY CURRENT DESIGNATED BRIDGE PROJECTS, A STATEMENT OF THE ENTERPRISE'S REVENUES AND EXPENSES, AN ESTIMATE OF THE NUMBER OF JOBS CREATED

OR PRESERVED AS A RESULT OF THE ENTERPRISE'S ACTIVITIES, AND ANY RECOMMENDATIONS FOR STATUTORY CHANGES THAT THE ENTERPRISE DEEMS NECESSARY OR DESIRABLE. THE COMMITTEES SHALL REVIEW THE REPORT AND MAY RECOMMEND LEGISLATION. THE REPORT SHALL BE PUBLIC AND SHALL BE AVAILABLE ON THE WEB SITE OF THE DEPARTMENT ON OR BEFORE JANUARY 15 OF THE YEAR IN WHICH THE REPORT IS PRESENTED.

43-4-806. High-performance transportation enterprise - creation - board - funds - powers and duties - limitations - reporting requirements - legislative declaration. (1) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

(a) IT IS NECESSARY, APPROPRIATE, AND IN THE BEST INTERESTS OF THE STATE FOR THE STATE TO AGGRESSIVELY PURSUE INNOVATIVE MEANS OF MORE EFFICIENTLY FINANCING IMPORTANT SURFACE TRANSPORTATION INFRASTRUCTURE PROJECTS THAT WILL IMPROVE THE SAFETY, CAPACITY, AND ACCESSIBILITY OF THE SURFACE TRANSPORTATION SYSTEM, CAN FEASIBLY BE COMMENCED IN A REASONABLE AMOUNT OF TIME, WILL ALLOW MORE EFFICIENT MOVEMENT OF PEOPLE, GOODS, AND INFORMATION THROUGHOUT THE STATE, AND WILL ACCELERATE THE ECONOMIC RECOVERY OF THE STATE;

(b) SUCH INNOVATIVE MEANS OF FINANCING PROJECTS INCLUDE, BUT ARE NOT LIMITED TO, PUBLIC-PRIVATE PARTNERSHIPS, OPERATING CONCESSION AGREEMENTS, USER FEE-BASED PROJECT FINANCING, AND AVAILABILITY PAYMENT AND DESIGN-BUILD CONTRACTING; AND

(c) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE HIGH-PERFORMANCE TRANSPORTATION ENTERPRISE CREATED IN THIS SECTION ACTIVELY SEEK OUT OPPORTUNITIES FOR PUBLIC-PRIVATE PARTNERSHIPS FOR THE PURPOSE OF COMPLETING SURFACE TRANSPORTATION INFRASTRUCTURE PROJECTS AND THAT THIS SECTION BE BROADLY CONSTRUED TO ALLOW THE TRANSPORTATION ENTERPRISE SUFFICIENT FLEXIBILITY, CONSISTENT WITH THE REQUIREMENTS OF THE STATE CONSTITUTION, TO PURSUE ANY AVAILABLE MEANS OF FINANCING SUCH SURFACE TRANSPORTATION INFRASTRUCTURE PROJECTS THAT WILL ALLOW THE EFFICIENT COMPLETION OF THE PROJECTS.

(2) (a) (I) THE HIGH-PERFORMANCE TRANSPORTATION ENTERPRISE IS HEREBY CREATED. THE TRANSPORTATION ENTERPRISE SHALL OPERATE AS A

GOVERNMENT-OWNED BUSINESS WITHIN THE DEPARTMENT AND SHALL BE A DIVISION OF THE DEPARTMENT. THE BOARD OF THE TRANSPORTATION ENTERPRISE SHALL CONSIST OF THE FOLLOWING SEVEN MEMBERS:

(A) FOUR MEMBERS APPOINTED BY THE GOVERNOR, EACH OF WHOM SHALL HAVE PROFESSIONAL EXPERTISE IN TRANSPORTATION PLANNING OR DEVELOPMENT, LOCAL GOVERNMENT, DESIGN-BUILD CONTRACTING, PUBLIC OR PRIVATE FINANCE, ENGINEERING, ENVIRONMENTAL ISSUES, OR ANY OTHER AREA THAT THE GOVERNOR BELIEVES WILL BENEFIT THE BOARD IN THE EXECUTION OF ITS POWERS AND PERFORMANCE OF ITS DUTIES. THE GOVERNOR SHALL APPOINT ONE MEMBER WHO RESIDES WITHIN THE PLANNING AREA OF THE DENVER REGIONAL COUNCIL OF GOVERNMENTS, ONE MEMBER WHO RESIDES WITHIN THE PLANNING AREA OF THE PIKES PEAK AREA COUNCIL OF GOVERNMENTS, ONE MEMBER WHO RESIDES WITHIN THE PLANNING AREA OF THE NORTH FRONT RANGE METROPOLITAN PLANNING ORGANIZATION, AND ONE MEMBER WHO RESIDES WITHIN THE INTERSTATE 70 MOUNTAIN CORRIDOR.

(B) THREE MEMBERS OF THE COMMISSION APPOINTED BY RESOLUTION OF THE COMMISSION.

(II) INITIAL APPOINTMENTS TO THE TRANSPORTATION ENTERPRISE BOARD SHALL BE MADE NO LATER THAN JULY 1, 2009. MEMBERS OF THE BOARD SHALL SERVE AT THE PLEASURE OF THE APPOINTING AUTHORITY AND WITHOUT COMPENSATION. VACANCIES IN THE MEMBERSHIP OF THE TRANSPORTATION ENTERPRISE BOARD SHALL BE FILLED IN THE SAME MANNER AS REGULAR APPOINTMENTS.

(III) (A) THE TRANSPORTATION ENTERPRISE AND THE TRANSPORTATION ENTERPRISE DIRECTOR SHALL EXERCISE THEIR POWERS AND PERFORM THEIR DUTIES AS IF THE SAME WERE TRANSFERRED TO THE DEPARTMENT BY A **TYPE 1** TRANSFER, AS DEFINED IN SECTION 24-1-105, C.R.S.

(B) THE STATEWIDE TOLLING ENTERPRISE, CREATED BY THE COMMISSION PURSUANT TO SECTION 43-4-803 (1), PRIOR TO THE REPEAL AND REENACTMENT OF SAID SECTION BY SENATE BILL 09-108, ENACTED IN 2009, AND ITS POWERS, DUTIES, AND FUNCTIONS ARE TRANSFERRED BY A **TYPE 3** TRANSFER, AS DEFINED IN SECTION 24-1-105, C.R.S., TO THE TRANSPORTATION ENTERPRISE, AND THE STATEWIDE TOLLING ENTERPRISE IS

ABOLISHED.

(b) THE TRANSPORTATION ENTERPRISE BOARD SHALL, WITH THE CONSENT OF THE EXECUTIVE DIRECTOR, APPOINT A DIRECTOR OF THE ENTERPRISE WHO SHALL POSSESS SUCH QUALIFICATIONS AS MAY BE ESTABLISHED BY THE BOARD AND THE STATE PERSONNEL BOARD. THE DIRECTOR SHALL OVERSEE THE DISCHARGE OF ALL RESPONSIBILITIES OF THE TRANSPORTATION ENTERPRISE AND SHALL SERVE AT THE PLEASURE OF THE BOARD.

(c) THE BUSINESS PURPOSE OF THE TRANSPORTATION ENTERPRISE IS TO PURSUE PUBLIC-PRIVATE PARTNERSHIPS AND OTHER INNOVATIVE AND EFFICIENT MEANS OF COMPLETING SURFACE TRANSPORTATION INFRASTRUCTURE PROJECTS. TO ALLOW THE TRANSPORTATION ENTERPRISE TO ACCOMPLISH THIS PURPOSE AND FULLY EXERCISE ITS POWERS AND DUTIES THROUGH THE TRANSPORTATION ENTERPRISE BOARD, THE TRANSPORTATION ENTERPRISE MAY:

(I) SUBJECT TO THE LIMITATIONS SPECIFIED IN SECTION 43-4-808 (3), IMPOSE USER FEES FOR THE PRIVILEGE OF USING SURFACE TRANSPORTATION INFRASTRUCTURE;

(II) ISSUE OR REISSUE REVENUE BONDS PAYABLE FROM THE REVENUES AND OTHER AVAILABLE MONEYS OF THE TRANSPORTATION ENTERPRISE PLEDGED FOR THEIR PAYMENT AS AUTHORIZED IN SECTION 43-4-807;

(III) CONTRACT WITH ANY OTHER GOVERNMENTAL OR NONGOVERNMENTAL SOURCE OF FUNDING FOR LOANS OR GRANTS TO BE USED TO SUPPORT TRANSPORTATION ENTERPRISE FUNCTIONS; AND

(IV) SEEK OUT AND ENTER INTO PUBLIC-PRIVATE PARTNERSHIPS.

(d) THE TRANSPORTATION ENTERPRISE SHALL CONSTITUTE AN ENTERPRISE FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION SO LONG AS IT RETAINS THE AUTHORITY TO ISSUE REVENUE BONDS AND RECEIVES LESS THAN TEN PERCENT OF ITS TOTAL REVENUES IN GRANTS FROM ALL COLORADO STATE AND LOCAL GOVERNMENTS COMBINED. SO LONG AS IT CONSTITUTES AN ENTERPRISE PURSUANT TO THIS PARAGRAPH (d), THE TRANSPORTATION ENTERPRISE SHALL NOT BE SUBJECT TO ANY

PROVISIONS OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION.

(3) (a) THE STATEWIDE TRANSPORTATION ENTERPRISE SPECIAL REVENUE FUND, REFERRED TO IN THIS PART 8 AS THE "TRANSPORTATION SPECIAL FUND", IS HEREBY CREATED IN THE STATE TREASURY. ALL REVENUES RECEIVED BY THE TRANSPORTATION ENTERPRISE, INCLUDING ANY REVENUES FROM USER FEES COLLECTED PURSUANT TO SUBPARAGRAPH (I) OF PARAGRAPH (c) OF SUBSECTION (2) OF THIS SECTION, SHALL BE DEPOSITED INTO THE TRANSPORTATION SPECIAL FUND. THE TRANSPORTATION ENTERPRISE BOARD MAY ESTABLISH SEPARATE ACCOUNTS WITHIN THE TRANSPORTATION SPECIAL FUND AS NEEDED IN CONNECTION WITH ANY SPECIFIC SURFACE TRANSPORTATION INFRASTRUCTURE PROJECT. THE TRANSPORTATION ENTERPRISE ALSO MAY DEPOSIT OR PERMIT OTHERS TO DEPOSIT OTHER MONEYS INTO THE TRANSPORTATION SPECIAL FUND, BUT IN NO EVENT MAY REVENUES FROM ANY TAX OTHERWISE AVAILABLE FOR GENERAL PURPOSES BE DEPOSITED INTO THE TRANSPORTATION SPECIAL FUND. THE STATE TREASURER, AFTER CONSULTING WITH THE TRANSPORTATION ENTERPRISE BOARD, SHALL INVEST ANY MONEYS IN THE TRANSPORTATION SPECIAL FUND, INCLUDING ANY SURPLUS OR RESERVES, BUT EXCLUDING ANY PROCEEDS FROM THE SALE OF BONDS OR EARNINGS ON SUCH PROCEEDS INVESTED PURSUANT SECTION 43-4-807 (2), THAT ARE NOT NEEDED FOR IMMEDIATE USE. SUCH MONEYS MAY BE INVESTED IN THE TYPES OF INVESTMENTS AUTHORIZED IN SECTIONS 24-36-109, 24-36-112, AND 24-36-113, C.R.S.

(b) ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEYS IN THE TRANSPORTATION SPECIAL FUND SHALL BE CREDITED TO THE TRANSPORTATION SPECIAL FUND AND, IF APPLICABLE, TO THE APPROPRIATE SURFACE TRANSPORTATION INFRASTRUCTURE PROJECT ACCOUNT. MONEYS IN THE TRANSPORTATION SPECIAL FUND SHALL BE CONTINUOUSLY APPROPRIATED TO THE TRANSPORTATION ENTERPRISE FOR THE PURPOSES SET FORTH IN THIS PART 8. ALL MONEYS DEPOSITED IN THE TRANSPORTATION SPECIAL FUND SHALL REMAIN IN THE FUND FOR THE PURPOSES SET FORTH IN THIS PART 8, AND NO PART OF THE FUND SHALL BE USED FOR ANY OTHER PURPOSE.

(c) THE TRANSPORTATION ENTERPRISE SHALL PREPARE A SEPARATE ANNUAL ACCOUNTING OF THE USER FEES COLLECTED FROM ANY SURFACE TRANSPORTATION INFRASTRUCTURE PROJECT UPON WHICH ANY USER FEE IS IMPOSED; EXCEPT THAT A PARTNER OF THE ENTERPRISE MAY PREPARE THE

ANNUAL ACCOUNTING FOR A PROJECT UPON WHICH IT IMPOSES A USER FEE PURSUANT TO THE TERMS OF A PUBLIC-PRIVATE PARTNERSHIP.

(d) THE TRANSPORTATION ENTERPRISE MAY EXPEND MONEYS IN THE TRANSPORTATION SPECIAL FUND TO PAY BOND OBLIGATIONS, TO FUND SURFACE TRANSPORTATION INFRASTRUCTURE PROJECTS, AND FOR THE ACQUISITION OF LAND TO THE EXTENT REQUIRED IN CONNECTION WITH ANY SURFACE TRANSPORTATION INFRASTRUCTURE PROJECT. THE TRANSPORTATION ENTERPRISE MAY ALSO EXPEND MONEYS IN THE TRANSPORTATION SPECIAL FUND TO PAY ITS OPERATING COSTS AND EXPENSES. THE TRANSPORTATION ENTERPRISE BOARD SHALL HAVE EXCLUSIVE AUTHORITY TO BUDGET AND APPROVE THE EXPENDITURE OF MONEYS IN THE TRANSPORTATION SPECIAL FUND.

(4) THE COMMISSION MAY TRANSFER MONEYS FROM THE STATE HIGHWAY FUND CREATED IN SECTION 43-1-219 TO THE TRANSPORTATION ENTERPRISE FOR THE PURPOSE OF DEFRAYING EXPENSES INCURRED BY THE TRANSPORTATION ENTERPRISE PRIOR TO THE RECEIPT OF BOND PROCEEDS OR REVENUES BY THE ENTERPRISE. THE TRANSPORTATION ENTERPRISE MAY ACCEPT AND EXPEND ANY MONEYS SO TRANSFERRED, AND, NOTWITHSTANDING ANY STATE FISCAL RULE OR GENERALLY ACCEPTED ACCOUNTING PRINCIPLE THAT COULD OTHERWISE BE INTERPRETED TO REQUIRE A CONTRARY CONCLUSION, SUCH A TRANSFER SHALL CONSTITUTE A LOAN FROM THE COMMISSION TO THE TRANSPORTATION ENTERPRISE AND SHALL NOT BE CONSIDERED A GRANT FOR PURPOSES OF SECTION 20 (2) (d) OF ARTICLE X OF THE STATE CONSTITUTION. AS THE TRANSPORTATION ENTERPRISE RECEIVES SUFFICIENT REVENUES IN EXCESS OF EXPENDITURES, 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. ANY MONEYS LOANED TO THE TRANSPORTATION ENTERPRISE PURSUANT TO THIS SECTION SHALL BE DEPOSITED INTO A FUND TO BE KNOWN AS THE STATEWIDE TRANSPORTATION ENTERPRISE OPERATING FUND, WHICH FUND IS HEREBY CREATED, AND SHALL NOT BE DEPOSITED INTO THE TRANSPORTATION SPECIAL FUND. MONEYS FROM THE TRANSPORTATION SPECIAL FUND MAY, HOWEVER, BE USED TO REIMBURSE THE STATE HIGHWAY FUND FOR THE AMOUNT OF ANY LOAN OR ANY INTEREST THEREON.

(5) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, USER FEE REVENUES SHALL BE EXPENDED ONLY FOR PURPOSES AUTHORIZED

BY SUBSECTION (3) OF THIS SECTION AND ONLY FOR THE SURFACE TRANSPORTATION INFRASTRUCTURE PROJECT FOR WHICH THEY WERE COLLECTED, TO ADDRESS ONGOING CONGESTION MANAGEMENT NEEDS RELATED TO THE PROJECT, OR AS A PORTION OF THE EXPENDITURES MADE FOR ANOTHER SURFACE TRANSPORTATION INFRASTRUCTURE PROJECT THAT IS INTEGRATED WITH THE PROJECT AS PART OF A SURFACE TRANSPORTATION SYSTEM; EXCEPT THAT THE TRANSPORTATION ENTERPRISE BOARD MAY USE USER FEE REVENUES FROM EACH SURFACE TRANSPORTATION INFRASTRUCTURE PROJECT IN PROPORTION TO THE TOTAL AMOUNT OF SUCH REVENUES GENERATED BY THE PROJECT TO PAY OVERHEAD OF THE TRANSPORTATION ENTERPRISE.

(6) IN ADDITION TO ANY OTHER POWERS AND DUTIES SPECIFIED IN THIS SECTION, THE TRANSPORTATION ENTERPRISE BOARD SHALL HAVE THE FOLLOWING POWERS AND DUTIES:

(a) TO SUPERVISE AND ADVISE THE TRANSPORTATION ENTERPRISE DIRECTOR;

(b) TO ADOPT BYLAWS FOR THE REGULATION OF ITS AFFAIRS AND THE CONDUCT OF ITS BUSINESS;

(c) TO ISSUE REVENUE BONDS, PAYABLE SOLELY FROM THE TRANSPORTATION SPECIAL FUND, FOR THE PURPOSE OF COMPLETING SURFACE TRANSPORTATION INFRASTRUCTURE PROJECTS;

(d) TO ACQUIRE, HOLD TITLE TO, AND DISPOSE OF REAL AND PERSONAL PROPERTY AS NECESSARY IN THE EXERCISE OF ITS POWERS AND PERFORMANCE OF ITS DUTIES;

(e) TO ACQUIRE, BY PURCHASE, GIFT, OR GRANT, OR, SUBJECT TO THE REQUIREMENTS OF ARTICLES 1 TO 7 OF TITLE 38, C.R.S., BY CONDEMNATION, ANY AND ALL RIGHTS-OF-WAY, LANDS, BUILDINGS, MONEYS, OR GROUNDS NECESSARY OR CONVENIENT FOR ITS AUTHORIZED PURPOSES;

(f) TO ENTER INTO AGREEMENTS WITH THE COMMISSION, OR THE DEPARTMENT TO THE EXTENT AUTHORIZED BY THE COMMISSION, UNDER WHICH THE TRANSPORTATION ENTERPRISE AGREES TO COMPLETE SURFACE TRANSPORTATION INFRASTRUCTURE PROJECTS AS SPECIFIED IN THE AGREEMENTS;

(g) TO MAKE AND ENTER INTO CONTRACTS OR AGREEMENTS WITH ANY PRIVATE OR PUBLIC ENTITY TO FACILITATE A PUBLIC-PRIVATE PARTNERSHIP, INCLUDING, BUT NOT LIMITED TO:

(I) AN AGREEMENT PURSUANT TO WHICH THE TRANSPORTATION ENTERPRISE OR THE ENTERPRISE ON BEHALF OF THE DEPARTMENT OPERATES, MAINTAINS, OR PROVIDES SERVICES OR PROPERTY IN CONNECTION WITH A SURFACE TRANSPORTATION INFRASTRUCTURE PROJECT; OR

(II) AN AGREEMENT PURSUANT TO WHICH A PRIVATE ENTITY COMPLETES ALL OR ANY PORTION OF A SURFACE TRANSPORTATION INFRASTRUCTURE PROJECT ON BEHALF OF THE TRANSPORTATION ENTERPRISE;

(h) TO MAKE AND TO ENTER INTO ALL OTHER CONTRACTS OR AGREEMENTS, INCLUDING, BUT NOT LIMITED TO, DESIGN-BUILD CONTRACTS, AS DEFINED IN SECTION 43-1-1402 (3), AND INTERGOVERNMENTAL AGREEMENTS PURSUANT TO SECTION 29-1-203, C.R.S., THAT ARE NECESSARY OR INCIDENTAL TO THE EXERCISE OF ITS POWERS AND PERFORMANCE OF ITS DUTIES;

(i) TO EMPLOY OR CONTRACT FOR THE SERVICES OF CONSULTING ENGINEERS OR OTHER EXPERTS AS ARE NECESSARY IN ITS JUDGMENT TO CARRY OUT ITS POWERS AND DUTIES;

(j) TO PREPARE, OR CAUSE TO BE PREPARED, DETAILED PLANS, SPECIFICATIONS, OR ESTIMATES FOR ANY SURFACE TRANSPORTATION INFRASTRUCTURE PROJECT WITHIN THE STATE;

(k) IN CONNECTION WITH ANY SURFACE TRANSPORTATION INFRASTRUCTURE PROJECT, TO ACQUIRE, FINANCE, REPAIR, RECONSTRUCT, REPLACE, OPERATE, OR MAINTAIN ANY SURFACE TRANSPORTATION INFRASTRUCTURE WITHIN THE STATE;

(l) TO SET AND ADOPT, ON AN ANNUAL BASIS, A BUDGET FOR THE TRANSPORTATION ENTERPRISE;

(m) TO PURCHASE, TRADE, EXCHANGE, ACQUIRE, BUY, SELL, LEASE, LEASE WITH AN OPTION TO PURCHASE, DISPOSE OF, OR ENCUMBER REAL OR PERSONAL PROPERTY OR ANY INTEREST THEREIN, INCLUDING EASEMENTS AND RIGHTS-OF-WAY, WITHOUT RESTRICTION OR LIMITATION;

(n) TO ENTER INTO INTEREST RATE EXCHANGE AGREEMENTS FOR BONDS THAT HAVE BEEN ISSUED IN ACCORDANCE WITH ARTICLE 59.3 OF TITLE 11, C.R.S.;

(o) PURSUANT TO SECTION 24-1-107.5, C.R.S., TO ESTABLISH, CREATE, AND APPROVE NONPROFIT ENTITIES AND BONDS ISSUED BY OR ON BEHALF OF SUCH NONPROFIT ENTITIES FOR THE PURPOSE OF COMPLETING A SURFACE TRANSPORTATION INFRASTRUCTURE PROJECT, TO ACCEPT THE ASSETS OF ANY SUCH NONPROFIT ENTITY, TO OBTAIN AN OPTION TO ACQUIRE THE ASSETS OF ANY SUCH NONPROFIT ENTITY BY PAYING ITS BONDS, TO APPOINT OR APPROVE THE APPOINTMENT OF MEMBERS OF THE GOVERNING BOARD OF ANY SUCH NONPROFIT ENTITY, AND TO REMOVE THE MEMBERS OF THE GOVERNING BOARD OF ANY SUCH NONPROFIT ENTITY FOR CAUSE;

(p) TO TRANSFER MONEY, PROPERTY, OR OTHER ASSETS OF THE TRANSPORTATION ENTERPRISE TO THE DEPARTMENT TO THE EXTENT NECESSARY TO IMPLEMENT THE FINANCING OF ANY SURFACE TRANSPORTATION INFRASTRUCTURE PROJECT OR FOR ANY OTHER PURPOSE AUTHORIZED IN THIS PART 8; AND

(q) TO HAVE AND EXERCISE ALL RIGHTS AND POWERS NECESSARY OR INCIDENTAL TO OR IMPLIED FROM THE SPECIFIC POWERS AND DUTIES GRANTED IN THIS SECTION.

(7) (a) IN ADDITION TO THE POWERS AND DUTIES SPECIFIED IN SUBSECTION (6) OF THIS SECTION, THE TRANSPORTATION ENTERPRISE BOARD HAS THE DUTY TO EVALUATE ANY TOLL HIGHWAY IN THE STATE THAT IS OWNED AND OFFERED FOR SALE OR FOR LEASE AND AN OPERATING CONCESSION BY AN ENTITY OTHER THAN THE STATE IN ORDER TO DETERMINE WHETHER IT IS IN THE BEST INTERESTS OF THE STATE FOR THE TRANSPORTATION ENTERPRISE TO PURCHASE OR LEASE THE TOLL HIGHWAY OR A PARTIAL INTEREST IN THE TOLL HIGHWAY THAT IS BEING OFFERED FOR SALE, LEASE, OR CONCESSION OR ENTER INTO A PUBLIC-PRIVATE PARTNERSHIP IN CONNECTION WITH THE TOLL HIGHWAY. IN EVALUATING A TOLL HIGHWAY, THE TRANSPORTATION ENTERPRISE BOARD SHALL CONSIDER THE FINANCIAL COSTS AND BENEFITS TO THE STATE AND USERS OF THE TOLL HIGHWAY OF PURCHASING OR LEASING THE TOLL HIGHWAY OR A PARTIAL INTEREST IN THE TOLL HIGHWAY OR ENTERING INTO A PUBLIC-PRIVATE PARTNERSHIP IN CONNECTION WITH THE TOLL HIGHWAY; THE EFFECT OF SUCH A PURCHASE, LEASE, OR PUBLIC-PRIVATE PARTNERSHIP ON STATEWIDE,

REGIONAL, OR LOCAL TRANSPORTATION PLANS PREVIOUSLY ADOPTED AND ON FUTURE TRANSPORTATION PLANNING; AND ANY OTHER FACTORS DEEMED SIGNIFICANT BY THE BOARD. IN CONSIDERING THE EFFECT ON REGIONAL OR LOCAL TRANSPORTATION PLANS, THE TRANSPORTATION ENTERPRISE BOARD SHALL CONSULT WITH THE APPROPRIATE REGIONAL OR LOCAL TRANSPORTATION PLANNING AGENCY. SUBJECT TO CRITERIA, PROCEDURES, PROCESSES, AND RULES ESTABLISHED BY THE ENTITY OTHER THAN THE STATE OFFERING THE TOLL HIGHWAY FOR SALE OR FOR LEASE AND AN OPERATING CONCESSION INCLUDING, WITHOUT LIMITATION, PROVISIONS FOR REJECTING ALL BIDS OR PROPOSALS AND SHORT-LISTING BIDDERS AND PROPOSERS, AND WITHOUT ANY SPECIAL CONSIDERATION FOR EITHER PUBLIC OR PRIVATE SECTOR INTERESTS THAT MAY BID ON OR PROPOSE TO PURCHASE OR LEASE A TOLL HIGHWAY, THE TRANSPORTATION ENTERPRISE BOARD MAY BID ON OR PROPOSE TO PURCHASE OR LEASE A TOLL HIGHWAY OR A PARTIAL INTEREST IN A TOLL HIGHWAY SO OFFERED WITHOUT CHANGE OR DELAY OF SUCH CRITERIA, PROCEDURES, PROCESSES, AND RULES OR MAY ENTER INTO A PUBLIC-PRIVATE PARTNERSHIP IN CONNECTION WITH A TOLL HIGHWAY AND MAY FINANCE ALL OR A PORTION OF THE PURCHASE OR LEASE OF A TOLL HIGHWAY OR A PUBLIC-PRIVATE PARTNERSHIP ENTERED INTO IN CONNECTION WITH A TOLL HIGHWAY BY ISSUING BONDS AS AUTHORIZED BY SECTION 43-4-807 IF THE BOARD DETERMINES THAT THE PURCHASE, LEASE, OR PUBLIC-PRIVATE PARTNERSHIP IS IN THE BEST INTERESTS OF THE STATE. FUNDING TO PERFORM A TOLL HIGHWAY EVALUATION SHALL BE PROVIDED BY THE DEPARTMENT AND MANAGED BY THE TRANSPORTATION ENTERPRISE BOARD. AN ENTITY OTHER THAN THE STATE SHALL CONSIDER AND REPRESENT THE INTERESTS OF ITS CONSTITUENCY AT ALL TIMES DURING AND AFTER THE EVALUATION PROCESS CONDUCTED BY THE TRANSPORTATION ENTERPRISE BOARD PURSUANT TO THIS SUBSECTION (7).

(b) FOR PURPOSES OF THIS SUBSECTION (7), "ENTITY OTHER THAN THE STATE" MEANS A PUBLIC HIGHWAY AUTHORITY CREATED PURSUANT TO SECTION 43-4-504, A REGIONAL TRANSPORTATION AUTHORITY CREATED PURSUANT TO SECTION 43-4-603, A TOLL ROAD OR TOLL HIGHWAY COMPANY FORMED PURSUANT TO SECTION 7-45-101, C.R.S., OR ANY OTHER NATURAL PERSON OR ENTITY OTHER THAN THE STATE OR A DEPARTMENT OR AGENCY OF THE STATE THAT MAY OWN A TOLL HIGHWAY.

(c) THIS SUBSECTION (7) SHALL NOT BE CONSTRUED TO REQUIRE THE TRANSPORTATION ENTERPRISE BOARD TO PURCHASE OR LEASE ANY TOLL HIGHWAY OR PARTIAL INTEREST IN A TOLL HIGHWAY OR TO ENTER INTO ANY

PUBLIC-PRIVATE PARTNERSHIP IN CONNECTION WITH ANY TOLL HIGHWAY.

(8) (a) WHEN THE TRANSPORTATION ENTERPRISE BOARD DECIDES TO STUDY THE FEASIBILITY OR DESIRABILITY OF COMPLETING A SURFACE TRANSPORTATION INFRASTRUCTURE PROJECT THAT ADDS SUBSTANTIAL TRANSPORTATION CAPACITY OR SIGNIFICANTLY ALTERS TRAVEL PATTERNS, THE BOARD SHALL INVITE EVERY METROPOLITAN PLANNING ORGANIZATION OR OTHER TRANSPORTATION PLANNING REGION WITH PLANNING RESPONSIBILITY FOR ANY AREA IN WHICH THE PROJECT WILL BE LOCATED AND EVERY AFFECTED PUBLIC MASS TRANSIT OPERATOR, AS DEFINED IN SECTION 43-1-102 (5), PUBLIC HIGHWAY AUTHORITY CREATED PURSUANT TO PART 5 OF THIS ARTICLE, AND REGIONAL TRANSPORTATION AUTHORITY CREATED PURSUANT TO PART 6 OF THIS ARTICLE TO COLLABORATE WITH THE BOARD IN ITS STUDY AND REVIEW AND COMMENT REGARDING THE PROJECT. THE TRANSPORTATION ENTERPRISE BOARD AND A METROPOLITAN PLANNING ORGANIZATION, TRANSPORTATION PLANNING REGION, PUBLIC MASS TRANSIT OPERATOR, PUBLIC HIGHWAY AUTHORITY, OR REGIONAL TRANSPORTATION AUTHORITY MAY ENTER INTO AN INTERGOVERNMENTAL AGREEMENT TO DEFINE THE DEGREE OF COLLABORATION AND ANY SHARING OF COSTS AND REVENUES. THE TRANSPORTATION ENTERPRISE BOARD, IN COLLABORATION WITH THOSE METROPOLITAN PLANNING ORGANIZATIONS, TRANSPORTATION PLANNING REGIONS, PUBLIC MASS TRANSIT OPERATORS, AND AUTHORITIES THAT ARE ENTITLED TO AND WISH TO COLLABORATE WITH THE BOARD, MAY DEVELOP A PLAN FOR THE COMPLETION OF THE SURFACE TRANSPORTATION INFRASTRUCTURE PROJECT THAT ADDRESSES THE FEASIBILITY OF THE PROJECT, THE TECHNOLOGY TO BE UTILIZED, PROJECT FINANCING, AND ANY OTHER FEDERALLY REQUIRED INFORMATION.

(b) IN ORDER TO ENSURE THAT THE LIMITED RESOURCES AVAILABLE FOR THE COMPLETION OF MAJOR SURFACE TRANSPORTATION INFRASTRUCTURE PROJECTS ARE ALLOCATED ONLY TO PROJECTS DEEMED ESSENTIAL BY ALL IMPACTED METROPOLITAN PLANNING ORGANIZATIONS AND OTHER TRANSPORTATION PLANNING REGIONS, EVERY METROPOLITAN PLANNING ORGANIZATION OR OTHER TRANSPORTATION PLANNING REGION THAT INCLUDES TERRITORY IN WHICH ALL OR ANY PORTION OF A PROPOSED SURFACE TRANSPORTATION INFRASTRUCTURE PROJECT THAT WILL ADD SUBSTANTIAL TRANSPORTATION CAPACITY OR SIGNIFICANTLY ALTER TRAFFIC PATTERNS IS TO BE COMPLETED SHALL HAVE THE RIGHT TO PARTICIPATE IN THE PLANNING AND DEVELOPMENT, AND APPROVE THE COMPLETION, OF THE PROJECT. THE RIGHT OF PARTICIPATION SHALL EXTEND, WITHOUT

LIMITATION, TO DECISIONS REGARDING THE SCOPE OF THE PROJECT, THE TYPE OF SURFACE TRANSPORTATION INFRASTRUCTURE TO BE PROVIDED, PROJECT FINANCING, ALLOCATION OF PROJECT REVENUES, AND THE MANNER IN WHICH ANY USER FEES ARE TO BE IMPOSED. A SURFACE TRANSPORTATION INFRASTRUCTURE PROJECT SHALL NOT PROCEED PAST THE PLANNING STAGE UNTIL ALL METROPOLITAN PLANNING ORGANIZATIONS ENTITLED TO PARTICIPATE IN THE PLANNING, DEVELOPMENT, AND APPROVAL PROCESS, INCLUDING THE TRANSPORTATION ENTERPRISE AND ANY PARTNER OF THE ENTERPRISE UNDER THE TERMS OF A PUBLIC-PRIVATE PARTNERSHIP, HAVE APPROVED THE PROJECT.

(9) (a) THE TRANSPORTATION ENTERPRISE SHALL NOT SUPPLANT OR DUPLICATE THE SERVICES PROVIDED BY ANY PUBLIC MASS TRANSIT OPERATOR, AS DEFINED IN SECTION 43-1-102 (5), RAILROAD, PUBLIC HIGHWAY AUTHORITY CREATED PURSUANT TO PART 5 OF THIS ARTICLE, OR REGIONAL TRANSPORTATION AUTHORITY CREATED PURSUANT TO PART 6 OF THIS ARTICLE EXCEPT AS DESCRIBED IN DETAIL IN AN INTERGOVERNMENTAL AGREEMENT OR OTHER CONTRACTUAL AGREEMENT ENTERED INTO BY THE TRANSPORTATION ENTERPRISE AND THE OPERATOR, RAILROAD, OR AUTHORITY. THE CREATION OF AND UNDERTAKING OF SURFACE TRANSPORTATION INFRASTRUCTURE PROJECTS BY THE TRANSPORTATION ENTERPRISE PURSUANT TO THIS PART 8 IS NOT INTENDED TO DISCOURAGE ANY COMBINATION OF LOCAL GOVERNMENTS FROM FORMING A PUBLIC HIGHWAY AUTHORITY OR A REGIONAL TRANSPORTATION AUTHORITY.

(b) MONEYS MADE AVAILABLE FOR ANY SURFACE TRANSPORTATION INFRASTRUCTURE PROJECT PURSUANT TO THIS PART 8 SHALL NOT BE USED TO SUPPLANT EXISTING OR BUDGETED DEPARTMENT FUNDING FOR ANY PORTION OF THE STATE HIGHWAY SYSTEM WITHIN THE TERRITORY OF ANY TRANSPORTATION PLANNING REGION, AS DEFINED IN SECTION 43-1-1102 (8), THAT INCLUDES ANY PORTION OF THE PROJECT.

(10) NO LATER THAN FEBRUARY 15, 2010, AND NO LATER THAN FEBRUARY 15 OF EACH YEAR THEREAFTER, THE TRANSPORTATION ENTERPRISE SHALL PRESENT A REPORT TO THE COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE SENATE THAT HAVE JURISDICTION OVER TRANSPORTATION. THE REPORT SHALL INCLUDE A SUMMARY OF THE TRANSPORTATION ENTERPRISE'S ACTIVITIES FOR THE PREVIOUS YEAR, A SUMMARY OF THE STATUS OF ANY CURRENT SURFACE TRANSPORTATION INFRASTRUCTURE PROJECTS, A STATEMENT OF THE ENTERPRISE'S REVENUES

AND EXPENSES, AND ANY RECOMMENDATIONS FOR STATUTORY CHANGES THAT THE ENTERPRISE DEEMS NECESSARY OR DESIRABLE. THE COMMITTEES SHALL REVIEW THE REPORT AND MAY RECOMMEND LEGISLATION. THE REPORT SHALL BE PUBLIC AND SHALL BE AVAILABLE ON THE WEB SITE OF THE DEPARTMENT ON OR BEFORE JANUARY 15 OF THE YEAR IN WHICH THE REPORT IS PRESENTED.

43-4-807. Bonds - investments - bonds eligible for investment and exempt from taxation. (1) (a) BOTH THE BRIDGE ENTERPRISE AND THE TRANSPORTATION ENTERPRISE MAY, FROM TIME TO TIME, ISSUE BONDS FOR ANY OF THEIR CORPORATE PURPOSES. THE BONDS SHALL BE ISSUED PURSUANT TO RESOLUTION OF THE BRIDGE ENTERPRISE BOARD OR THE TRANSPORTATION ENTERPRISE BOARD AND SHALL BE PAYABLE SOLELY OUT OF ALL OR A SPECIFIED PORTION OF THE MONEYS IN THE BRIDGE SPECIAL FUND OR THE TRANSPORTATION SPECIAL FUND AS THE CASE MAY BE.

(b) BONDS MAY BE EXECUTED AND DELIVERED BY THE ISSUING ENTERPRISE AT SUCH TIMES; MAY BE IN SUCH FORM AND DENOMINATIONS AND INCLUDE SUCH TERMS AND MATURITIES; MAY BE SUBJECT TO OPTIONAL OR MANDATORY REDEMPTION PRIOR TO MATURITY WITH OR WITHOUT A PREMIUM; MAY BE IN FULLY REGISTERED FORM OR BEARER FORM REGISTRABLE AS TO PRINCIPAL OR INTEREST OR BOTH; MAY BEAR SUCH CONVERSION PRIVILEGES; MAY BE PAYABLE IN SUCH INSTALLMENTS AND AT SUCH TIMES NOT EXCEEDING FORTY-FIVE YEARS FROM THE DATE THEREOF; MAY BE PAYABLE AT SUCH PLACE OR PLACES WHETHER WITHIN OR WITHOUT THE STATE; MAY BEAR INTEREST AT SUCH RATE OR RATES PER ANNUM, WHICH MAY BE FIXED OR VARY ACCORDING TO INDEX, PROCEDURE, OR FORMULA OR AS DETERMINED BY THE ISSUING ENTERPRISE OR ITS AGENTS, WITHOUT REGARD TO ANY INTEREST RATE LIMITATION APPEARING IN ANY OTHER LAW OF THE STATE; MAY BE SUBJECT TO PURCHASE AT THE OPTION OF THE HOLDER OR THE ISSUING ENTERPRISE; MAY BE EVIDENCED IN SUCH MANNER; MAY BE EXECUTED BY SUCH OFFICERS OF THE ISSUING ENTERPRISE, INCLUDING THE USE OF ONE OR MORE FACSIMILE SIGNATURES SO LONG AS AT LEAST ONE MANUAL SIGNATURE APPEARS ON THE BONDS, WHICH MAY BE EITHER OF AN OFFICER OF THE ISSUING ENTERPRISE OR OF AN AGENT AUTHENTICATING THE SAME; MAY BE IN THE FORM OF COUPON BONDS THAT HAVE ATTACHED INTEREST COUPONS BEARING A MANUAL OR FACSIMILE SIGNATURE OF AN OFFICER OF THE ISSUING ENTERPRISE; AND MAY CONTAIN SUCH PROVISIONS NOT INCONSISTENT WITH THIS PART 8, ALL AS PROVIDED IN THE RESOLUTION OF THE ISSUING ENTERPRISE UNDER WHICH THE BONDS ARE AUTHORIZED TO

BE ISSUED OR AS PROVIDED IN A TRUST INDENTURE BETWEEN THE ISSUING ENTERPRISE AND ANY COMMERCIAL BANK OR TRUST COMPANY HAVING FULL TRUST POWERS.

(c) BONDS OF THE ISSUING ENTERPRISE MAY BE SOLD AT PUBLIC OR PRIVATE SALE AT SUCH PRICE OR PRICES, IN SUCH MANNER, AND AT SUCH TIMES AS DETERMINED BY THE BOARD OF THE ISSUING ENTERPRISE, AND THE BOARD MAY PAY ALL FEES, EXPENSES, AND COMMISSIONS THAT IT DEEMS NECESSARY OR ADVANTAGEOUS IN CONNECTION WITH THE SALE OF THE BONDS. THE POWER TO FIX THE DATE OF SALE OF THE BONDS, TO RECEIVE BIDS OR PROPOSALS, TO AWARD AND SELL BONDS, TO FIX INTEREST RATES, AND TO TAKE ALL OTHER ACTION NECESSARY TO SELL AND DELIVER THE BONDS MAY BE DELEGATED TO AN OFFICER OR AGENT OF THE ISSUING ENTERPRISE. ANY OUTSTANDING BONDS MAY BE REFUNDED BY THE ISSUING ENTERPRISE PURSUANT TO ARTICLE 56 OF TITLE 11, C.R.S. ALL BONDS AND ANY INTEREST COUPONS APPLICABLE THERETO ARE DECLARED TO BE NEGOTIABLE INSTRUMENTS.

(d) THE RESOLUTION OR TRUST INDENTURE AUTHORIZING THE ISSUANCE OF THE BONDS MAY PLEDGE ALL OR A PORTION OF THE BRIDGE SPECIAL FUND OR THE TRANSPORTATION SPECIAL FUND, AS THE CASE MAY BE; MAY, RESPECTIVELY, PLEDGE ALL OR A PORTION OF THE RIGHTS OF THE BRIDGE ENTERPRISE TO IMPOSE, AND RECEIVE THE REVENUES GENERATED BY, A BRIDGE SAFETY SURCHARGE AUTHORIZED BY SECTION 43-4-805 (5) (g) OR ALL OR A PORTION OF THE RIGHTS OF THE TRANSPORTATION ENTERPRISE TO IMPOSE, AND RECEIVE THE REVENUES GENERATED BY, ANY USER FEE OR OTHER CHARGE AUTHORIZED BY SECTION 43-4-806; MAY CONTAIN SUCH PROVISIONS FOR PROTECTING AND ENFORCING THE RIGHTS AND REMEDIES OF HOLDERS OF ANY OF THE BONDS AS THE ISSUING ENTERPRISE DEEMS APPROPRIATE; MAY SET FORTH THE RIGHTS AND REMEDIES OF THE HOLDERS OF ANY OF THE BONDS; AND MAY CONTAIN PROVISIONS THAT THE ISSUING ENTERPRISE DEEMS APPROPRIATE FOR THE SECURITY OF THE HOLDERS OF THE BONDS, INCLUDING, BUT NOT LIMITED TO, PROVISIONS FOR LETTERS OF CREDIT, INSURANCE, STANDBY CREDIT AGREEMENTS, OR OTHER FORMS OF CREDIT ENSURING TIMELY PAYMENT OF THE BONDS, INCLUDING THE REDEMPTION PRICE OR THE PURCHASE PRICE.

(e) ANY PLEDGE OF THE BRIDGE SPECIAL FUND, THE TRANSPORTATION SPECIAL FUND, OR OTHER PROPERTY MADE BY AN ISSUING ENTERPRISE OR BY ANY PERSON OR GOVERNMENTAL UNIT WITH WHICH AN ISSUING ENTERPRISE

CONTRACTS SHALL BE VALID AND BINDING FROM THE TIME THE PLEDGE IS MADE. THE PLEDGED SPECIAL FUND OR OTHER PLEDGED PROPERTY SHALL IMMEDIATELY BE SUBJECT TO THE LIEN OF THE PLEDGE WITHOUT ANY PHYSICAL DELIVERY OR FURTHER ACT, AND THE LIEN OF THE PLEDGE SHALL BE VALID AND BINDING AGAINST ALL PARTIES HAVING CLAIMS OF ANY KIND IN TORT, CONTRACT, OR OTHERWISE AGAINST THE PLEDGING PARTY REGARDLESS OF WHETHER THE CLAIMING PARTY HAS NOTICE OF THE LIEN. THE INSTRUMENT BY WHICH THE PLEDGE IS CREATED NEED NOT BE RECORDED OR FILED.

(f) NEITHER THE MEMBERS OF THE BOARD OF AN ISSUING ENTERPRISE, EMPLOYEES OF THE ISSUING ENTERPRISE, NOR ANY PERSON EXECUTING THE BONDS SHALL BE LIABLE PERSONALLY ON THE BONDS OR SUBJECT TO ANY PERSONAL LIABILITY BY REASON OF THE ISSUANCE THEREOF.

(g) AN ISSUING ENTERPRISE MAY PURCHASE ITS BONDS OUT OF ANY AVAILABLE MONEYS AND MAY HOLD, PLEDGE, CANCEL, OR RESELL SUCH BONDS SUBJECT TO AND IN ACCORDANCE WITH AGREEMENTS WITH THE HOLDERS THEREOF.

(2) AN ISSUING ENTERPRISE MAY INVEST OR DEPOSIT ANY PROCEEDS AND ANY INTEREST FROM THE SALE OF BONDS IN THE MANNER PROVIDED BY PART 6 OF ARTICLE 75 OF TITLE 24, C.R.S. IN ADDITION, AN ISSUING ENTERPRISE MAY DIRECT A CORPORATE TRUSTEE THAT HOLDS SUCH PROCEEDS AND ANY INTEREST TO INVEST OR DEPOSIT SUCH PROCEEDS AND ANY INTEREST IN INVESTMENTS OR DEPOSITS OTHER THAN THOSE SPECIFIED BY SAID PART 6 IF THE BOARD OF THE ISSUING ENTERPRISE DETERMINES, BY RESOLUTION, THAT THE INVESTMENT OR DEPOSIT MEETS THE STANDARD ESTABLISHED IN SECTION 15-1-304, C.R.S., THE INCOME IS AT LEAST COMPARABLE TO INCOME AVAILABLE ON INVESTMENTS OR DEPOSITS SPECIFIED BY SAID PART 6, AND THE INVESTMENT WILL ASSIST THE ISSUING ENTERPRISE IN THE COMPLETION OF A DESIGNATED BRIDGE PROJECT OR OTHER AUTHORIZED SURFACE TRANSPORTATION INFRASTRUCTURE PROJECT.

(3) ALL BANKS, TRUST COMPANIES, SAVINGS AND LOAN ASSOCIATIONS, INSURANCE COMPANIES, EXECUTORS, ADMINISTRATORS, GUARDIANS, TRUSTEES, AND OTHER FIDUCIARIES MAY LEGALLY INVEST ANY MONEYS WITHIN THEIR CONTROL IN ANY BONDS ISSUED UNDER THIS PART 8. PUBLIC ENTITIES, AS DEFINED IN SECTION 24-75-601 (1), C.R.S., MAY INVEST PUBLIC MONEYS IN SUCH BONDS ONLY IF THE BONDS SATISFY THE

INVESTMENT REQUIREMENTS ESTABLISHED IN PART 6 OF ARTICLE 75 OF TITLE 24, C.R.S.

(4) THE INCOME OR OTHER REVENUES OF THE BRIDGE ENTERPRISE AND THE TRANSPORTATION ENTERPRISE, ALL PROPERTIES AT ANY TIME OWNED BY EITHER ENTERPRISE, BONDS ISSUED BY EITHER ENTERPRISE, AND THE TRANSFER OF AND THE INCOME FROM ANY BONDS ISSUED BY EITHER ENTERPRISE SHALL BE EXEMPT FROM ALL TAXATION AND ASSESSMENTS IN THE STATE. IN THE RESOLUTION OR INDENTURE AUTHORIZING THE BONDS, THE ISSUING ENTERPRISE MAY WAIVE THE EXEMPTION FROM FEDERAL INCOME TAXATION FOR INTEREST ON THE BONDS. BONDS ISSUED BY AN ISSUING ENTERPRISE SHALL BE EXEMPT FROM THE PROVISIONS OF ARTICLE 51 OF TITLE 11, C.R.S.

43-4-808. Toll highways - special provisions - limitations.

(1) THE TRANSPORTATION ENTERPRISE OR ANY PARTNER OF THE ENTERPRISE OPERATING SURFACE TRANSPORTATION INFRASTRUCTURE THAT IS A TOLL HIGHWAY UNDER THE TERMS OF A PUBLIC-PRIVATE PARTNERSHIP SHALL, IN OPERATING THE TOLL HIGHWAY:

(a) ENSURE UNRESTRICTED ACCESS BY ALL VEHICLES TO THE TOLL HIGHWAY AND SHALL NOT REQUIRE THAT A PARTICULAR CLASS OF VEHICLES TRAVEL UPON THE TOLL HIGHWAY; EXCEPT THAT THE ENTERPRISE OR ITS PARTNER MAY DESIGNATE ONE OR MORE HIGHWAY LANES FOR HIGH-OCCUPANCY VEHICLE USE ONLY AND MAY RESTRICT ACCESS TO VEHICLES CARRYING HAZARDOUS MATERIALS OR OTHER VEHICLES TO THE EXTENT NECESSARY TO PROTECT THE HEALTH AND SAFETY OF THE PUBLIC; AND

(b) ALLOW ANY PUBLIC TRANSPORTATION VEHICLE TO TRAVEL ON THE TOLL HIGHWAY WITHOUT PAYING A USER FEE.

(2) (a) THE TRAFFIC LAWS OF THIS STATE, AND THOSE OF ANY MUNICIPALITY THROUGH WHICH A TOLL HIGHWAY PASSES, AND THE TRANSPORTATION ENTERPRISE'S REGULATIONS REGARDING TOLL COLLECTION AND ENFORCEMENT SHALL PERTAIN TO AND GOVERN THE USE OF THE TOLL HIGHWAY. STATE AND LOCAL LAW ENFORCEMENT AUTHORITIES ARE AUTHORIZED TO ENTER INTO TRAFFIC AND TOLL ENFORCEMENT AGREEMENTS WITH THE TRANSPORTATION ENTERPRISE. ANY MONEYS RECEIVED BY A STATE LAW ENFORCEMENT AUTHORITY PURSUANT TO A TOLL ENFORCEMENT

AGREEMENT SHALL BE SUBJECT TO ANNUAL APPROPRIATIONS BY THE GENERAL ASSEMBLY TO THE LAW ENFORCEMENT AUTHORITY FOR THE PURPOSE OF PERFORMING ITS DUTIES PURSUANT TO THE AGREEMENT.

(b) THE TRANSPORTATION ENTERPRISE MAY ADOPT, BY RESOLUTION OF THE TRANSPORTATION ENTERPRISE BOARD, RULES PERTAINING TO THE ENFORCEMENT OF TOLL COLLECTION AND PROVIDING A CIVIL PENALTY FOR TOLL EVASION. THE CIVIL PENALTY ESTABLISHED BY THE TRANSPORTATION ENTERPRISE FOR ANY TOLL EVASION SHALL BE NOT LESS THAN TEN DOLLARS NOR MORE THAN TWO HUNDRED FIFTY DOLLARS IN ADDITION TO ANY COSTS IMPOSED BY A COURT. THE TRANSPORTATION ENTERPRISE MAY USE STATE OF THE ART TECHNOLOGY, INCLUDING, BUT NOT LIMITED TO, AUTOMATIC VEHICLE IDENTIFICATION PHOTOGRAPHY, TO AID IN THE COLLECTION OF TOLLS AND ENFORCEMENT OF TOLL VIOLATIONS. THE USE OF STATE OF THE ART TECHNOLOGY TO AID IN ENFORCEMENT OF TOLL VIOLATIONS SHALL BE GOVERNED SOLELY BY THIS SECTION.

(c) (I) ANY PERSON WHO EVADES A TOLL ESTABLISHED BY THE TRANSPORTATION ENTERPRISE SHALL BE SUBJECT TO THE CIVIL PENALTY ESTABLISHED BY THE ENTERPRISE FOR TOLL EVASION. ANY PEACE OFFICER AS DESCRIBED IN SECTION 16-2.5-101, C.R.S., SHALL HAVE THE AUTHORITY TO ISSUE CIVIL PENALTY ASSESSMENTS, OR MUNICIPAL SUMMONS AND COMPLAINTS IF AUTHORIZED PURSUANT TO A MUNICIPAL ORDINANCE, FOR TOLL EVASION.

(II) AT ANY TIME THAT A PERSON IS CITED FOR TOLL EVASION, THE PERSON OPERATING THE MOTOR VEHICLE INVOLVED SHALL BE GIVEN EITHER A NOTICE IN THE FORM OF A CIVIL PENALTY ASSESSMENT NOTICE OR A MUNICIPAL SUMMONS AND COMPLAINT.

(III) IF A CIVIL PENALTY ASSESSMENT NOTICE IS ISSUED, THE NOTICE SHALL BE TENDERED BY A PEACE OFFICER AS DESCRIBED IN SECTION 16-2.5-101, C.R.S., AND SHALL CONTAIN THE NAME AND ADDRESS OF THE PERSON OPERATING THE MOTOR VEHICLE INVOLVED, THE LICENSE NUMBER OF THE MOTOR VEHICLE, THE PERSON'S DRIVER'S LICENSE NUMBER, THE NATURE OF THE VIOLATION, THE AMOUNT OF THE PENALTY PRESCRIBED FOR THE VIOLATION, THE DATE OF THE NOTICE, A PLACE FOR THE PERSON TO EXECUTE A SIGNED ACKNOWLEDGMENT OF THE PERSON'S RECEIPT OF THE CIVIL PENALTY ASSESSMENT NOTICE, A PLACE FOR THE PERSON TO EXECUTE A SIGNED ACKNOWLEDGMENT OF LIABILITY FOR THE CITED VIOLATION, AND

SUCH OTHER INFORMATION AS MAY BE REQUIRED BY LAW TO CONSTITUTE THE NOTICE AS A COMPLAINT TO APPEAR FOR ADJUDICATION OF A TOLL EVASION PURSUANT TO THIS SECTION IF THE PRESCRIBED TOLL, FEE, OR CIVIL PENALTY ARE NOT PAID WITHIN TWENTY DAYS. EVERY CITED PERSON SHALL EXECUTE THE SIGNED ACKNOWLEDGMENT OF THE PERSON'S RECEIPT OF THE CIVIL PENALTY ASSESSMENT NOTICE.

(IV) THE ACKNOWLEDGMENT OF LIABILITY SHALL BE EXECUTED AT THE TIME THE PERSON CITED PAYS THE PRESCRIBED PENALTY. THE PERSON CITED SHALL PAY THE TOLL, FEE, OR CIVIL PENALTY AUTHORIZED BY THE TRANSPORTATION ENTERPRISE AT THE OFFICE OF THE ENTERPRISE OR THE ENTERPRISE'S COLLECTION DESIGNEE EITHER IN PERSON OR BY POSTMARKING THE PAYMENT WITHIN TWENTY DAYS OF THE NOTICE. IF THE PERSON CITED DOES NOT PAY THE PRESCRIBED TOLL, FEE, OR CIVIL PENALTY WITHIN TWENTY DAYS OF THE NOTICE, THE CIVIL PENALTY ASSESSMENT NOTICE SHALL CONSTITUTE A COMPLAINT TO APPEAR FOR ADJUDICATION OF A TOLL EVASION PURSUANT TO THIS SECTION, AND THE PERSON CITED SHALL, WITHIN THE TIME SPECIFIED IN THE CIVIL PENALTY ASSESSMENT NOTICE, FILE AN ANSWER TO THIS COMPLAINT IN THE MANNER SPECIFIED IN THE NOTICE.

(V) IF A MUNICIPAL SUMMONS AND COMPLAINT IS ISSUED, THE ADJUDICATION OF THE VIOLATION SHALL BE CONDUCTED AND THE FORMAT OF THE SUMMONS AND COMPLAINT SHALL BE DETERMINED PURSUANT TO THE TERMS OF THE MUNICIPAL ORDINANCE AUTHORIZING ISSUANCE OF THE SUMMONS AND COMPLAINT. IN NO CASE SHALL THE PENALTY UPON CONVICTION FOR VIOLATION OF A MUNICIPAL ORDINANCE FOR TOLL EVASION EXCEED THE LIMIT ESTABLISHED IN PARAGRAPH (b) OF THIS SUBSECTION (2).

(d) (I) THE RESPECTIVE COURTS OF THE MUNICIPALITIES, COUNTIES, AND CITIES AND COUNTIES SHALL HAVE JURISDICTION TO TRY ALL CASES ARISING UNDER MUNICIPAL ORDINANCES AND STATE LAWS GOVERNING THE USE OF A TOLL HIGHWAY AND ARISING UNDER THE TOLL EVASION CIVIL PENALTY RULES ENACTED BY THE TRANSPORTATION ENTERPRISE. VENUE FOR ANY SUCH CASE SHALL BE IN THE MUNICIPALITY, COUNTY, OR CITY AND COUNTY WHERE THE ALLEGED VIOLATION OF A MUNICIPAL ORDINANCE, STATE LAW, OR RULE OF THE TRANSPORTATION ENTERPRISE OCCURRED.

(II) AT THE REQUEST OF THE JUDICIAL DEPARTMENT, THE TRANSPORTATION ENTERPRISE SHALL CONSIDER ESTABLISHING AN ADMINISTRATIVE TOLL ENFORCEMENT PROCESS AND MAY, BY RESOLUTION,

ADOPT RULES CREATING SUCH A PROCESS. THE RULES PERTAINING TO THE ADMINISTRATIVE ENFORCEMENT OF TOLL EVASION SHALL REQUIRE NOTICE TO THE PERSON CITED FOR TOLL EVASION AND PROVIDE TO THE PERSON AN OPPORTUNITY TO APPEAR AT AN OPEN HEARING CONDUCTED BY AN IMPARTIAL HEARING OFFICER AND A RIGHT TO APPEAL THE FINAL ADMINISTRATIVE DETERMINATION OF TOLL EVASION TO THE COUNTY COURT FOR THE COUNTY IN WHICH THE VIOLATION OCCURRED.

(III) IF THE TRANSPORTATION ENTERPRISE ESTABLISHES AN ADMINISTRATIVE TOLL ENFORCEMENT PROCESS, NO COURT OF A MUNICIPALITY, COUNTY, OR CITY AND COUNTY SHALL HAVE JURISDICTION TO HEAR TOLL EVASION CASES ARISING ON A TOLL HIGHWAY OPERATED BY THE ENTERPRISE.

(IV) A TOLL EVASION CASE MAY BE ADJUDICATED BY AN IMPARTIAL HEARING OFFICER IN AN ADMINISTRATIVE HEARING CONDUCTED PURSUANT TO THIS SECTION AND THE RULES PROMULGATED BY THE TRANSPORTATION ENTERPRISE. THE HEARING OFFICER MAY BE AN ADMINISTRATIVE LAW JUDGE EMPLOYED BY THE STATE OR AN INDEPENDENT CONTRACTOR OF THE TRANSPORTATION ENTERPRISE. THE CONTRACT FOR AN INDEPENDENT CONTRACTOR SHALL GRANT TO THE HEARING OFFICER THE SAME DEGREE OF INDEPENDENCE GRANTED TO AN ADMINISTRATIVE LAW JUDGE EMPLOYED BY THE STATE. THE TRANSPORTATION ENTERPRISE MAY ENTER INTO CONTRACTS PURSUANT TO SECTION 29-1-203, C.R.S., FOR JOINT ADJUDICATION OF TOLL EVASION CASES PURSUANT TO THIS SECTION.

(V) THE TRANSPORTATION ENTERPRISE MAY FILE A CERTIFIED COPY OF AN ORDER IMPOSING A TOLL, FEE, AND CIVIL PENALTY THAT IS ENTERED BY THE HEARING OFFICER IN AN ADJUDICATION OF A TOLL EVASION WITH THE CLERK OF THE COUNTY COURT IN THE COUNTY IN WHICH THE VIOLATION OCCURRED AT ANY TIME AFTER THE ORDER IS ENTERED. THE CLERK SHALL RECORD THE ORDER IN THE JUDGMENT BOOK OF THE COURT AND ENTER IT IN THE JUDGMENT DOCKET. THE ORDER SHALL THENCEFORTH HAVE THE EFFECT OF A JUDGMENT OF THE COUNTY COURT, AND EXECUTION MAY ISSUE ON THE ORDER OUT OF THE COURT AS IN OTHER CASES.

(VI) AN ADMINISTRATIVE ADJUDICATION OF A TOLL EVASION BY THE TRANSPORTATION ENTERPRISE IS SUBJECT TO JUDICIAL REVIEW. THE ADMINISTRATIVE ADJUDICATION MAY BE APPEALED AS TO MATTERS OF LAW AND FACT TO THE COUNTY COURT FOR THE COUNTY IN WHICH THE VIOLATION

OCCURRED. THE APPEAL SHALL BE A REVIEW OF THE RECORD OF THE ADMINISTRATIVE ADJUDICATION AND NOT A DE NOVO HEARING.

(VII) NOTWITHSTANDING THE SPECIFIC REMEDIES PROVIDED BY THIS SECTION, THE TRANSPORTATION ENTERPRISE SHALL HAVE EVERY LEGAL REMEDY AVAILABLE TO ENFORCE UNPAID TOLLS AND FEES AS DEBTS OWED TO THE ENTERPRISE.

(e) THE AGGREGATE AMOUNT OF PENALTIES, EXCLUSIVE OF COURT COSTS, COLLECTED AS A RESULT OF CIVIL PENALTIES IMPOSED PURSUANT TO RULES ADOPTED AS AUTHORIZED IN PARAGRAPH (b) OF THIS SUBSECTION (2) SHALL BE REMITTED TO THE TRANSPORTATION ENTERPRISE AND SHALL BE APPLIED BY THE ENTERPRISE TO DEFRAID THE COSTS AND EXPENSES OF ENFORCING THE LAWS OF THE STATE AND THE REGULATIONS OF THE ENTERPRISE. IF A MUNICIPAL SUMMONS OR COMPLAINT IS ISSUED, THE AGGREGATE PENALTY SHALL BE APPORTIONED PURSUANT TO THE TERMS OF ANY ENFORCEMENT AGREEMENT.

(f) (I) IN ADDITION TO THE PENALTY ASSESSMENT PROCEDURE PROVIDED FOR IN PARAGRAPH (c) OF THIS SUBSECTION (2), WHERE AN INSTANCE OF TOLL EVASION IS EVIDENCED BY AUTOMATIC VEHICLE IDENTIFICATION PHOTOGRAPHY OR OTHER TECHNOLOGY NOT INVOLVING A PEACE OFFICER, A CIVIL PENALTY ASSESSMENT NOTICE MAY BE ISSUED AND SENT BY FIRST-CLASS MAIL, OR BY ANY MAIL DELIVERY SERVICE OFFERED BY AN ENTITY OTHER THAN THE UNITED STATES POSTAL SERVICE THAT IS EQUIVALENT TO OR SUPERIOR TO FIRST-CLASS MAIL WITH RESPECT TO DELIVERY SPEED, RELIABILITY, AND PRICE, BY THE TRANSPORTATION ENTERPRISE TO THE REGISTERED OWNER OF THE MOTOR VEHICLE INVOLVED. THE NOTICE SHALL CONTAIN THE NAME AND ADDRESS OF THE REGISTERED OWNER OF THE VEHICLE INVOLVED, THE LICENSE NUMBER OF THE VEHICLE INVOLVED, THE DATE OF THE NOTICE, THE DATE, TIME, AND LOCATION OF THE VIOLATION, THE AMOUNT OF THE PENALTY PRESCRIBED FOR THE VIOLATION, A PLACE FOR SUCH PERSON TO EXECUTE A SIGNED ACKNOWLEDGMENT OF LIABILITY FOR THE CITED VIOLATION, AND SUCH OTHER INFORMATION AS MAY BE REQUIRED BY LAW TO CONSTITUTE THE NOTICE AS A COMPLAINT TO APPEAR FOR ADJUDICATION OF A TOLL EVASION CIVIL PENALTY ASSESSMENT. EXCEPT AS OTHERWISE PROVIDED IN SUBPARAGRAPHS (II) AND (III) OF THIS PARAGRAPH (f), THE REGISTERED OWNER OF THE VEHICLE INVOLVED IN A TOLL EVASION SHALL BE PRESUMED LIABLE FOR THE TOLL, FEE, OR CIVIL PENALTY IMPOSED BY THE TRANSPORTATION ENTERPRISE.

(II) IN ADDITION TO ANY OTHER LIABILITY PROVIDED FOR IN THIS SECTION, THE OWNER OF A MOTOR VEHICLE WHO IS ENGAGED IN THE BUSINESS OF LEASING OR RENTING MOTOR VEHICLES IS LIABLE FOR PAYMENT OF A TOLL EVASION VIOLATION CIVIL PENALTY; EXCEPT THAT, AT THE DISCRETION OF SUCH OWNER:

(A) THE OWNER MAY OBTAIN PAYMENT FOR A TOLL EVASION VIOLATION CIVIL PENALTY FROM THE PERSON OR COMPANY WHO LEASED OR RENTED THE VEHICLE AT THE TIME OF THE TOLL EVASION THROUGH A CREDIT OR DEBIT CARD PAYMENT AND FORWARD THE PAYMENT TO THE TRANSPORTATION ENTERPRISE; OR

(B) THE OWNER MAY SEEK TO AVOID LIABILITY FOR A TOLL EVASION VIOLATION CIVIL PENALTY IF THE OWNER OF THE LEASED OR RENTED MOTOR VEHICLE CAN FURNISH SUFFICIENT EVIDENCE THAT, AT THE TIME OF THE TOLL EVASION VIOLATION, THE VEHICLE WAS LEASED OR RENTED TO ANOTHER PERSON. TO AVOID LIABILITY FOR PAYMENT, THE OWNER OF THE MOTOR VEHICLE SHALL, WITHIN THIRTY DAYS AFTER RECEIPT OF THE NOTIFICATION OF THE TOLL EVASION VIOLATION, FURNISH TO THE TRANSPORTATION ENTERPRISE AN AFFIDAVIT CONTAINING THE NAME, ADDRESS, AND STATE DRIVER'S LICENSE NUMBER OF THE PERSON OR COMPANY WHO LEASED OR RENTED THE VEHICLE. AS A CONDITION TO AVOID LIABILITY FOR PAYMENT OF A TOLL EVASION VIOLATION CIVIL PENALTY, ANY PERSON OR COMPANY WHO LEASES OR RENTS MOTOR VEHICLES TO A PERSON SHALL INCLUDE A NOTICE IN THE LEASING OR RENTAL AGREEMENT STATING THAT, PURSUANT TO THE REQUIREMENTS OF THIS SECTION, THE PERSON RENTING OR LEASING THE VEHICLE IS LIABLE FOR PAYMENT OF A TOLL EVASION VIOLATION CIVIL PENALTY INCURRED ON OR AFTER THE DATE THE PERSON RENTING OR LEASING THE VEHICLE TAKES POSSESSION OF THE MOTOR VEHICLE. THE NOTICE SHALL INFORM THE PERSON RENTING OR LEASING THE VEHICLE THAT THE PERSON'S NAME, ADDRESS, AND STATE DRIVER'S LICENSE NUMBER SHALL BE FURNISHED TO THE TRANSPORTATION ENTERPRISE WHEN A TOLL EVASION VIOLATION CIVIL PENALTY IS INCURRED DURING THE TERM OF THE LEASE OR RENTAL AGREEMENT.

(III) THE REGISTERED OWNER OF A VEHICLE INVOLVED IN A TOLL EVASION VIOLATION MAY REBUT THE PRESUMPTION OF LIABILITY FOR THE VIOLATION BY PROVING BY A PREPONDERANCE OF THE EVIDENCE THAT:

(A) THE OWNER SOLD OR OTHERWISE TRANSFERRED OWNERSHIP OF

THE VEHICLE TO ANOTHER PERSON BEFORE THE DATE OF THE VIOLATION AS EVIDENCED BY A BILL OF SALE OR SIMILAR DOCUMENT; OR

(B) THE OWNER DID NOT HAVE CUSTODY AND CONTROL OF THE VEHICLE AT THE TIME OF THE VIOLATION DUE TO THEFT AS EVIDENCED BY A REPORT TO A LAW ENFORCEMENT AGENCY.

(IV) IF THE PRESCRIBED PENALTY IS NOT PAID WITHIN TWENTY DAYS OF THE NOTICE, IN ORDER TO ENSURE THAT ADEQUATE NOTICE HAS BEEN GIVEN, THE TRANSPORTATION ENTERPRISE SHALL SEND A SECOND PENALTY ASSESSMENT NOTICE BY CERTIFIED MAIL, RETURN RECEIPT REQUESTED, OR BY ANY MAIL DELIVERY SERVICE OFFERED BY AN ENTITY OTHER THAN THE UNITED STATES POSTAL SERVICE THAT IS EQUIVALENT TO OR SUPERIOR TO CERTIFIED MAIL, RETURN RECEIPT REQUESTED, WITH RESPECT TO RECEIPT VERIFICATION AND DELIVERY SPEED, RELIABILITY, AND PRICE, CONTAINING THE SAME INFORMATION AS SET FORTH IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (f). THE NOTICE SHALL SPECIFY THAT THE REGISTERED OWNER OF THE VEHICLE MAY PAY THE SAME PENALTY ASSESSMENT AT ANY TIME PRIOR TO THE SCHEDULED HEARING. IF THE REGISTERED OWNER OF THE VEHICLE DOES NOT PAY THE PRESCRIBED TOLL, FEE, OR CIVIL PENALTY WITHIN TWENTY DAYS OF THE NOTICE, THE CIVIL PENALTY ASSESSMENT NOTICE SHALL CONSTITUTE A COMPLAINT TO APPEAR FOR ADJUDICATION OF A TOLL EVASION IN COURT OR IN AN ADMINISTRATIVE TOLL ENFORCEMENT PROCEEDING, AND THE REGISTERED OWNER OF THE VEHICLE SHALL, WITHIN THE TIME SPECIFIED IN THE CIVIL PENALTY ASSESSMENT NOTICE, FILE AN ANSWER TO THE COMPLAINT IN THE MANNER SPECIFIED IN THE NOTICE. IF THE REGISTERED OWNER OF THE VEHICLE FAILS TO PAY IN FULL THE OUTSTANDING TOLL, FEE, OR CIVIL PENALTY SET FORTH IN THE NOTICE OR TO APPEAR AND ANSWER THE NOTICE AS SPECIFIED IN THE NOTICE, THE REGISTERED OWNER OF THE VEHICLE SHALL BE DEEMED TO HAVE ADMITTED LIABILITY AND TO HAVE WAIVED THE RIGHT TO A HEARING, AND A FINAL ORDER OF LIABILITY IN DEFAULT AGAINST THE REGISTERED OWNER OF THE VEHICLE MAY BE ENTERED.

(g) A COURT WITH JURISDICTION IN A TOLL EVASION CASE PURSUANT TO SUBPARAGRAPH (I) OF PARAGRAPH (d) OF THIS SUBSECTION (2) OR THE TRANSPORTATION ENTERPRISE, IF IT HAS JURISDICTION IN A TOLL EVASION CASE PURSUANT TO SUBPARAGRAPH (II) OF PARAGRAPH (d) OF THIS SUBSECTION (2), MAY REPORT TO THE DEPARTMENT OF REVENUE ANY OUTSTANDING JUDGMENT OR WARRANT OR ANY FAILURE TO PAY THE TOLL,

FEE, OR CIVIL PENALTY FOR ANY TOLL EVASION. UPON RECEIPT OF A CERTIFIED REPORT FROM A COURT OR THE TRANSPORTATION ENTERPRISE STATING THAT THE OWNER OF A REGISTERED VEHICLE HAS FAILED TO PAY A TOLL, FEE, OR CIVIL PENALTY RESULTING FROM A FINAL ORDER ENTERED BY THE ENTERPRISE, THE DEPARTMENT SHALL NOT RENEW THE REGISTRATION OF THE VEHICLE UNTIL THE TOLL, FEE, AND CIVIL PENALTY ARE PAID IN FULL. THE TRANSPORTATION ENTERPRISE SHALL CONTRACT WITH AND COMPENSATE A VENDOR APPROVED BY THE DEPARTMENT FOR THE DIRECT COSTS ASSOCIATED WITH THE NONRENEWAL OF A VEHICLE REGISTRATION PURSUANT TO THIS PARAGRAPH (g). THE DEPARTMENT HAS NO AUTHORITY TO ASSESS ANY POINTS AGAINST A LICENSE UNDER SECTION 42-2-127, C.R.S., UPON ENTRY OF A CONVICTION OR JUDGMENT FOR ANY TOLL EVASION.

(3) NOTWITHSTANDING ANY OTHER PROVISION OF LAW AND SUBJECT TO THE REQUIREMENTS OF SECTION 43-4-806 (8) AND ANY LIMITATIONS SET FORTH IN THE STATE CONSTITUTION OR IN FEDERAL LAW, THE TRANSPORTATION ENTERPRISE MAY:

(a) IMPOSE USER FEES ON A HIGHWAY SEGMENT OR HIGHWAY LANES THAT HAVE PREVIOUSLY SERVED VEHICULAR TRAFFIC ON A USER FEE-FREE BASIS IF:

(I) IT HAS OBTAINED ANY REQUIRED FEDERAL APPROVAL FOR THE USER FEES; AND

(II) IT HAS OBTAINED THE APPROVAL OF EVERY LOCAL GOVERNMENT THAT INCLUDES TERRITORY IN WHICH ALL OR ANY PORTION OF THE HIGHWAY SEGMENT OR HIGHWAY LANES UPON WHICH THE USER FEE IS TO BE IMPOSED PASS OR THAT WILL OTHERWISE BE SUBSTANTIALLY IMPACTED BY THE IMPOSITION OF THE USER FEES ON THE HIGHWAY SEGMENT OR HIGHWAY LANES;

(b) INCORPORATE CONGESTION MANAGEMENT AND CONGESTION PRICING INTO ITS SCHEDULE OF USER FEES FOR ANY HIGHWAY OR HIGHWAY SYSTEM; AND

(c) AUTHORIZE THE INVESTMENT OF HIGHWAY-DERIVED USER FEE REVENUES FOR COST-EFFECTIVE MULTIMODAL TRANSPORTATION PROJECTS THAT PROMOTE MOBILITY, REDUCTIONS IN EMISSIONS OF GREENHOUSE GASES, AND ENERGY EFFICIENCY.

(4) WHEN DETERMINING WHETHER TO UNDERTAKE AND COMPLETE A SURFACE TRANSPORTATION INFRASTRUCTURE PROJECT TO BE FUNDED, IN WHOLE OR IN PART, THROUGH THE IMPOSITION OF ANY USER FEE, THE TRANSPORTATION ENTERPRISE SHALL CONSIDER WHETHER THE COMPLETION OF THE PROJECT WILL HELP TO RECONNECT OR REINTEGRATE ANY LOCAL GOVERNMENT OR OTHER COMMUNITY THAT HAS BEEN DISCONNECTED OR DIVIDED BY EXISTING TRANSPORTATION INFRASTRUCTURE.

(5) BEFORE IMPOSING A USER FEE ON A HIGHWAY SEGMENT OR HIGHWAY LANES THAT HAVE PREVIOUSLY SERVED VEHICULAR TRAFFIC ON A TOLL-FREE BASIS, THE TRANSPORTATION ENTERPRISE SHALL PREPARE OR CAUSE TO BE PREPARED A LOCAL AIR QUALITY IMPACT STATEMENT AND A LOCAL COMMUNITY TRAFFIC SAFETY ASSESSMENT THAT SPECIFICALLY TAKE INTO ACCOUNT ANY DIVERSION OF VEHICULAR TRAFFIC FROM THE HIGHWAY SEGMENT OR HIGHWAY LANES ONTO OTHER HIGHWAYS, ROADS, OR STREETS THAT IS EXPECTED TO RESULT FROM THE IMPOSITION OF THE USER FEE.

43-4-809. Enterprises - applicability of other laws.

(1) NOTWITHSTANDING ANY LAW TO THE CONTRARY, NEITHER THE BRIDGE ENTERPRISE NOR THE TRANSPORTATION ENTERPRISE SHALL BE SUBJECT TO THE PROVISIONS OF THE "PROCUREMENT CODE", ARTICLES 101 TO 112 OF TITLE 24, C.R.S.

(2) (a) THE BRIDGE ENTERPRISE AND THE TRANSPORTATION ENTERPRISE SHALL BE SUBJECT TO THE OPEN MEETINGS PROVISIONS OF THE COLORADO SUNSHINE LAW CONTAINED IN PART 4 OF ARTICLE 6 OF TITLE 24, C.R.S., AND THE "COLORADO OPEN RECORDS ACT", ARTICLE 72 OF TITLE 24, C.R.S.

(b) FOR PURPOSES OF PART 2 OF THE "COLORADO OPEN RECORDS ACT", ARTICLE 72 OF TITLE 24, C.R.S., THE RECORDS OF THE BRIDGE ENTERPRISE AND THE TRANSPORTATION ENTERPRISE SHALL BE PUBLIC RECORDS, AS DEFINED IN SECTION 24-72-202 (6), C.R.S., REGARDLESS OF WHETHER THE BRIDGE ENTERPRISE OR THE TRANSPORTATION ENTERPRISE RECEIVES LESS THAN TEN PERCENT OF ITS TOTAL ANNUAL REVENUES IN GRANTS, AS DEFINED IN SECTION 24-77-102 (7), C.R.S., FROM ALL COLORADO STATE AND LOCAL GOVERNMENTS COMBINED.

(3) REVENUES OF THE BRIDGE ENTERPRISE AND THE TRANSPORTATION ENTERPRISE SHALL NOT BE SUBJECT TO THE PROVISIONS OF

SECTION 43-1-1205.

(4) THE BRIDGE ENTERPRISE AND THE TRANSPORTATION ENTERPRISE SHALL EACH CONSTITUTE A PUBLIC ENTITY FOR PURPOSES OF PART 2 OF ARTICLE 57 OF TITLE 11, C.R.S.

(5) LABOR STANDARDS SPECIFIED IN LAW THAT APPLY TO THE DEPARTMENT SHALL APPLY WITH EQUAL FORCE TO THE BRIDGE ENTERPRISE AND THE TRANSPORTATION ENTERPRISE.

43-4-810. Fees and surcharges - limitations on use. AS REQUIRED BY SECTION 18 OF ARTICLE X OF THE STATE CONSTITUTION, THE PROCEEDS OF ANY FEE OR SURCHARGE IMPOSED PURSUANT TO THE PROVISIONS OF THIS PART 8 THAT IS A LICENSE FEE, REGISTRATION FEE, OR OTHER CHARGE WITH RESPECT TO THE OPERATION OF ANY VEHICLE UPON ANY PUBLIC HIGHWAY IN THIS STATE SHALL BE USED EXCLUSIVELY FOR THE CONSTRUCTION, MAINTENANCE, AND SUPERVISION OF THE PUBLIC HIGHWAYS OF THIS STATE AS SPECIFIED IN THIS PART 8.

43-4-811. Transit and rail division - funding for local transit grants. (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, FOR STATE FISCAL YEAR 2009-10 AND FOR EACH SUCCEEDING STATE FISCAL YEAR THE ALLOCATION OF THE SURCHARGES, FEES, AND FINES IMPOSED AND CREDITED TO THE HIGHWAY USERS TAX FUND CREATED IN SECTION 43-4-201 (1) (a) PURSUANT TO SECTION 43-4-804 (1) AND ALLOCATED TO THE STATE HIGHWAY FUND, COUNTIES, AND MUNICIPALITIES AS SPECIFIED IN SECTION 43-4-205 (6.3) SHALL BE MODIFIED AS FOLLOWS:

(a) THE ALLOCATION TO THE STATE HIGHWAY FUND SHALL BE INCREASED BY FIVE MILLION DOLLARS.

(b) THE ALLOCATION TO COUNTIES SHALL BE REDUCED BY TWO MILLION SEVEN HUNDRED FIFTY THOUSAND DOLLARS.

(c) THE ALLOCATION TO MUNICIPALITIES SHALL BE REDUCED BY TWO MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS.

(2) FOR STATE FISCAL YEAR 2009-10 AND FOR EACH SUCCEEDING STATE FISCAL YEAR, FIVE MILLION DOLLARS OF THE MONEYS ALLOCATED TO THE STATE HIGHWAY FUND PURSUANT TO SECTION 43-4-205 (6.3) SHALL BE

CREDITED TO THE STATE TRANSIT AND RAIL FUND, WHICH IS HEREBY CREATED IN THE STATE TREASURY, AND USED BY THE STATE TRANSIT AND RAIL DIVISION CREATED IN SECTION 43-1-117.5 (1), ENACTED BY SENATE BILL 09-094, ENACTED IN 2009, TO PROVIDE GRANTS TO LOCAL GOVERNMENTS FOR LOCAL TRANSIT PROJECTS; EXCEPT THAT NO FUNDS SHALL BE USED FOR THE CONDEMNATION OF LAND FOR THE PURPOSE OF RELOCATING A RAIL CORRIDOR OR RAIL LINE.

43-4-812. Use of user fees for transit - legislative declaration.

(1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE TRANSPORTATION ENTERPRISE, A PUBLIC HIGHWAY AUTHORITY CREATED AND EXISTING PURSUANT TO PART 5 OF THIS ARTICLE, A REGIONAL TRANSPORTATION AUTHORITY CREATED AND EXISTING PURSUANT TO PART 6 OF THIS ARTICLE, OR ANY OTHER ENTITY THAT, AS OF THE EFFECTIVE DATE OF THIS SECTION, IS IMPOSING A USER FEE OR TOLL FOR THE PRIVILEGE OF TRAVELING ON ANY HIGHWAY SEGMENT OR HIGHWAY LANES MAY USE REVENUES GENERATED BY THE USER FEE OR TOLL FOR TRANSIT-RELATED PROJECTS THAT RELATE TO THE MAINTENANCE OR SUPERVISION OF THE HIGHWAY SEGMENT OR HIGHWAY LANES ON WHICH THE USER FEE OR TOLL IS IMPOSED.

(2) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT THE FUNDING OF TRANSIT-RELATED PROJECTS AUTHORIZED BY SUBSECTION (1) OF THIS SECTION CONSTITUTES MAINTENANCE AND SUPERVISION OF STATE HIGHWAYS BECAUSE IT WILL HELP TO REDUCE TRAFFIC ON STATE HIGHWAYS AND THEREBY REDUCE WEAR AND TEAR ON STATE HIGHWAYS AND BRIDGES AND INCREASE THEIR RELIABILITY, SAFETY, AND EXPECTED USEFUL LIFE.

43-4-813. Transportation deficit report - annual reporting requirement. NO LATER THAN JUNE 30, 2009, AND NO LATER THAN MARCH 1 OF ANY FISCAL YEAR IN WHICH ROAD OR BRIDGE SAFETY SURCHARGES ARE IMPOSED PURSUANT TO SECTION 43-4-804 (1) (a) OR 43-4-805 (5) (g), THE DEPARTMENT SHALL PREPARE AND PRESENT TO THE TRANSPORTATION AND ENERGY COMMITTEE OF THE HOUSE OF REPRESENTATIVES AND THE TRANSPORTATION COMMITTEE OF THE SENATE, OR ANY SUCCESSOR COMMITTEES, A TRANSPORTATION DEFICIT REPORT THAT SEPARATELY ADDRESSES THE GOALS OF REPAIRING DEFICIENT HIGHWAYS AND BRIDGES, AS EVIDENCED BY A C OR D RATING, SUSTAINING EXISTING TRANSPORTATION SYSTEM PERFORMANCE LEVELS, AND ACHIEVING THE CORRIDOR VISIONS DESCRIBED BY REGIONAL TRANSPORTATION PLANS AND PUBLIC

PREFERENCES. FOR EACH GOAL, THE REPORT SHALL INCLUDE A LISTING OF THE ANNUAL COSTS FOR EACH OF THE NEXT TEN FISCAL YEARS OF ACHIEVING THE GOAL; THE ANNUAL INCREASE AND RATE OF INCREASE OF THE COSTS; THE FACTORS CONTRIBUTING TO THE COSTS, INCLUDING, BUT NOT LIMITED TO, THE RATE AND GEOGRAPHIC DISTRIBUTION OF POPULATION GROWTH, VEHICLE SIZE AND WEIGHT, LAND USE POLICIES, AND WORK PATTERNS; METHODS OF REDUCING THE IMPACT OF THE COST FACTORS, INCLUDING, BUT NOT LIMITED TO, LAND USE POLICY CHANGES, INCREASED USE OF TRANSIT, TELECOMMUTING, AND PEAK TRANSPORTATION SYSTEM DEMAND REDUCTION PRACTICES AND ECONOMIC INCENTIVES; AND A COMPARISON OF THE COSTS OF MITIGATING THE COST FACTORS AND THE COSTS OF ACHIEVING THE GOAL BY REPAIRING, UPGRADING, OR EXPANDING THE TRANSPORTATION SYSTEM. THE REPORT SHALL EXPLAIN WHY ANY COST ESTIMATE FOR A GOAL DIFFERS BY MORE THAN FIVE PERCENT FROM ANY DEPARTMENT ESTIMATE OF SUCH COSTS PUBLISHED BEFORE THE EFFECTIVE DATE OF THIS SECTION AND SHALL SEPARATELY ACCOUNT FOR COST OVERRUNS OTHER THAN OVERRUNS ATTRIBUTABLE TO INCREASES IN THE COLORADO CONSTRUCTION COST INDEX. THE DEPARTMENT SHALL PUBLISH THE REPORT ON ITS WEB SITE IN A FORMAT THAT CAN BE DOWNLOADED.

SECTION 2. 24-1-128.7, Colorado Revised Statutes, is amended BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS to read:

24-1-128.7. Department of transportation - creation. (5) THE STATEWIDE BRIDGE ENTERPRISE CREATED IN SECTION 43-4-805 (2), C.R.S., SHALL EXERCISE ITS POWERS AND PERFORM ITS DUTIES AND FUNCTIONS AS IF THE SAME WERE TRANSFERRED BY A **TYPE 1** TRANSFER, AS DEFINED IN SECTION 24-1-105, TO THE DEPARTMENT OF TRANSPORTATION.

(6) (a) THE HIGH-PERFORMANCE TRANSPORTATION ENTERPRISE CREATED IN SECTION 43-4-806 (2) (a), C.R.S., SHALL EXERCISE ITS POWERS AND PERFORM ITS DUTIES AND FUNCTIONS AS IF THE SAME WERE TRANSFERRED BY A **TYPE 1** TRANSFER, AS DEFINED IN SECTION 24-1-105, TO THE DEPARTMENT OF TRANSPORTATION.

(b) THE STATEWIDE TOLLING ENTERPRISE, CREATED BY THE TRANSPORTATION COMMISSION PURSUANT TO SECTION 43-4-803 (1), C.R.S., PRIOR TO THE REPEAL AND REENACTMENT OF SAID SECTION BY SENATE BILL 09-108, ENACTED IN 2009, AND ITS POWERS, DUTIES, AND FUNCTIONS ARE

TRANSFERRED BY A **TYPE 3** TRANSFER, AS DEFINED IN SECTION 24-1-105, TO THE HIGH-PERFORMANCE TRANSPORTATION ENTERPRISE CREATED IN SECTION 43-4-806 (2) (a), C.R.S., AND THE STATEWIDE TOLLING ENTERPRISE IS ABOLISHED.

SECTION 3. 1-5-407 (5), Colorado Revised Statutes, is amended to read:

1-5-407. Form of ballots. (5) Whenever the approval of a ballot issue or ballot question is submitted to the vote of the people, the ballot issue or question shall be printed upon the ballot following the lists of candidates. EXCEPT AS OTHERWISE PROVIDED IN SECTION 32-9-119.3 (2), C.R.S., constitutional issues shall be printed first, followed by statewide issues and questions, county issues and questions, municipal issues and questions, school district issues and questions, ballot issues and questions for other political subdivisions which are in more than one county, and then ballot issues and questions for other political subdivisions which are wholly within a county. The measures in each category shall be placed in the following order: Measures to increase taxes; measures to retain revenues in excess of a district's fiscal year spending limit; measures to increase debt; citizen petitions; and referred measures.

SECTION 4. The introductory portion to 32-9-119 (2) (a), Colorado Revised Statutes, is amended to read:

32-9-119. Additional powers of district. (2) (a) To provide revenue to finance the operations of the district, to defray the cost of construction of capital improvements and acquisition of capital equipment, and to pay the interest and principal on securities of the district, the board, for and on behalf of the district after approval by election held pursuant to articles 1 to 13 of title 1, C.R.S., AND, WITH RESPECT TO ANY TAX RATE INCREASE THAT TAKES EFFECT ON OR AFTER THE EFFECTIVE DATE OF THIS PARAGRAPH (a), AS AMENDED, IN ACCORDANCE WITH SECTION 32-9-119.3, shall have the power to levy uniformly throughout the district a sales tax at ~~the rate of six-tenths of one percent, or at the rate of one percent if approved by the eligible electors of the district in accordance with section 32-9-119.4,~~ ANY RATE THAT MAY BE APPROVED BY THE BOARD upon every transaction or other incident with respect to which a sales tax is now levied by the state, pursuant to the provisions of article 26 of title 39, C.R.S.; except that:

SECTION 5. 32-9-119.3, Colorado Revised Statutes, is RECREATED AND REENACTED, WITH AMENDMENTS, to read:

32-9-119.3. Elections for sales tax rate increase. (1) THE BOARD, IN ACCORDANCE WITH THE PROVISIONS OF SECTION 20 (4) OF ARTICLE X OF THE STATE CONSTITUTION, MAY SUBMIT TO THE REGISTERED ELECTORS OF THE DISTRICT ONE OR MORE BALLOT QUESTIONS TO INCREASE THE RATE OF THE SALES TAX LEVIED BY THE DISTRICT PURSUANT TO SECTION 32-9-119 (2) (a) TO ANY RATE APPROVED BY THE BOARD, WITH OR WITHOUT AN ACCOMPANYING INCREASE IN DISTRICT DEBT, FOR SUCH PURPOSES AUTHORIZED BY THIS ARTICLE AS MAY BE SPECIFIED IN ANY SUCH BALLOT QUESTION.

(2) A BALLOT QUESTION SUBMITTED PURSUANT TO SUBSECTION (1) OF THIS SECTION SHALL BE SUBMITTED AT A GENERAL ELECTION OR AN ELECTION HELD ON THE FIRST TUESDAY OF NOVEMBER IN AN ODD-NUMBERED YEAR THAT IS CONDUCTED IN ACCORDANCE WITH THE "UNIFORM ELECTION CODE OF 1992", ARTICLES 1 TO 13 OF TITLE 1, C.R.S. THE SECRETARY OF STATE SHALL DETERMINE THE IDENTIFYING NUMBERING OR LETTERING OF SUCH A BALLOT QUESTION, AND THE QUESTION SHALL BE PRINTED UPON THE BALLOT IMMEDIATELY FOLLOWING ANY STATEWIDE ISSUES AND QUESTIONS.

(3) IF A MAJORITY OF THE REGISTERED ELECTORS VOTING ON A BALLOT QUESTION SUBMITTED PURSUANT TO SUBSECTION (1) OF THIS SECTION VOTE AFFIRMATIVELY ON THE QUESTION, THE RATE OF THE SALES TAX LEVIED BY THE DISTRICT PURSUANT TO SECTION 32-9-119 (2) (a) SHALL BE INCREASED TO THE RATE SPECIFIED IN THE BALLOT QUESTION AND APPROVED BY THE REGISTERED ELECTORS.

(4) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO LIMIT THE ABILITY OF THE DISTRICT TO SEEK THE APPROVAL OF THE REGISTERED ELECTORS OF THE DISTRICT REGARDING ANY OTHER MATTER FOR WHICH SUCH APPROVAL MAY BE SOUGHT.

SECTION 6. 42-3-103 (4) (a), Colorado Revised Statutes, is amended to read:

42-3-103. Registration required - exemptions. (4) (a) Within ~~thirty~~ NINETY days after becoming a resident of Colorado, an owner of a

motor vehicle required to be registered by subsection (1) of this section shall register such vehicle with the department, irrespective of such vehicle being registered within another state or country. A person who violates this paragraph (a) is subject to the penalties provided in ~~section~~ SECTIONS 42-6-139 AND 43-4-804 (1) (d), C.R.S.

SECTION 7. 42-3-112, Colorado Revised Statutes, is amended to read:

42-3-112. Failure to pay tax - penalty. (1) If a vehicle subject to taxation under this article is not registered when required by law, the vehicle owner ~~is subject to~~ SHALL PAY a late fee of ~~up to ten dollars, as determined by the department or authorized agent registering the vehicle, which is~~ TWENTY-FIVE DOLLARS FOR EACH MONTH OR PORTION OF A MONTH FOLLOWING THE EXPIRATION OF THE REGISTRATION PERIOD, OR, IF APPLICABLE, THE EXPIRATION OF THE GRACE PERIOD DESCRIBED IN SECTION 42-3-114 FOR WHICH THE VEHICLE IS UNREGISTERED; EXCEPT THAT THE AMOUNT OF THE LATE FEE SHALL NOT EXCEED ONE HUNDRED DOLLARS. THE LATE FEE SHALL BE due when the vehicle is registered. ~~The department or the authorized agent registering the vehicle may waive the late fee.~~

(2) TEN DOLLARS OF the late registration fee shall be retained by the department or the authorized agent who registers the motor vehicle. EACH AUTHORIZED AGENT SHALL REMIT TO THE DEPARTMENT NO LESS FREQUENTLY THAN ONCE A MONTH, BUT OTHERWISE AT THE TIME AND IN THE MANNER REQUIRED BY THE EXECUTIVE DIRECTOR OF THE DEPARTMENT, THE REMAINDER OF THE LATE REGISTRATION FEES COLLECTED BY THE AUTHORIZED AGENT. THE EXECUTIVE DIRECTOR SHALL FORWARD ALL LATE REGISTRATION FEES REMITTED BY AUTHORIZED AGENTS PLUS THE REMAINDER OF THE LATE REGISTRATION FEES COLLECTED DIRECTLY BY THE DEPARTMENT TO THE STATE TREASURER, WHO SHALL CREDIT THE FEES TO THE HIGHWAY USERS TAX FUND IN ACCORDANCE WITH SECTION 43-4-804 (1) (e), C.R.S.

(3) THE LATE FEE DESCRIBED IN SUBSECTION (1) OF THIS SECTION SHALL NOT BE IMPOSED ON A VEHICLE SUBJECT TO TAXATION UNDER THIS ARTICLE IF:

(a) THE PERSON WHO OWNS THE VEHICLE USES THE VEHICLE IN OPERATING A COMMERCIAL BUSINESS AND, AS PART OF THE NORMAL

OPERATION OF THE BUSINESS, IDLES THE VEHICLE SO THAT IT IS NOT OPERATED ON ANY PUBLIC HIGHWAY IN THIS STATE FOR AT LEAST ONE FULL REGISTRATION PERIOD. NOTHING IN THIS PARAGRAPH (a) SHALL BE CONSTRUED TO EXEMPT THE OWNER OF AN IDLED VEHICLE FROM PAYING ANY FEES IMPOSED PURSUANT TO THIS ARTICLE OTHER THAN THE LATE FEE BEFORE AGAIN OPERATING THE VEHICLE ON A PUBLIC HIGHWAY IN THIS STATE OR FROM PAYING ANY TAXES IMPOSED PURSUANT TO THIS ARTICLE.

(b) THE PERSON WHO OWNS THE VEHICLE IS IN THE ACTIVE MILITARY SERVICE OF THE UNITED STATES AND IS SERVING OUTSIDE THE STATE WHEN A REGISTRATION PERIOD AND GRACE PERIOD FOR RENEWAL OF REGISTRATION FOR THE VEHICLE END AND THE VEHICLE IS NOT OPERATED ON ANY PUBLIC HIGHWAY OF THE STATE BETWEEN THE TIME THE REGISTRATION PERIOD AND GRACE PERIOD END AND THE TIME THE VEHICLE IS REREGISTERED. NOTHING IN THIS PARAGRAPH (b) SHALL BE CONSTRUED TO EXEMPT THE OWNER OF SUCH A VEHICLE FROM PAYING ANY FEES IMPOSED PURSUANT TO THIS ARTICLE OTHER THAN THE LATE FEE BEFORE AGAIN OPERATING THE VEHICLE ON A PUBLIC HIGHWAY IN THIS STATE OR FROM PAYING ANY TAXES IMPOSED PURSUANT TO THIS ARTICLE.

SECTION 8. 42-4-508 (1) (b), Colorado Revised Statutes, is amended to read:

42-4-508. Gross weight of vehicles and loads. (1) Except as provided in subsection (1.5) of this section, no vehicle or combination of vehicles shall be moved or operated on any highway or bridge when the gross weight thereof exceeds the limits specified below:

(b) Subject to the limitations prescribed in section 42-4-507, the maximum gross weight of any vehicle or combination of vehicles shall not exceed that determined by the formula $W \text{ equals } 1,000 (L \text{ plus } 40)$, W = the gross weight in pounds, L = the length in feet between the centers of the first and last axles of such vehicle or combination of vehicles, but in computation of this formula no gross vehicle weight shall exceed ~~eighty-five~~ NINETY-TWO thousand pounds. For the purposes of this section, where a combination of vehicles is used, no vehicle shall carry a gross weight of less than ten percent of the overall gross weight of the combination of vehicles; except that these limitations shall not apply to specialized trailers of fixed public utilities whose axles may carry less than ten percent of the weight of the combination. The limitations provided in this section shall be strictly

construed and enforced.

SECTION 9. 42-4-510 (5), Colorado Revised Statutes, is amended to read:

42-4-510. Permits for excess size and weight and for manufactured homes - rules. (5) The department of transportation, the motor carrier services division of the department of revenue, or the Colorado state patrol shall, unless such action will jeopardize distribution of federal highway funds to the state, authorize the operation or movement of a vehicle or combination of vehicles on the interstate highway system of Colorado at a maximum weight of ~~eighty-five~~ NINETY-TWO thousand pounds.

SECTION 10. 42-4-510 (1) (b) (II) (A), (1) (b) (II) (B), and (11) (a) (VI) (B), Colorado Revised Statutes, are amended, and the said 42-4-510 (11) (a) (VI) is further amended BY THE ADDITION OF A NEW SUB-SUBPARAGRAPH, to read:

42-4-510. Permits for excess size and weight and for manufactured homes - rules. (1) (b) (II) An overweight permit issued pursuant to this section shall be available for overweight divisible loads if:

(A) The vehicle has a quad axle grouping AND THE MAXIMUM GROSS WEIGHT OF THE VEHICLE DOES NOT EXCEED ONE HUNDRED TEN THOUSAND POUNDS; OR

(B) The VEHICLE HAS A TANDEM AXLE GROUPING ON THE POWER UNIT AND THE TRAILER AND THE maximum gross weight OF THE VEHICLE does not exceed ~~one hundred ten thousand~~ NINETY-TWO THOUSAND pounds; AND

(11) (a) The department of transportation, the motor carrier services division of the department of revenue, or the Colorado state patrol may charge permit applicants permit fees as follows:

(VI) For overweight permits for divisible vehicles or loads exceeding legal weight limits issued pursuant to subparagraph (II) of paragraph (b) of subsection (1) of this section:

(B) Single trip permit FOR A VEHICLE THAT HAS A QUAD AXLE GROUPING, thirty dollars plus ten dollars per axle; and

(D) SINGLE TRIP PERMIT FOR A VEHICLE THAT HAS A TANDEM AXLE GROUPING ON THE POWER UNIT AND THE TRAILER, FIFTEEN DOLLARS PLUS TEN DOLLARS PER AXLE.

SECTION 11. 42-6-139 (3), Colorado Revised Statutes, is amended to read:

42-6-139. Registration - where made. (3) A person who knowingly violates any of the provisions of subsection (2) of this section, section 42-3-103 (4) (a), section 42-6-140, or any rule of the director promulgated pursuant to this part 1 is guilty of a misdemeanor and, upon conviction, shall be punished by a fine of ~~five hundred~~ ONE THOUSAND dollars.

SECTION 12. 42-6-140, Colorado Revised Statutes, is amended to read:

42-6-140. Registration upon becoming resident. Within thirty NINETY days after becoming a resident of Colorado, the owner of a motor vehicle shall apply for a Colorado certificate of title, a license, and registration for the vehicle that is registered, that is licensed, or for which a certificate of title is issued in another state. Any person who violates the provisions of this section is subject to the penalties provided in ~~section~~ SECTIONS 42-6-139 AND 43-4-804 (1) (d), C.R.S.

SECTION 13. 42-12-102 (1) (a), Colorado Revised Statutes, is amended to read:

42-12-102. Registration of collectors' items - fees. (1) Except for those motor vehicles that are entitled to registration under the provisions of section 42-3-219, collectors' items shall be titled, registered, and a specific ownership tax shall be paid thereon in the same manner as provided in this title for other motor vehicles, with the following exceptions:

(a) Such collectors' items shall be registered for periods of five years. The taxes and fees imposed for registration of a collector's item for each five-year registration period shall be equal to five times the annual taxes and fees which would otherwise be imposed for the registration of such motor vehicle under this title and under title 43, C.R.S.; EXCEPT THAT THE AMOUNT OF A SURCHARGE IMPOSED PURSUANT TO SECTION 43-4-804 (1) (a) OR

43-4-805 (5) (g), C.R.S., SHALL BE THE AMOUNT SPECIFIED IN THE APPLICABLE SECTION. In addition to any other such taxes and fees, if a collector's item is registered in a county which is a member of one or more highway authorities and such authority or authorities have imposed an annual motor vehicle registration fee or fees pursuant to the provisions of section 43-4-506 (1) (k), C.R.S., then five times such annual motor vehicle registration fee or fees shall be imposed and remitted to such authority or authorities.

SECTION 14. 43-1-106, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

43-1-106. Transportation commission - powers and duties.

(17) (a) THE COMMISSION SHALL CREATE A STANDING EFFICIENCY AND ACCOUNTABILITY COMMITTEE. THE COMMITTEE SHALL SEEK WAYS TO MAXIMIZE THE EFFICIENCY OF THE DEPARTMENT TO ALLOW INCREASED INVESTMENT IN THE TRANSPORTATION SYSTEM OVER THE SHORT, MEDIUM, AND LONG TERM. THE COMMITTEE SHALL INCLUDE:

(I) FROM STATE GOVERNMENT:

(A) ONE MEMBER OF THE COMMISSION DESIGNATED BY THE COMMISSION;

(B) ONE MEMBER FROM THE OFFICE OF THE EXECUTIVE DIRECTOR DESIGNATED BY THE EXECUTIVE DIRECTOR;

(C) ONE MEMBER FROM EACH OF THE DIVISIONS OF THE DEPARTMENT CREATED IN SECTION 43-1-104 (1) DESIGNATED BY THE EXECUTIVE DIRECTOR AFTER CONSULTATION WITH THE DIRECTORS OF EACH DIVISION; AND

(D) ANY OTHER EMPLOYEES OF THE DEPARTMENT THAT THE EXECUTIVE DIRECTOR MAY DESIGNATE;

(II) FROM OUTSIDE STATE GOVERNMENT, REPRESENTATIVES OF:

(A) THE CONSTRUCTION INDUSTRY;

(B) THE ENGINEERING INDUSTRY;

(C) THE ENVIRONMENTAL COMMUNITY;

(D) TRANSPORTATION PLANNING ORGANIZATIONS;

(E) PUBLIC TRANSPORTATION PROVIDERS; AND

(F) ANY OTHER INDUSTRIES OR GROUPS THAT THE COMMISSION DETERMINES SHOULD BE REPRESENTED ON THE COMMITTEE.

(b) THE EFFICIENCY AND ACCOUNTABILITY COMMITTEE SHALL PERIODICALLY REPORT TO THE COMMISSION AND THE EXECUTIVE DIRECTOR REGARDING MEANS BY WHICH THE COMMISSION AND THE DEPARTMENT MAY EXECUTE THEIR DUTIES MORE EFFICIENTLY. THE EXECUTIVE DIRECTOR OR THE EXECUTIVE DIRECTOR'S DESIGNEE SHALL REPORT AT LEAST ONCE PER CALENDAR YEAR TO EITHER THE COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE SENATE THAT HAVE JURISDICTION OVER TRANSPORTATION OR THE TRANSPORTATION LEGISLATION REVIEW COMMITTEE CREATED IN SECTION 43-2-145 (1) REGARDING THE ACTIVITIES AND RECOMMENDATIONS OF THE EFFICIENCY AND ACCOUNTABILITY COMMITTEE AND ANY ACTIONS TAKEN BY THE COMMISSION OR THE DEPARTMENT TO IMPLEMENT RECOMMENDATIONS OF THE COMMITTEE.

SECTION 15. The introductory portion to 43-1-1103 (5), Colorado Revised Statutes, is amended, and the said 43-1-1103 (5) is further amended BY THE ADDITION OF THE FOLLOWING NEW PARAGRAPHS, to read:

43-1-1103. Transportation planning. (5) The department shall integrate and consolidate the regional transportation plans for the transportation planning regions into a comprehensive statewide transportation plan. The formation of such state plan shall be accomplished through a statewide planning process set by rules and regulations promulgated by the commission. The state plan shall ~~include~~ ADDRESS but shall not be limited to the following factors:

(d) THE TARGETING OF INFRASTRUCTURE INVESTMENTS, INCLUDING PRESERVATION OF THE EXISTING TRANSPORTATION SYSTEM COMMONLY KNOWN AS "FIXING IT FIRST" TO SUPPORT THE ECONOMIC VITALITY OF THE STATE AND REGION;

- (e) SAFETY ENHANCEMENT;
- (f) STRATEGIC MOBILITY AND MULTIMODAL CHOICE;
- (g) THE SUPPORT OF URBAN OR RURAL MASS TRANSIT;
- (h) ENVIRONMENTAL STEWARDSHIP;
- (i) EFFECTIVE, EFFICIENT, AND SAFE FREIGHT TRANSPORT; AND
- (j) REDUCTION OF GREENHOUSE GAS EMISSIONS.

SECTION 16. 38-1-202 (1) (b) (IV) (J), Colorado Revised Statutes, is amended, and the said 38-1-202 (1) (b) (IV) is further amended BY THE ADDITION OF A NEW SUB-SUBPARAGRAPH, to read:

38-1-202. Governmental entities, corporations, and persons authorized to use eminent domain. (1) The following governmental entities, types of governmental entities, and public corporations, in accordance with all procedural and other requirements specified in this article and articles 2 to 7 of this title and to the extent and within any time frame specified in the applicable authorizing statute may exercise the power of eminent domain:

(b) The state:

(IV) By action of the general assembly or by action of any of the following officers and agencies of the state:

(J) The statewide tolling BRIDGE enterprise as authorized in ~~section 43-4-806 (1) (g)~~ SECTION 43-4-805 (5) (e), C.R.S.; and

(J.5) THE HIGH-PERFORMANCE TRANSPORTATION ENTERPRISE AS AUTHORIZED IN SECTION 43-4-806 (6) (e), C.R.S.; AND

SECTION 17. 43-1-1402 (3), Colorado Revised Statutes, is amended to read:

43-1-1402. Definitions. As used in this part 14:

(3) "Design-build contract" means the procurement of both the design and the construction of a transportation project in a single contract with a single design-build firm or a combination of such firms that are capable of providing the necessary design and construction services. A DESIGN-BUILD CONTRACT MAY ALSO INCLUDE IN THE CONTRACT THE PROCUREMENT OF THE FINANCING, OPERATION, OR MAINTENANCE OF THE PROJECT.

SECTION 18. 43-4-205, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

43-4-205. Allocation of fund. (6.3) REVENUES FROM THE SURCHARGES, FEES, AND FINES CREDITED TO THE HIGHWAY USERS TAX FUND PURSUANT TO SECTION 43-4-804 (1) SHALL BE ALLOCATED AND EXPENDED IN ACCORDANCE WITH THE FORMULA SPECIFIED IN PARAGRAPH (b) OF SUBSECTION (6) OF THIS SECTION.

SECTION 19. 43-4-206, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

43-4-206. State allocation. (3) NOTWITHSTANDING THE PROVISIONS OF SUBSECTION (1) OF THIS SECTION, THE REVENUES CREDITED TO THE HIGHWAY USERS TAX FUND PURSUANT TO SECTION 43-4-205 (6.3) SHALL BE EXPENDED BY THE DEPARTMENT OF TRANSPORTATION ONLY FOR ROAD SAFETY PROJECTS, AS DEFINED IN SECTION 43-4-803 (21); EXCEPT THAT THE DEPARTMENT SHALL, IN FURTHERANCE OF ITS DUTY TO SUPERVISE STATE HIGHWAYS AND AS A CONSEQUENCE IN COMPLIANCE WITH SECTION 43-4-810, EXPEND TEN MILLION DOLLARS PER YEAR OF THE REVENUES FOR THE PLANNING, DESIGNING, ENGINEERING, ACQUISITION, INSTALLATION, CONSTRUCTION, REPAIR, RECONSTRUCTION, MAINTENANCE, OPERATION, OR ADMINISTRATION OF TRANSIT-RELATED PROJECTS, INCLUDING, BUT NOT LIMITED TO, DESIGNATED BICYCLE OR PEDESTRIAN LANES OF HIGHWAY AND INFRASTRUCTURE NEEDED TO INTEGRATE DIFFERENT TRANSPORTATION MODES WITHIN A MULTIMODAL TRANSPORTATION SYSTEM, THAT ENHANCE THE SAFETY OF STATE HIGHWAYS FOR TRANSIT USERS.

SECTION 20. 43-4-207 (1), Colorado Revised Statutes, is amended to read:

43-4-207. County allocation. (1) After paying the costs of the

Colorado state patrol and such other costs of the department, exclusive of highway construction, highway improvements, or highway maintenance, as are appropriated by the general assembly, twenty-six percent of the balance of the highway users tax fund shall be paid to the county treasurers of the respective counties, subject to annual appropriation by the general assembly, and shall be allocated and expended as provided in this section. The moneys thus received shall be allocated to the counties as provided by law and shall be expended by ~~said~~ THE counties only on the construction, engineering, reconstruction, maintenance, repair, equipment, improvement, and administration of the county highway systems and any other public highways, including any state highways, together with acquisition of rights-of-way and access rights for the same and for no other purpose; EXCEPT THAT MONEYS RECEIVED PURSUANT TO SECTION 43-4-205 (6.3) SHALL BE EXPENDED BY THE COUNTIES ONLY FOR ROAD SAFETY PROJECTS, AS DEFINED IN SECTION 43-4-803 (21). The amount to be expended for administrative purposes shall not exceed five percent of each county's share of the funds available.

SECTION 21. 43-4-208 (1), Colorado Revised Statutes, is amended to read:

43-4-208. Municipal allocation. (1) After paying the costs of the Colorado state patrol and such other costs of the department, exclusive of highway construction, highway improvements, or highway maintenance, as are appropriated by the general assembly, and making allocation as provided by sections 43-4-206 and 43-4-207, the remaining nine percent of the highway users tax fund shall be paid to the cities and incorporated towns within the limits of the respective counties, subject to annual appropriation by the general assembly, and shall be allocated and expended as provided in this section. Each city treasurer shall account for the moneys thus received as provided in this part 2. ~~Such~~ Moneys so allocated shall be expended by ~~said~~ THE cities and incorporated towns for the construction, engineering, reconstruction, maintenance, repair, equipment, improvement, and administration of the system of streets of such city or incorporated town or of any public highways located within such city or incorporated town, including any state highways, together with the acquisition of rights-of-way and access rights for the same, and for no other purpose; EXCEPT THAT MONEYS PAID TO THE CITIES AND INCORPORATED TOWNS PURSUANT TO SECTION 43-4-205 (6.3) SHALL BE EXPENDED BY THE CITIES AND INCORPORATED TOWNS ONLY FOR ROAD SAFETY PROJECTS, AS DEFINED IN

SECTION 43-4-803 (21). The amount to be expended for administrative purposes shall not exceed five percent of each city's share of the funds available.

SECTION 22. Effective date - applicability. (1) Except as otherwise provided in subsections (2) and (3) of this section, this act shall take effect upon passage.

(2) Sections 8, 9, and 10 of this act shall take effect January 1, 2010, and shall apply to overweight permits issued on or after said date.

(3) Section 43-4-811, Colorado Revised Statutes, enacted by section 1 of this act, shall take effect only if Senate Bill 09-094 is enacted and becomes law.

SECTION 23. Safety clause. The general assembly hereby finds,

determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Peter C. Groff
PRESIDENT OF
THE SENATE

Terrance D. Carroll
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Karen Goldman
SECRETARY OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED _____

Bill Ritter, Jr.
GOVERNOR OF THE STATE OF COLORADO

Policy Governing the Efficient Use of FASTER Revenue



COLORADO

Department of Transportation

Office of Policy and Government Relations

4201 E. Arkansas, Room 275
Denver, CO 80222

RELEASE MEMORANDUM

TO: ALL CDOT EMPLOYEES
FROM: HERMAN STOCKINGER, TRANSPORTATION COMMISSION SECRETARY
DATE: JANUARY 26, 2016
SUBJECT: NEW POLICY DIRECTIVE 704.0 "Policy Governing the Efficient Use of FASTER Revenue"

1. Name of Policy Directive: 704.0 "Policy Governing the Efficient Use of FASTER Revenue"
2. Date of PD this Directive Supersedes: None (new PD)
3. Executive Summary: In August 2015, the Colorado Office of the State Auditor issued a Performance Audit titled "Collection and Usage of the FASTER Motor Vehicle Fees" (the "2015 FASTER Audit"). Policy Directive 704.0 was approved by the Transportation Commission on January 21, 2016 in order to provide direction to the Department with regard to the effective management and oversight of FASTER revenues. This Policy Directive should be read together with the following Procedural Directives:
 - Procedural Directive 704.1 "Financial Management of FASTER Revenues"
 - Procedural Directive 1504.1 "FASTER Safety Mitigation Program"
 - Procedural Directive 1608.1 "FASTER Transit Program"
 - Procedural Directive 1608.2 "Asset Management Program use of FASTER Funds"
4. Background: The following summary indicates by CDOT Program the details contained in Policy Directive 704.0:

OFMB

- The Commission oversees OFMB's allocation of FASTER revenue by reviewing and approving the annual budget and budget supplements;
- Sets out the allocation of FASTER funding to the DTR, to the FASTER Asset Management Program, the FASTER Safety Mitigation Program and the Bridge Enterprise Program;

FASTER Safety Mitigation Program

- Creates the FASTER Safety Mitigation Program;
- Defines what types of projects and components are considered to be funded;



- Defines eligible FASTER Safety Mitigation Projects as meeting certain criteria set forth in the Policy;
- Sets forth the goal of reducing the severity and number of highway crashes and working toward zero deaths for all users;
- Establishes the FASTER Safety Mitigation Executive Steering Committee and directs that the Committee review and approve projects to be funded; and
- Requires that an annual report be completed to assess the effectiveness of the Safety Mitigation Program

Asset Management

- Commission recognizes asset classes with the Asset Management Program which have a clear nexus to safety;
- Sets out the eligible asset classes; and
- Establishes the Asset Management Executive Oversight Committee and directs the Committee to prioritize the eligible asset classes for FASTER revenue.

Transit

- Commission determines what types of projects are eligible for FASTER funding and sets out the pools of FASTER revenues;
- Sets out criteria that FASTER Transit Projects must meet and directs DTR to follow metrics set forth in PD 1608.1;
- Sets out responsibilities for the Transit and Intermodal Committee

4. Effective Date: January 26, 2016



COLORADO DEPARTMENT OF TRANSPORTATION		<input checked="" type="checkbox"/> POLICY DIRECTIVE	<input type="checkbox"/> PROCEDURAL DIRECTIVE
Subject Policy Governing the Efficient Use of FASTER Revenue		704.0	
Effective 01.26.16	Supersedes n/a	Originating Office OFMB/TSM&O/DTD/DTR	

I. PURPOSE

The purpose of this Policy Directive is to allocate FASTER funding and set forth the criteria the Department must follow to select eligible projects in order to effectively and efficiently use FASTER revenue.

II. AUTHORITY

Transportation Commission pursuant to § 43-1-106(8)(h), C.R.S.

§ 43-4-801, et seq., C.R.S. “Funding Advancement for Surface Transportation and Economic Recovery” “FASTER”

§ 43-4-206(3), C.R.S.

§ 43-1-117.5, C.R.S.

§ 43-4-811, C.R.S.

§ 43-1-1104(1)(b), C.R.S.

III. APPLICABILITY

This Policy Directive applies to all divisions, offices and regions of the Colorado Department of Transportation, and where applicable, to the Bridge Enterprise and the High Performance Transportation Enterprise.

IV. DEFINITIONS

“Asset Management Executive Oversight Committee” shall mean an advisory committee comprised of members of CDOT executive management who advise on the Asset Management Program.

“DTR” shall mean the Division of Transit and Rail established pursuant to § 43-1-117.5, C.R.S. within the Colorado Department of Transportation.

“FASTER Safety Project” shall mean a construction, reconstruction, or maintenance project that enhances the safety of a state highway and may include all aspects of delivering a safety mitigation project: planning, financing, study, analysis, designing, engineering, mitigation, acquisition, contracting, installation, and construction activities that result in repair, reconstruction, new construction, maintenance, or operation of a highway to enhance safety. The definition of FASTER Safety Project shall apply to all road or road related improvements set forth in § 43-4-803(14), C.R.S.

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This definition shall include projects referred to as “FASTER Safety Asset Management Project” and “FASTER Safety Mitigation Project.”

“FASTER Safety Mitigation Executive Steering Committee” shall mean an advisory committee comprised of members of CDOT executive management who will review and approve FASTER Safety Mitigation projects.

“Statewide Transit Project” shall mean a Transit Project or Transit Related Project that provides services or benefits to a substantial portion of the state.

“Transportation Commission” or “Commission” shall refer to the Commission established pursuant to § 43-1-106, C.R.S.

“Transit and Intermodal Committee” or “T&I Committee” shall mean the committee comprised of members of the Transportation Commission with oversight of the Division of Transit and Rail.

V. POLICY

A. The Transportation Commission (hereinafter “Commission”) shall determine the funding allocation and criteria by which projects eligible for FASTER funding are selected.

1. Office of Financial Management and Budget (“OFMB”) Oversight of FASTER Revenues

a) The Commission shall oversee OFMB’s allocation of FASTER revenue by reviewing and approving the annual budget and budget supplements pursuant to § 43-1-105(8)(h), C.R.S.

b) The OFMB shall allocate and reconcile FASTER revenue provided to the Department of Transportation. The allocation shall be made to the following programs:

- (1) Pursuant to § 43-4-811, C.R.S., \$5 million annually to the DTR to provide grants to local governments for local transit projects;
- (2) Pursuant to § 43-4-206(3), C.R.S., \$10 million annually to statewide transit projects administered by the DTR;
- (3) Pursuant to direction of the Commission, a portion of FASTER Safety revenue shall be allocated to safety-related Asset Management program; and
- (4) Pursuant to direction of the Commission, the FASTER Safety Mitigation Program shall receive the balance of the FASTER Safety fund after distribution to the FASTER Transit Program and Asset Management program.
- (5) All FASTER Bridge Safety surcharge revenues shall be distributed to the Statewide Bridge Enterprise.

c) The OFMB shall use the process and methodology set forth in Procedural Directive 704.1 “Financial Management of FASTER Revenues” to accurately and efficiently track FASTER revenues from revenue forecasting, annual budget setting, program allocation, project budgeting,

project funding and expenditure to reconciliation.

d) The OFMB shall continue to utilize both SAP (CDOT's financial management system) and CORE (the state financial management system) to account for all FASTER revenues received, allocated and budgeted throughout CDOT.

e) For all projects using FASTER funding, if the project exceeds the approved budget by the amount specified in Policy Directive 703.0, the process set forth in Policy Directive 703.0 must be followed.

2. FASTER Safety Mitigation Projects

a) The Commission herein creates the CDOT FASTER Safety Mitigation Program which is charged with improving highway safety through the use of FASTER Safety funds in accordance to § 43-4-802(2)(b), C.R.S.

b) The Commission determines what types of projects and components of projects are considered eligible to be funded. Construction, reconstruction or maintenance projects that enhance the safety of a state highway by reducing the severity and number of highway crashes are considered eligible projects for the FASTER Safety Mitigation Program. The Commission further determines that eligible project components may include all aspects of delivering a safety mitigation project: planning, financing, study, analysis, designing, engineering, mitigation, acquisition, contracting, installation, and construction activities that result in repair, reconstruction, new construction, maintenance, or operation of a highway to enhance safety.

c) The Commission further defines eligible FASTER Safety Mitigation Projects as projects that meet the following criteria:

- (1) Applicant is either a CDOT region or an eligible public entity with authority to enter into a contract with CDOT;
- (2) Sufficient information is provided in the application for analysis of the program criteria;
- (3) The application demonstrates that the proposed project addresses a safety need related to Colorado's state transportation system; and
- (4) The proposed project meets the minimum benefit-to-cost ratio as determined by the FSM Executive Steering Committee.

d) The Commission directs the FASTER Safety Mitigation Program to select FASTER eligible projects with the goal of reducing the severity and number of highway crashes and working toward zero deaths for all users.

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- e) The Commission further directs that the FASTER Safety Mitigation Program use the metrics set forth in Procedural Directive 1504.1 to develop the projects for inclusion in the Statewide Safety Mitigation Plan.
- f) The Commission herein directs the FASTER Safety Mitigation Executive Steering Committee to review and approve projects to be funded under this program.
- g) The FASTER Safety Mitigation Program with the support of the Division of Accounting and Finance shall compile an annual report and provide it to the FASTER Safety Mitigation Executive Steering Committee and the Commission in order to assess the effectiveness of the FASTER Safety Mitigation Program.

3. FASTER Safety Asset Management Projects

- a) The Commission herein recognizes that a number of CDOT asset classes within the Asset Management Program have such a clear nexus to safety that it is appropriate for an amount of FASTER Safety funds to be utilized to fund projects within those asset classes.
- b) Eligible asset classes to use FASTER Safety funds include Geohazards, Signals, Culverts, Tunnels, and Surface Treatment. All projects that meet the definition of FASTER Safety Project are eligible for funding. Inspection programs within the asset classes are not eligible for FASTER Safety funds.
- c) The Commission herein directs the Asset Management Executive Oversight Committee to prioritize the eligible asset classes for FASTER Safety Asset Management Program funds.
- d) CDOT Division of Transportation Development with the support of the Division of Accounting and Finance will compile an annual report and present it to the Asset Management Executive Oversight Committee and the Commission in order to assess the effectiveness of the FASTER Safety Asset Management Program.

4. FASTER Transit Projects

- a) The Commission, having oversight of the DTR, determines what types of projects and components of projects are considered eligible to be funded.
- b) The Commission directs that the Department fund FASTER Transit Projects from the “local” or “statewide” pool of FASTER revenues based on the following sub-pool structure.

Local Pool

\$4.1 Million small agency¹ capital expenses
\$0.9 Million large urban² capital expenses

¹ This excludes Mountain Metropolitan Transportation in Colorado Springs, Transfort in Fort Collins, and RTD in the Denver Metro area.

² This includes only Mountain Metropolitan Transportation in Colorado Springs, Transfort in Fort Collins.

\$5.0 Million Local Pool

Statewide Pool

\$1.0 Million for DTR Administration, Planning, Technical Assistance
 \$3.0 Million for CDOT Interregional Express (IX) Bus Service (aka Bustang)
 \$1.0 Million Operating Assistance for Other Regional / Interregional Bus Service
 \$3.0 Million for large urban capital expenses (RTD)
 \$2.0 Million Statewide Competitive Capital Pool

\$10.0 Million Statewide Pool

c) Pursuant to Resolution TC#3167, the funding criteria set forth above must be reconsidered and approved or modified prior to the distribution of FY 2019 FASTER funding. The DTR shall recommend continuation or modification of the statewide and local pool allocations set forth above on or before April 30, 2017.

d) The Commission further directs that eligible FASTER Transit Projects must meet the following criteria:

Statewide Pool	Local Pool
Extent to which project provides statewide or interregional services or benefits.	Criticality
Extent to which project is multimodal in nature.	Financial capacity
Extent to which project provides regional services or benefits.	Financial need
Criticality	Project impacts
Financial capacity	Readiness
Financial need	
Project impacts	
Readiness	

e) The Commission directs the DTR to base its selection of FASTER Transit Projects on the metrics set forth in Procedural Directive 1608.1.

f) The DTR Director shall approve the FASTER Transit Projects following the procedure set forth in Procedural Directive 1608.1.

g) Procedural Directive 704.1 outlines CDOT’s management of FASTER Transit funding. For projects that exceed the approved project budget by the amount specified in Policy Directive 703.0, DTR shall submit the FASTER Transit Project to the OFMB, which will then include the project in the budget supplement request and submit it to the Commission utilizing the process set forth in Policy Directive 703.0.

Subject Policy Governing the Efficient Use of FASTER Revenue	704.0
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- h) The Transit and Intermodal Committee (“T&I Committee”) shall advise the DTR on any proposed changes to the FASTER Transit metrics.
- i) The T&I Committee shall review quarterly reports submitted by DTR which contain the expenditures and status of all FASTER funded projects and the reconciliation of FASTER funding.
- j) DTR shall annually apprise the T&I Committee of the Transit Projects recommended for FASTER funding for the next fiscal year.
- k) DTR shall submit any proposed changes in funding for FASTER Transit Projects to the OFMB, which shall include the request in the budget supplement pursuant to Policy Directive 703.0.
- l) FASTER Transit Projects shall be tracked by the DTR budget analyst and the OFMB in SAP as set forth in Procedural Directive 704.1 and 1608.1. The Commission directs DTR staff to work with the OFMB to routinely reconcile transit revenue expenditures and other transfers in and out of the Transit Fund.

VI. IMPLEMENTATION PLAN

- A. This Policy Directive shall be effective immediately upon signature.
- B. Each Originating Office shall provide within one week of the effective date a copy of this Policy Directive to all employees within their respective division/office. The Directive shall also be disseminated to all members of Executive Management Team to be provided to all staff impacted by its requirements.

VII. Review Date

This Policy Directive shall be reviewed on or before April 2017.

Herman F. Stockinger III
Herman Stockinger
Transportation Commission Secretary

1-26-16
Date

Financial Management of FASTER Revenues



COLORADO

Department of Transportation

Office of the Executive Director
4201 East Arkansas Ave, Suite 262
Denver, CO 80222

RELEASE MEMORANDUM

TO: ALL CDOT EMPLOYEES
FROM: SHAILEN P. BHATT, DIRECTOR, BRIDGE ENTERPRISE
DATE: JANUARY 29, 2016
SUBJECT: NEW PROCEDURAL DIRECTIVE 704.1 “Financial Management of FASTER Revenues”

1. Name of Procedural Directive: 704.1 “Financial Management of FASTER Revenues”
2. Date of PD this Directive Supersedes: None (new PD)
3. Executive Summary: In August 2015, the Colorado Office of the State Auditor issued a Performance Audit titled “Collection and Usage of the FASTER Motor Vehicle Fees” (the “2015 FASTER Audit”). The Transportation Commission approved Policy Directive 704.0 “Policy Governing the Efficient Use of FASTER Revenue” on January 21, 2016. Procedural Directive 704.1 is the companion directive that is intended to provide transparency regarding CDOT’s use of FASTER revenues by setting forth the Office of Financial Management and Budget’s internal processes to allocate and reconcile FASTER funding.
4. Effective Date: January 29, 2016



COLORADO DEPARTMENT OF TRANSPORTATION		<input type="checkbox"/> POLICY DIRECTIVE <input checked="" type="checkbox"/> PROCEDURAL DIRECTIVE
Subject Financial Management of FASTER Revenues		Number 704.1
Effective 01.29.16	Supersedes n/a	Originating Office Office of Financial Management and Budget (OFMB)

I. PURPOSE

The purpose of this Procedural Directive is to provide transparency regarding the Colorado Department of Transportation’s use of FASTER revenues by setting forth the Office of Financial Management and Budget’s internal processes to allocate and reconcile FASTER funding.

II. AUTHORITY

Executive Director pursuant to § 43-1-105, C.R.S.

§ 43-4-801, et seq., C.R.S. “Funding Advancement for Surface Transportation and Economic Recovery” “FASTER”

III. APPLICABILITY

This Procedural Directive applies to all divisions, offices and regions of the Colorado Department of Transportation, and where applicable, to the Bridge Enterprise and the High Performance Transportation Enterprise.

IV. DEFINITIONS

“APRJ” shall mean “Apportionment to Project” and is the SAP transaction document type for budgeting to a project.

“APRV” shall mean “Apportionment to Provider” and is the SAP transaction document type for establishing the apportionment ledger balance.

“Asset Class” shall mean a set of fixed assets having similar characteristics and attributes that differentiate them from others by kind, type, or function.

“Asset Management Program” shall mean a collection of programs, established to identify and perform preventive treatments to improve asset condition on a long-term basis. The provider code for FASTER Safety in these programs is FAB411.

“Bridge Enterprise Program” also known as “Statewide Bridge Enterprise Program” and constitutes the primary use of the FASTER Bridge Enterprise Surcharge revenues. The program code in SAP is

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represented by the acronym SSR. The provider code is associated with this revenue source and program is FAB538.

“COMD” shall mean “Commission Detail” and is the SAP transaction document type for allocating revenues to Cost Centers.

“CORE” shall mean the “Colorado Operations Resource Engine” which is the Colorado statewide financial system of record.

“Cost Center” shall mean a cost accumulator to track non-project staff, capital, and operating expenses. A portion of FASTER transit budget and FASTER Bridge Enterprise is apportioned to several cost centers. A cost center budget is established at the beginning of each fiscal year.

“FAB411” shall mean the SAP Functional Area code for FASTER Safety, including the \$10M annual set aside for State Transit and funds used for asset management.

“FAB480” shall mean the SAP Functional Area code for FASTER Transit and Rail Local set aside (\$5M annual).

“FAB538” shall mean the SAP Functional Area code for FASTER Surcharge for the Bridge Enterprise.

“FASTER” shall mean the Funding Advancement for Surface Transportation and Economic Recovery Act, which was established by Senate Bill 09-108 and codified at § 43-4-801, *et seq.*, C.R.S.

“Local Transit Program” shall mean a \$5M annual allocation using FASTER revenues beginning in Fiscal Year 2010 for Locally Administered Transit related activities. The program code for this funding is TRG and the provider code is FAB480.

“OFMB” shall mean the Office of Financial Management and Budget within the Colorado Department of Transportation.

“OLIM” shall mean “Obligation Limitation” and is the SAP transaction document type for establishing the obligation limitation balance.

“OPRJ” shall mean “Obligation to Project” and is the SAP transaction document type for obligating a project.

“Project” shall mean one or more treatments falling within categories such as safety mitigation, inspection, replacement, rehabilitation, and/or repair.

“Project Budget” shall mean the amount of funds allotted to a project for the purposes of delivering a specific scope of work. This amount establishes authority to encumber and expend funding.

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“REGP” shall mean “Regional Pool” and is the SAP transaction document type for allocating revenues to program pools using a document type.

“Safety Mitigation Program” shall mean the program established under Policy Directive 704.0, Section V.A.2. The program code in SAP is represented by the acronym FSA. The provider code is FAB411.

“SAP” shall mean CDOT’s system of record for financial budget, accounting and project systems information.

“SAP Functional Area” is also known as the “Provider Code” and shall mean the Functional Area Code field in SAP which represents distinct funding sources, historically known to CDOT as “apportionment providers.” The format for the coding is “FAB####”. The code is found in many CDOT reports including ZF70, ZF95, FMEDDW and is validated using the Apportionment to Provider “Z4” ledger to ensure that the provider is not over-obligated in aggregate above the total revenues.

“Transit Program” also known as the “Statewide Transit and Rail Program” and shall mean the program receiving a \$10M annual sub-allocation of FASTER safety revenues beginning in Fiscal Year 2010 for transit-related activities including the implementation of CDOT’s new bus program titled “Bustang.” The program codes for the FASTER Transit Program are STL, HP2, and BUS. The provider code for this program is FAB411, as it is technically a suballocation of the FASTER Safety revenue stream.

“Transportation Commission” or “Commission” shall mean the Transportation Commission established pursuant to § 43-1-106, C.R.S.

V. PROCEDURE

A. Governing Documents Regarding CDOT’s Use of FASTER Revenues

1. Procedural Directive 704.1 “Financial Management of FASTER Revenues” must be read together with the Transportation Commission’s Policy Directive 704.0.
2. This Procedural Directive must also be read together with the Procedural Directives relating to FASTER funded programs, including those governing the Division of Transit and Rail, the Safety Mitigation and Asset Management Program, and the Bridge Enterprise Program. These Procedural Directives must also be read together with Policy Directive 703.0, which outlines the Commission’s Policy regarding the funding of CDOT projects and programs, as well as Policy Directive 14.0, which provides an overall framework for the transportation planning process.

B. Annual Revenue Forecasting and Allocation Process

1. Revenue Forecast for FASTER Funds

Subject

Financial Management of FASTER Revenues

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704.1

- a) The CDOT Revenue Analyst is responsible for producing long range annual revenue forecasts and updating these forecasts throughout the fiscal year.
- b) Revenue forecasts are produced using a model that uses historical revenue information, national economic data, state population data, and several other data points in order to produce the most current forecast of annual revenues. *See* CDOT Long Term Revenue Model Training Document.
- c) CDOT uses these revenue forecasts to produce several documents, including its Annual Budget Allocation Plan, Long Range Transportation Plans, the Statewide Transportation Improvement Program, and the Statewide Federal Transit Plan.

As part of the overall revenue forecasting process, the CDOT Revenue Analyst develops a forecast for FASTER revenue. The Revenue Analyst forecasts all FASTER fees that the State of Colorado will collect using its long term revenue model, rather than forecasting only what CDOT will receive. Out of six fees that are collected as part of the FASTER legislation, the Colorado Bridge Enterprise receives 100% of the Bridge Safety Surcharge. CDOT Receives 60% of the revenues collected from the remaining five. The CDOT revenue analyst uses these respective percentages to forecast the total FASTER revenues that the Colorado Bridge Enterprise and CDOT will receive for a given year. Once these FASTER revenues have been forecasted, the Revenue Analyst allocates them, following the resource allocation process described in section C.

C. Allocation of Revenues to Programs and Cost Centers

1. Prior to OFMB formally allocating its forecasted revenues for the upcoming fiscal year, it submits a final Budget Allocation Plan to the Transportation Commission for their approval.
2. The Commission-approved Budget Allocation Plan is then submitted to the Governor's Office of State Planning and Budgeting.
3. Once the Transportation Commission has approved the final Budget Allocation Plan, OFMB allocates the approved revenues to the appropriate program pool or cost center, including the various FASTER funds through the SAP system, prior to the start of the State fiscal year (July 1 – June 30).
4. In addition to the CDOT SAP system, all FASTER funds are represented in the Long Bill on the Construction, Maintenance and Operations and Bridge Enterprise lines. These amounts are automatically booked into the Statewide Financial System (CORE) at the beginning of the fiscal year as part of the Long Bill booking. The OFMB Annual Budget Analyst is responsible for ensuring that these amounts are booked correctly. While CDOT maintains its own internal financial system (SAP), all Department revenues and expenditures in SAP must be reconciled in

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CORE. The annual budget analyst must ensure that all revenues represented in SAP are reconciled with CORE.

5. FASTER revenues follow this resource allocation process, but are also allocated more specifically than most revenues that CDOT receives each year. As described in section B, the CDOT Revenue Analyst forecasts the total FASTER revenues that the State of Colorado will receive, including the 100% of the Bridge Safety Surcharge to the Colorado Bridge Enterprise and 60% of the remaining FASTER revenues that go to CDOT. That 60% to CDOT is then allocated to several programs. \$15 million dollars is immediately allocated to the Division of Transit and Rail (DTR) in the form of FASTER State and Local Transit Grants. As determined in the CDOT Annual Budget, FASTER Safety funds may be allocated to the Asset Management Program in priority order as follows (inspection programs in each class are not eligible for FASTER funding):

- a. Priority 1 – Geohazards
- b. Priority 2 – Signals
- c. Priority 3 – Culverts
- d. Priority 4 – Tunnels
- e. Priority 5 – Surface Treatment

The remaining amount of FASTER Safety funds after suballocation is then allocated to the FASTER Safety Mitigation Program.

D. Reconciliation of FASTER Revenues

1. At the end of each fiscal year, the CDOT Revenue Analyst reconciles the revenue forecasts to actual revenues that the Department receives from motor vehicle registrations, motor fuel taxes, grants, permits, other fees, and any other revenues that it may receive throughout the fiscal year. The Office of the State Treasurer, FHWA, and the CDOT Division of Accounting and Finance (“DAF”) provide the CDOT Revenue Analyst with final revenues for the fiscal year. The CDOT Revenue Analyst compares these to the forecast that was used at the beginning of the fiscal year in the resource allocation process described in section C. Specific to FASTER revenues, the Office of the State Treasurer provides CDOT with the Highway User’s Tax Fund Report, which details all of the FASTER Revenues collected by the state as well as the 60% distribution to CDOT. With regard to the Bridge Safety Surcharge as mentioned in C.6., CDOT receives data detailing the Bridge Safety Surcharge collections from CORE. The Revenue Analyst works with the Bridge Enterprise accounting staff to confirm that the amount received in SAP matches the amount detailed in CORE.

2. OFMB provides the Transportation Commission with a revenue reconciliation report that provides a comparison between forecasted and actual revenues for the given fiscal year. OFMB also provides the Transportation Commission with recommendations with regard to the use of any surplus or deficits in funds that may exist.

3. Surpluses and deficits are addressed differently based on whether they are flexible or inflexible types of funding.

a) Flexible funds are funds that may be used for any type of project. Surpluses of flexible funds are distributed per the approval of the Transportation Commission. Options include increasing various CDOT programs, the Transportation Commission Contingency Relief Fund, or to supplement programs with reduced revenues.

b) Inflexible funds are funds that have specific uses identified by statute or FHWA requirements. FASTER funds are considered inflexible, as the FASTER legislation specifies that these types of funds may only be used on eligible projects in the FASTER programs. Any surplus of inflexible funds goes directly to the program pool or cost center that funds are allocated to during reconciliation to ensure that FASTER funds are always utilized in a manner consistent with FASTER legislation.

4. OFMB distributes allocations to FASTER programs (transit, bridge, safety mitigation and Asset Management Program) based on the direction approved by the Transportation Commission following a similar methodology to the resource allocation process that occurs before the start of the fiscal year. This process typically occurs after the close of the fiscal year being reconciled and therefore the adjustments are made to funding pools and cost centers of the next fiscal year. The Revenue Analyst works with the Annual Budget Analyst and the Federal Aid and Project Budget Analyst to make these adjustments.

5. OFMB notifies the program pool and cost center managers and business associates of these adjustments and works with the Division of Transportation Development (DTD) to notify MPOs, TPRS, and any other planning partners of funding adjustments as a result of the end of fiscal year revenue reconciliation.

6. The OFMB Annual Budget Analyst also reconciles the spending authority as represented in the Statewide Financial System (CORE) with actual revenues, including those of the FASTER programs.

7. At the close of each fiscal year, the Annual Budget Analyst will coordinate with the Headquarters Business office, the Federal Aid and Project Budget Analyst and staff from DTR to ensure that FASTER Transit funds as allocated and expended in SAP are reconciled to total FASTER Transit revenues.

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E. Program Planning

The project planning processes for the Transit, Safety Mitigation, Asset Management, and the Bridge Enterprise programs utilizing FASTER revenues are set forth in the respective Procedural Directives.

F. Project Execution

1. STIP Programming. Step 2 of the following process applies to projects requiring transfer to regions prior to project budgeting. For projects in which the budgeting is coordinated at the CDOT Headquarters, skip to step 3.

2. As regionally designated projects are identified by the program manager, based on the criteria established by the Commission as qualifying for funding, a workflow process known as the Funding Action Request (FAR) is submitted based on preliminary estimates:

- a) Region personnel discuss project with Program Manager;
- b) FAR created in SharePoint by the regional business office;
- c) Submitted to OFMB for review;
- d) OFMB conducts SAP transaction type REGP to formally move the funds from the Statewide Pool to a Regional Pool.

3. Once in the regional pool, the Regional Planner adds the project to the Statewide Transportation Improvement Program (STIP), which is approved by OFMB STIP Manager. Within the STIP SAP application, Business Managers and Region Planners must: a) reference a STIP number; b) use the appropriate funding program (such as FSA for FASTER Safety projects), and c) use the fund type of FAS. These items provide additional data that assists in identifying FASTER funds within the STIP. The funds are now available to budget to a project.

G. Budgeting Funds to Projects

1. Once funds have been allocated to CDOT program pools and then added to the STIP, the funds are available to budget to projects. A project budget is used to control costs intended to deliver a specific scope of work as intended during the project set up. Budget actions are created by regional business offices and submitted to OFMB for review and approval. Budgeting of the following programs are executed by either the regional or headquarters business staff.

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a) FASTER SAFETY (FSA) are typically budgeted by regional business office staff to qualifying projects, referencing the FSA in the SAP Fund Center coding string. The Functional Area code FAB411 is associated with these funds when budgeting to a project.

b) FASTER Transit (STL) are typically budgeted by headquarters business office staff to qualifying projects as directed by the Division of Transit and Rail, referencing the STL in the SAP Fund Center coding string. The Functional Area code is also FAB411 and is associated with these funds when budgeting to a project.

c) FASTER Transit Local Grants (TRG) are typically budgeted by headquarters business office staff to qualifying projects as directed by the Division of Transit and Rail, referencing the TRG in the SAP Fund Center coding string. The Functional Area code is FAB480 and is associated with these funds when budgeting to a project.

d) FASTER Bridge Safety Surcharge (SSR) are typically budgeted by the Bridge Enterprise Budget Analyst to qualifying projects as directed by the Bridge Enterprise staff and Board, referencing the SSR in the SAP Fund Center coding string. The Functional Area code is FAB538 and is associated with these funds when budgeting to a project. Furthermore, the Bridge Enterprise is a separate Fund and requires unique Fund Code 538.

e) The Asset Management Programs' allocation of FASTER Safety funds is determined during Annual Budget preparation as detailed in the Asset Management use of FASTER Funds Procedural Directive 1608.2 and the Allocation of Revenue section in this Procedural Directive. The Office of Financial Management and Budget monitors the usage of FASTER funds in the Asset Management Programs and conducts project level budgetary transactions to ensure that the appropriate level of FASTER funds are being budgeted and obligated in SAP based on a priority order. The priority order is a strategic prioritization of asset classes and their relationship to the safety benefit associated with those projects.

f) During Asset Management Program allocation, individual projects are not identified as FASTER eligible. Beginning in FY2015 OFMB retroactively reclassified Federal or HUTF dollars in favor of FASTER Safety funds (identified in projects with the FAB411 functional area code) up to the total budget of the asset class based on priority order of funding. This reclassification is necessary in order to demonstrate the budgeting and expense of FASTER funds in AM Programs. The reclassifications are performed manually by OFMB using the SAP Budgeting Work Bench (transaction FMBB).

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OFMB uses SAP to identify how individual Asset Management projects and programs are currently budgeted and make transactions as necessary:

- (1) Compare the FASTER allocations to these asset classes with the current overall project budget using transaction code ZF70;
- (2) Sort and analyze the data by project and specific asset classes to see the current types of funding budgeted in each project and the amounts associated with those types;
- (3) Determine necessary transactions to adjust project level budgets in order to comply with Asset Management use of FASTER Funds Procedural Directive 1608.1;
- (4) Perform budget actions using SAP transaction code FMBB to convert the necessary funding, making sure to utilize the correct FASTER Safety provider code "FAB411" when entering the compensatory funds to replace those funds that were reduced.
- (5) A quarterly analysis is submitted to the Performance and Asset Management Branch Manager which reflects the adjusted project budgets which utilize FASTER funds.

2. OFMB compares the project budget amount to the estimate and reviews SAP data (such as Functional Area and Fund Center coding) for consistency with project and budget action details. OFMB gives a cursory review of the project scope for adequate detail.
3. OFMB validates the budget action with Policy Directive 703.0 guidelines to determine the level of approval authority required, Staff level, Executive Management level, or Transportation Commission level.
4. Once a budget action is approved, the project is either immediately available for obligation and expenditure, or if the project also contains Federal funding it may be forwarded to FHWA for review and authorization prior to making funds available for expenditure.

H. Project Obligations

1. Project Obligation is the formal commitment of funds by either CDOT or FHWA prior to expending the funding. This process is typically referred to when projects require FHWA funding and is the basis of FHWA giving concurrence to the project and provide authorization to proceed with expenditures that can then be reimbursed by FHWA to CDOT.

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2. For projects funded wholly with state funds, including FASTER funds, the obligation process typically occurs immediately after the project budget is approved.
3. For projects funded with FHWA and state funds, including FASTER funds, the obligation does not occur until FHWA also gives their concurrence in the Federal financial system “FMIS”.
4. The obligation process within SAP is the formal point where a specific funding source is validated for availability prior to being expended. SAP maintains the Z4 and Z5 ledgers which will prevent obligating funds above a revenue stream as booked by the revenue analyst. For example, if the sum of multiple years of revenues for a program is \$100M, the sum of the project obligations in all historical projects to date cannot exceed that amount. Funds not obligated in previous years, or de-obligated from projects during closure are made available to new projects.
5. SAP OPRJ documents consume funds against the previously established ledger balances set out by the APRV and OLIM entries as previously described.
6. Technical Note: Funds budgeted from future years are not “obligated” until that associated year has been opened. Until then they are considered “Advance Constructed” ADVC and do not consume against the APRV or OLIM ledger balances. Upon entering the fiscal year associated with the budgeted funds, the project is converted from Advance Construction to Obligated.

I. Project Expenditures

1. Project expenditures such as employee time charges or payments to consultants and/or contractors are coded by personnel into SAP against the project. Validations are made to the funding availability, with some exclusions, at an aggregate level. If funds are available, a payment is made and funds are consumed from the project.
2. The coding of an expenditure and the availability validation occurs at an aggregated level of funding, meaning SAP does not assign the expenditure to a specific type of funding, such as FASTER or Federal or state Highway User Tax Funds. As coded in SAP, using the Commitment Item types coded as “4XXXXXXXXXX” you cannot see what type of funds are intended to pay for this specific expenditure item.
3. Once an expenditure item is processed a subsequent automated transaction in SAP will assign these Commitment Item types through a billing process which does assign an equal amount to a specific functional area or “provider code”. This process validates the funding types and amounts budgeted to the project and assigns costs up to the amount obligated for a specific fund type, by referencing a “Funding Priorities table” in SAP that was established for each project. This assignment of costs to various Federal, State or Local costs will subsequently

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generate a “billing” transaction which will assign a Commitment Item code of “7XXXXXXXXXX”. For Federal funds this occurs daily. For State and Local funds this occurs monthly.

4. Discounting brief timing differences, in SAP the sum of all expenditure “4XXXXXXXXXX” type transactions will equal the sum of all billing “7XXXXXXXXXX” transactions.

5. Project modifications, such as funding transfers or adjustments, and closure activities can impact the amounts “billed” to a specific provider either upward (new billing) or downward (credit billing).

J. Cost Center Expenditures

1. The Annual Budget Analyst shall be responsible for the correct allocation of funds to the FASTER Statewide Transit and Bridge Enterprise cost centers and ensure that cost center balances are reconciled to program pools. FASTER Transit and FASTER Bridge Enterprise will have separate appropriation codes in SAP and CORE to prevent comingling of funds.

2. SAP Availability Controls prevent posting expenditures to cost centers beyond available budget. Payroll expenditures, however, are not subject to availability control. FASTER cost center expenditures will be monitored by the Annual Budget Analyst, the Enterprise Analyst and the Business Office during the course of the fiscal year to ensure that expenditures do not exceed available budgets.

K. Cost Center Fiscal Year Close

1. The Annual Budget Analyst will ensure that year-end cost center balances (unspent funds) for all FASTER cost centers (including FASTER Statewide Transit and FASTER Bridge Enterprise) are rolled forward into their respective cost centers for the next fiscal year and allow them to be subsequently expended.

L. Project Completion

1. Projects requiring additional funds prior to project close shall request funding using the same Program Planning and Project Execution processes detailed above, including the Policy Directive 703.0 review.

2. Projects being closed with surplus funds are debudgeted and funds are returned to the originating program to be made available for subsequent programming and budgeting to another project. If necessary, a pool transfer is executed to return the funds from the regional controlled pool to the headquarters/statewide pool.

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3. FASTER projects being closed require the same documentation required for all projects, including the completion of forms 950 and 1212 by the regional personnel and are processed by OFMB for closure in SAP and FMIS systems as necessary. Prior to official close, projects are validated to ensure that all accounting and finance related activities are completed including expenditure, billing, and asset settlement.

4. The Program Management Office is evaluating methods to expedite project closure and minimize project contingency balances. The FASTER programs will incorporate these changes as they are implemented.

5. If FASTER funds are utilized to fund a Bridge or FASTER Safety Project that is later determined to have not been a Designated Bridge or that does not ultimately result in a project, the FASTER revenue must thereafter be returned to the FASTER pool.

VI. DOCUMENTS REFERENCED IN THIS DIRECTIVE

FASTER Funding and Planning Workflow

CDOT Long Term Revenue Model Training Document

Appendix A "FASTER Financial Management Process

VII. IMPLEMENTATION PLAN

OFMB's use of technology through SAP and CORE provides a high level of transparency and accountability. OFMB continues to develop methods by which projects across all programs may be measured so that the effectiveness of FASTER funding may be monitored.

Training will be provided to CDOT staff regarding the procedures outlined in the directive, including the project budgeting processes and proper SAP transaction coding.

This Procedural Directive shall be effective upon signature.

VIII. REVIEW DATE

This Procedural Directive shall be reviewed on or before January 2021.



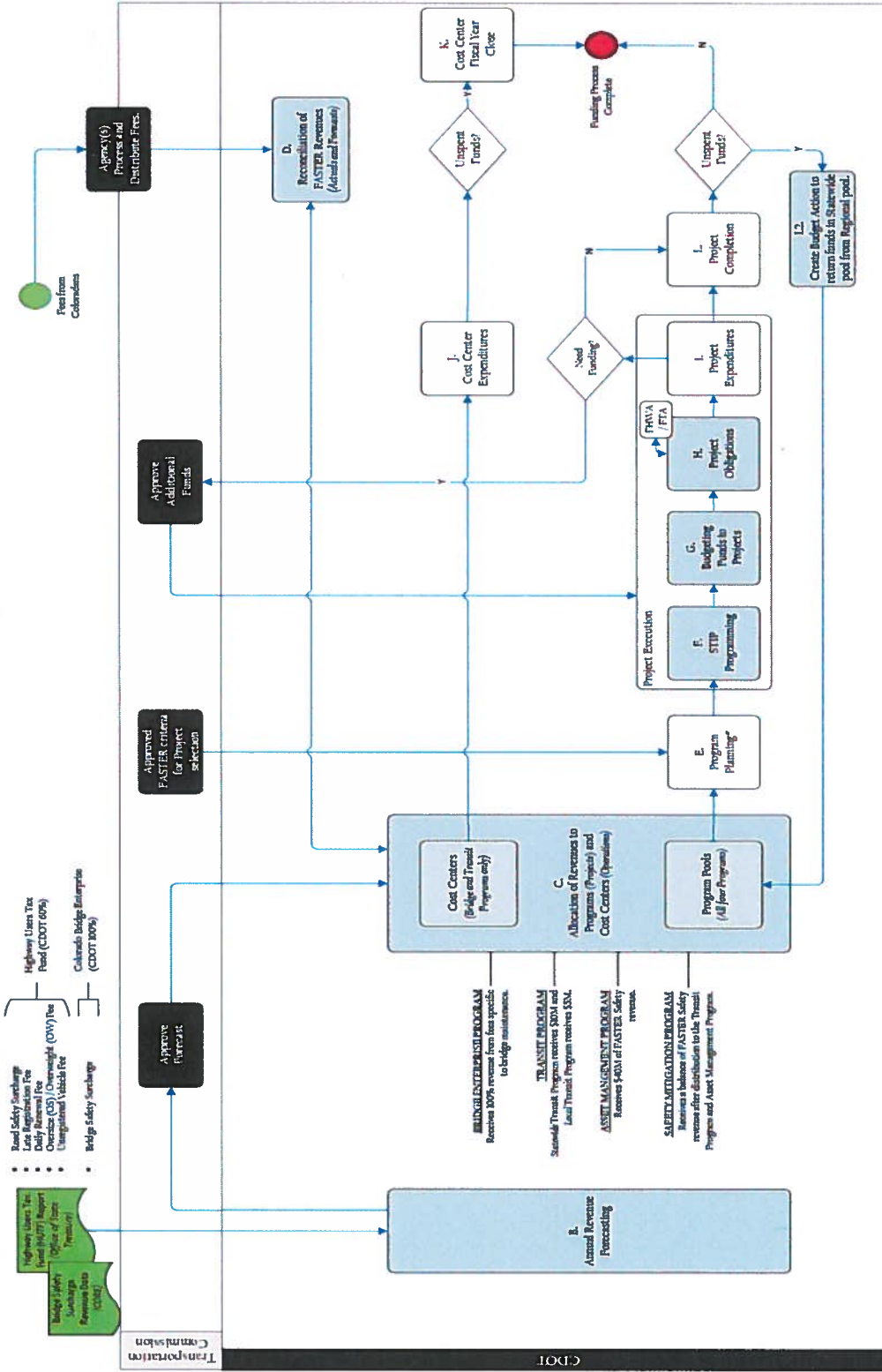
Executive Director



Date of Approval

FASTER Program – Financial Management Process (Level I)

Purpose: To display a high level, current state of OFMB's tracking of the spending of FASTER Program fees to complete transportation improvements.



FASTER Transit Program



COLORADO

Department of Transportation

Office of the Executive Director

4201 East Arkansas Ave, Suite 262

Denver, CO 80222

RELEASE MEMORANDUM

TO: ALL CDOT EMPLOYEES
FROM: SHAILEN P. BHATT, EXECUTIVE DIRECTOR
DATE: JANUARY 29, 2016
SUBJECT: NEW PROCEDURAL DIRECTIVE: 1608.1 "FASTER Transit Program"

1. Name of Procedural Directive: 1608.1 "FASTER Transit Program"
2. Date of PD this Directive Supersedes: None (new PD)
3. Executive Summary: In August 2015, the Colorado Office of the State Auditor issued a Performance Audit titled "Collection and Usage of the FASTER Motor Vehicle Fees" (the "2015 FASTER Audit"). The Transportation Commission approved Policy Directive 704.0 "Policy Governing the Efficient Use of FASTER Revenue" on January 21, 2016. Procedural Directive 1608.1 adheres to the requirements of Policy Directive 704.0 and provides guidance on the FASTER Transit Program's responsibilities and management of the use of FASTER revenues. Regarding the FASTER Transit Program, Policy Directive 704.0:
 - o Establishes criteria by which types of projects and components of projects are considered eligible to be funded with FASTER funding;
 - o Directs that criteria must be reconsidered and approved or modified prior to the distribution of FY 2019 FASTER funding;
 - o Sets forth advisory responsibilities of the Transit and Intermodal Committee ("T&I Committee");
 - o States that the T&I Committee must be apprised annually of the FASTER Transit Projects recommended for FASTER funding for the next fiscal year; and
 - o Requires that the DTR budget analyst and OFMB track FASTER Transit Projects as set forth in Procedural Directive 704.1 and 1608.1.

Procedural Directive 1608.1 includes the following requirements:

- o The DTR Director approves the FASTER Transit Projects following the procedure in PD 1608.1;
- o FASTER Transit Project selection must be based on the metrics set forth in Procedural Directive 1608.1;



- FASTER Transit Projects that exceed the approved project budget by the amount specified in Policy Directive 703.0 must be submitted for approval to the Commission through the budget supplement set forth in Policy Directive 703.0;
- Sets out the process to follow for FASTER Transit Project selection, budgeting and contracting;
- Specifies monitoring and oversight requirements for FASTER Transit Projects, including performance schedules for each FASTER Transit Project;
- Includes Performance Standards regarding the status of FASTER Transit Projects; and
- Sets out a plan for training on staff roles and SAP/COTRAMS functions.

4. Effective Date: January 29, 2016



COLORADO DEPARTMENT OF TRANSPORTATION		<input type="checkbox"/> POLICY DIRECTIVE <input checked="" type="checkbox"/> PROCEDURAL DIRECTIVE
Subject FASTER Transit Program		1608.1
Effective 01.29.16	Supersedes n/a	Originating Office Division of Transit and Rail

I. PURPOSE

The purpose of this Procedural Directive is to set forth the Division of Transit and Rail's processes for the effective and transparent use of FASTER revenue.

II. AUTHORITY

Executive Director pursuant to § 43-1-105, C.R.S.

§ 43-4-206(3), C.R.S.

§ 43-1-117.5, C.R.S.

§ 43-4-811, C.R.S.

§ 43-1-1104(1)(b), C.R.S.

III. APPLICABILITY

This Procedural Directive applies to the Division of Transit and Rail ("DTR") and the Divisions, Regions and Offices of the Colorado Department of Transportation, as well as grant partners who apply for and/or receive FASTER transit funding.

IV. DEFINITIONS

"CASTA" shall mean the "Colorado Association of Transit Agencies."

"DTR" shall mean the Division of Transit and Rail established pursuant to § 43-1-117.5, C.R.S.

"FASTER Transit Project" shall mean a Transit Project funded with FASTER revenues that directly impacts the provision of public or specialized transportation services. FASTER Transit Projects shall also include projects that are indirectly related to the provision of public transportation services but that show a positive impact to ridership and/or multimodal connectivity, including but not limited to the

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planning, designing, engineering, acquisition, installation, construction, repair, reconstruction, maintenance, operation, or administration of transit-related projects. § 43-4-206(3), C.R.S.

“Interregional Transit Project” shall mean a project that provides services or benefits in more than one CDOT region or more than one Transportation Planning Region (TPR) which operates over a long distance, has infrequent stops, and serves outside the transit provider’s normal taxing jurisdiction.

“Local Transit Project” shall mean a project that provides services or benefits within a local area.

“Open Door Specialized Transportation” shall mean a service available to any elderly and disabled person and is not limited to a particular clientele or facility.

“Regional Transit Project” shall mean a project that provides services or benefits within one TPR but which serves more than two municipalities and traverses more than approximately 25 miles, or that serves a significant portion of a region by connecting multiple communities.

“Statewide Transit Project” shall mean a project that provides services or benefits to a substantial portion of the state.

“Transit” shall mean public transportation by any mode, including bus, rail, or advanced guideway systems, or bicycle or pedestrian access to transit facilities.

“Transit and Intermodal Committee” or “T&I Committee” shall mean the committee comprised of members of the Transportation Commission with oversight of the Division of Transit and Rail.

“Transit and Rail Advisory Committee” or “TRAC” shall mean the advisory committee comprised of stakeholder members appointed by the Executive Director pursuant to § 43-1-1104(1)(b), C.R.S.

V. PROCEDURE

A. Program Objectives

1. The Division of Transit and Rail’s objective is to assist with the planning, maintenance, development, operation, implementation, and integration of transit into the statewide transportation system. The Division of Transit and Rail (“DTR”) shall ensure

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that state transit funds are used effectively and in accordance with legislative requirements and intent by providing oversight and establishing sufficient controls within the DTR related to FASTER transit revenue and projects.

2. As a means to achieve these program objectives, the DTR shall apply the criteria established by the Transportation Commission in Policy Directive 704.0 to all eligible FASTER Transit Projects.

B. FASTER Transit Project Eligibility and Prioritization Process

1. The DTR will use the following evaluation method to determine if a project is eligible for FASTER Transit program funding.

a) FASTER Transit Project must meet the eligibility criteria established by the Transportation Commission and set forth in Policy Directive 704.0; and

b) The FASTER Transit Project must be evaluated by the DTR staff using the following metrics:

(1) For Replacement of Rolling Stock:

Metric 1: Age, Mileage, Usage, Readiness: Higher mileage vehicles will be scored higher than lower mileage units;

Metric 2: Higher scoring will be awarded to applicants that can demonstrate a good state of repair through effective, documented, formal preventive maintenance programs or Transit Asset Management programs, and to those that have and follow a capital replacement plan;

(2) For Expansion of Rolling Stock:

Metric 1: Demonstrated Need and Readiness: Higher scoring will be awarded to projects that clearly demonstrate the need for the expanded service or facility in terms of documented ridership studies and community support, that demonstrate an effective business case and can demonstrate they are truly ready to go;

Metric 2: Special Considerations: For vehicle requests, applicants with a lower fleet spare ratio, who have a capital replacement plan/asset management plan, who can show strong institutional commitment, and who can show a strong financial commitment (higher local match

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ratio), will be scored more strongly.

(3) For Facilities, Design, and Equipment:

Metric 1: Readiness and Demonstrated Timetable: Higher priority will be given to those that are shovel ready (NEPA clearance finalized, at least 30% design completed, and site location selected and purchased), and to the completion of existing projects.

Metric 2: Project Purpose, Cost Savings, and Efficiency: Higher priority will be given to those projects that: have a high degree of support; defensible business case, and support or provide significant transit operational and utilization benefits.

Metric 3: Special Considerations. Higher scoring in this area will be given to those projects that demonstrate they were developed in partnership with the local community. In the case of requests for the expansion of existing facilities, higher scoring will be applied if the project demonstrates the need for the facility and for growth in the program it supports. Agencies that adequately demonstrate institutional commitment, funding, financial capacity, and capability to sustain the service and project over time will be also be scored more strongly.

(4) For Regional Operating Assistance:

Metric 1: Project Readiness: Higher priority will be given to projects that: demonstrate the ability to be implemented quickly; have a strong demonstrated need; operate across more than one CDOT engineering or planning region; operate outside a single agency taxing district, have infrequent (widely-spaced) stops; are included in the Regional Plans and/or the Statewide Transit Plan, and have strong forecast ridership / utilization.

Metric 2: Budget and Business Plan: Higher priority will be given to those projects that: have strong local support and/or multi-agency participation; could respond well if state funding were to decrease; address broader transportation outcomes such as solving congestion or achieving operational efficiencies, and make connections to major activity centers.

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(5) For Planning Studies

Metric 1: Project Purpose and Demonstrated Need: The project does not qualify for FTA Section 5303 or 5307 (in urbanized areas) or 5304 funding, is relevant to other transit agencies in the state, has been vetted with the local transit provider, and the study is ready to proceed upon award.

c) Eligible Recipients. Projects proposed by local public and private nonprofit entities and tribal governments that offer either public transportation or Open Door Specialized Transportation may be funded by the Local pool or Statewide pool of FASTER funding. Projects proposed by state agencies can only be funded by the statewide share. While all local agency projects are eligible to receive FASTER funding, those applicants that do not directly provide transit services must apply for FASTER funds through the transit provider that serves their jurisdiction.

d) Eligible Projects. FASTER funding may be used for any items defined as capital expenses by the Federal Transit Administration, including:

- (1) Rolling stock (buses, vans, train cars, gondola cabins);
- (2) Transit stations, transfer facilities, bus storage and/or maintenance facilities;
- (3) Multimodal facilities; i.e., facilities that accommodate some combination of services of multi-regional or statewide significance;
- (4) Park-and-ride facility construction or improvements;
- (5) Technology improvements that enable enhanced transit services in high priority corridors, including signal prioritization and ITS;
- (6) Technology improvements that significantly improve the coordination of human services transportation by means of mobility management tools;
- (7) HOV, HOT, queue jump, and bus pull-out lanes, Bus Rapid Transit projects, and bus lanes;
- (8) Bike racks, lockers and bike parking at multimodal stations;

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(9) Enhanced modal connections, including but not limited to trails, sidewalks and bike lanes leading to major transit stations, provided they have a transit connection and enhance transit ridership.

(10) Planning projects, transit technical assistance, service planning, research projects and special studies; however, no more than 10% of the total available FASTER funding will be made available for such purposes, because planning funds are available through FTA Section 5303 or 5307 (in urbanized areas) or Section 5304 funding (rural areas).

C. DTR Program Roles and Responsibilities

1. DTR Director Responsibilities

a) The DTR Director shall approve FASTER Transit Projects based on the criteria established by the Transportation Commission and set forth in Policy Directive 704.0 and using the metrics set forth above to select and prioritize the projects.

2. Transit and Rail Advisory Committee

a) Pursuant to § 43-1-1104(2), C.R.S., the Transit and Rail Advisory Committee shall provide advice to the DTR on the needs of the transportation systems in Colorado and shall review and comment on all regional transportation plans submitted for the transportation planning regions.

b) The Transit and Rail Advisory Committee shall advise the DTR on proposed changes to the metrics for FASTER Transit Projects and apprise the Transit and Intermodal Committee of any recommended changes to the metrics.

3. DTR Staff

a) DTR staff shall submit quarterly reports to the Transit and Intermodal Committee (“T&I Committee”) setting forth the expenditures and status of all FASTER Transit Projects and the reconciliation of FASTER funding.

b) DTR staff shall manage all projects except that management of some construction projects may be shared with the CDOT regions, as set forth in greater detail in the DTR Grant Partners Manual. The grant coordinators shall serve as

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the grant partner liaisons and project managers in geographically assigned areas. They also shall monitor projects that are managed by the regions.

c) The DTR staff shall conduct calls for projects and recommends the eligible project list to the DTR Director.

d) The DTR Budget Analyst shall be responsible for managing and monitoring the flow of the FASTER funds, such as annual revenue, roll forwards and transfers, expenditures, and coordination with HQ/regions business managers, OFMB and region planners on funding transfers. The DTR Budget Analyst is also responsible for generating regular financial reports on the status of FASTER Transit funds, and recommending and implementing general controls.

D. Project Selection

1. The DTR staff shall conduct a consolidated call for capital projects generally in the fall of each calendar year.
2. The DTR staff shall conduct a call for operating projects generally in the spring of each calendar year.
3. The calls for projects shall include the instructions for submitting applications for eligible capital, regional operating assistance projects, and planning studies. The instructions shall include all pertinent information (available funding amounts, project eligibility, selection criteria, schedule, etc.) needed for an applicant to effectively submit an application.
4. Once project applications have been received, DTR staff shall review the applications to ensure that the project meets the criteria established by the Commission. Any applicant not meeting the criteria will be contacted by DTR and given the opportunity to respond to the finding of ineligibility.
5. DTR shall assemble a team made up of CDOT staff (from DTR, the Policy and Government Relations Office, CDOT Division of Transportation Development, the CDOT Civil Rights and Business Resource Center, and other stakeholders), which may include representatives outside CDOT. This team evaluates and scores applications using the metrics set forth above in V.B.
6. The team recommends a list of projects to the DTR Director, which will include the team's rationale and detailed justifications for its recommendations.

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7. The DTR Director shall review the recommendations and confer with the Executive Director, Deputy Executive Director or Chief Engineer of CDOT.

8. Thereafter, the DTR Director shall issue a final determination of which FASTER Transit Projects will receive FASTER funding.

E. Budgeting and Contracting of Transit Projects

1. After project selection is complete, if it is determined that DTR will manage the project, then the DTR project manager shall work with the DTR budget analyst and the CDOT business office(s) to build the project in SAP, including STIP/TIP, and budgeting.

2. If it is determined that a CDOT region will manage a construction project on behalf of DTR, the DTR budget analyst will work with the regions and OFMB to have the fund transferred to the region.

3. OFMB and business office(s) shall budget the project in SAP. See Procedural Directive 704.1. If the FASTER Transit Projects exceeds the approved budget by the amount specified in Policy Directive 703.0, the process set forth in Policy Directive 703.0 must be followed.

4. DTR shall formalize the FASTER Transit Projects by initiating the contract or grant agreement (or amendment) process for the grant partner.

5. The CDOT project manager shall generate the first draft of the scope of work and provide it to the grant partner. A final scope will be negotiated. The scope of work shall include sufficient detail and follow the template included in the DTR Standard Operating Protocol.

6. The Project manager shall initiate a shopping cart in the SAP financial system.

7. The CDOT business office and the DTR budget analyst shall conduct a multi-layer check and balance system to ensure that shopping carts are approved with the correct fund source, in the correct amounts.

8. The CDOT Procurement and Contract Services Office shall issue the contract or grant agreement to the grant partner. The document shall include the relevant required state and federal clauses (if applicable). The CDOT Procurement and Contract Services Office shall provide the contract or grant agreement for signature to the grant partner.

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9. The contract or agreement is then returned to the CDOT Procurement and Contract Services Office to be executed by all necessary parties, including the CDOT controller (or the State Controller and Attorney General, if required) and the DTR Director (or Executive Director or designee, if required).

10. Once executed, the CDOT Procurement and Contract Services Office shall then upload the executed document in the Supplier Relationship Management (SRM) system and notifies DTR the grant has been executed.

11. DTR then notifies the grant partner that the contract or agreement has been executed, and provides the grant partner with a copy of the contract or agreement along with a notice to proceed.

F. Implementing, Monitoring and Completing the Project

1. Monitoring Requirements

a) As a term of the agreement, the grant partner must follow all relevant requirements set forth in the Grant Partner Manual and the CDOT Local Agency Manual, where applicable. The Grant Partner Manual contains requirements pertaining to all types of projects, including capital construction projects, capital non-construction projects, interregional operating projects, regional operating projects and planning projects. The Local Agency Manual applies specifically to construction projects.

b) Each project manager tracks the FASTER Transit Project milestones to ensure that the project is adhering to the required scheduled and terms of the contract or agreement.

c) Each project manager ensures that the grant partner complies with the State Procurement Code requirements by utilizing the DTR Procurement Manual, which provides necessary information for all compliance requirements.

d) DTR staff shall take proactive steps to address projects that are not meeting performance standards, including identifying resources for project managers, identifying specific issues causing the delay, and providing a date certain by which time requirements must be met.

e) DTR staff shall provide regular updates to the Director of DTR, the T&I Committee and the TRAC, which shall contain information on specific

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projects, revenue expenditures, current status since last update, milestones reached, and a report on underperforming projects.

f) Each project manager shall reconcile FASTER expenditures against transit project budgets.

g) FASTER Grant closure.

(1) Upon completion of the project, after the purchase of the goods for capital projects or at the end of the service period for operating agreements, DTR will request confirmation of completion from the grant partner and acknowledgement that the project shall be closed.

(2) This confirmation will then be supplied to the Business Office which will make the request to close the grant and purchase order.

(3) Upon receipt of this request and confirmation, the purchasing office will close the grant and purchase order. The business office will then liquidate any remaining funds, making them available for other projects.

(4) Upon a region project closure, any remaining funds shall be returned to the DTR FASTER transit budget pool.

2. Performance Standards

a) Twice a year, including prior to the call for projects, the DTR staff shall generate a FASTER Transit Project Status Report which contains the status of all FASTER Transit Projects (inception/in process/on time/underperforming/closed).

b) Twice a year, including prior to the call for projects, the DTR budget analyst shall generate a FASTER Transit Revenue Report which shall contain a detailed justification of all FASTER revenues allocated and expenditures incurred in a fiscal year, the recipients of all FASTER revenues) and an estimate of the FASTER revenue that will be returned to DTR, if the estimated cost exceeded the actual cost of the project. The Report shall also include a reconciliation of FASTER revenues and expenditures to date. The Report will first be presented for review to the DTR Deputy Director and/or the DTR Director.

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c) The project managers (DTR and regions) shall provide an exception report to the DTR unit manager responsible for the respective contract or grant agreement which shall list all funds awarded but not yet budgeted.

d) The DTR unit manager shall then provide project status reports to the DTR Director on a regular basis.

e) Performance Schedule

(1) As stated above, each project is provided with a specific schedule and milestones. The grant partner/contractor must follow the requirements set forth in the Grant Partner Manual, and the Local Agency Manual, where applicable.

(2) Each project manager shall confirm on a regular basis that the project is performing on schedule. If it falls behind schedule, the project manager notifies the DTR unit manager and DTR Director of the underperforming project, and a plan shall be developed to remediate or terminate the project.

(3) The DTR unit managers and DTR Director will provide oversight of schedule changes, with the goal of efficiently addressing underperforming projects and taking proactive steps to close out projects.

G. Training

1. The DTR Director, Deputy Director and unit managers will ensure that all relevant staff are trained on their individual roles, on how to effectively use SAP functions and COTRAMS to track their projects, how to effectively coordinate with the Regions on construction projects, and how to effectively carry out the above policies and procedures. New staff shall be trained within three months of hiring. Existing staff shall receive training as needed on SAP functions and reconciliation.

VI. DOCUMENTS REFERENCED IN THIS PROCEDURAL DIRECTIVE

State Management Plan

Grant Partner Manual

Grants Unit Policy & Procedures (GUPP)

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Standard Operating Procedures

DTR Procurement Manual

CDOT Procurement Manual

DTR Bustang Manual


Appendix A "DTR FASTER Transit Program Planning Process"

VII. IMPLEMENTATION PLAN

This Procedural Directive shall be effective upon signature.

VIII. REVIEW DATE

This Procedural Directive shall be reviewed on or before January 2021.



Shailen P. Bhatt
Executive Director

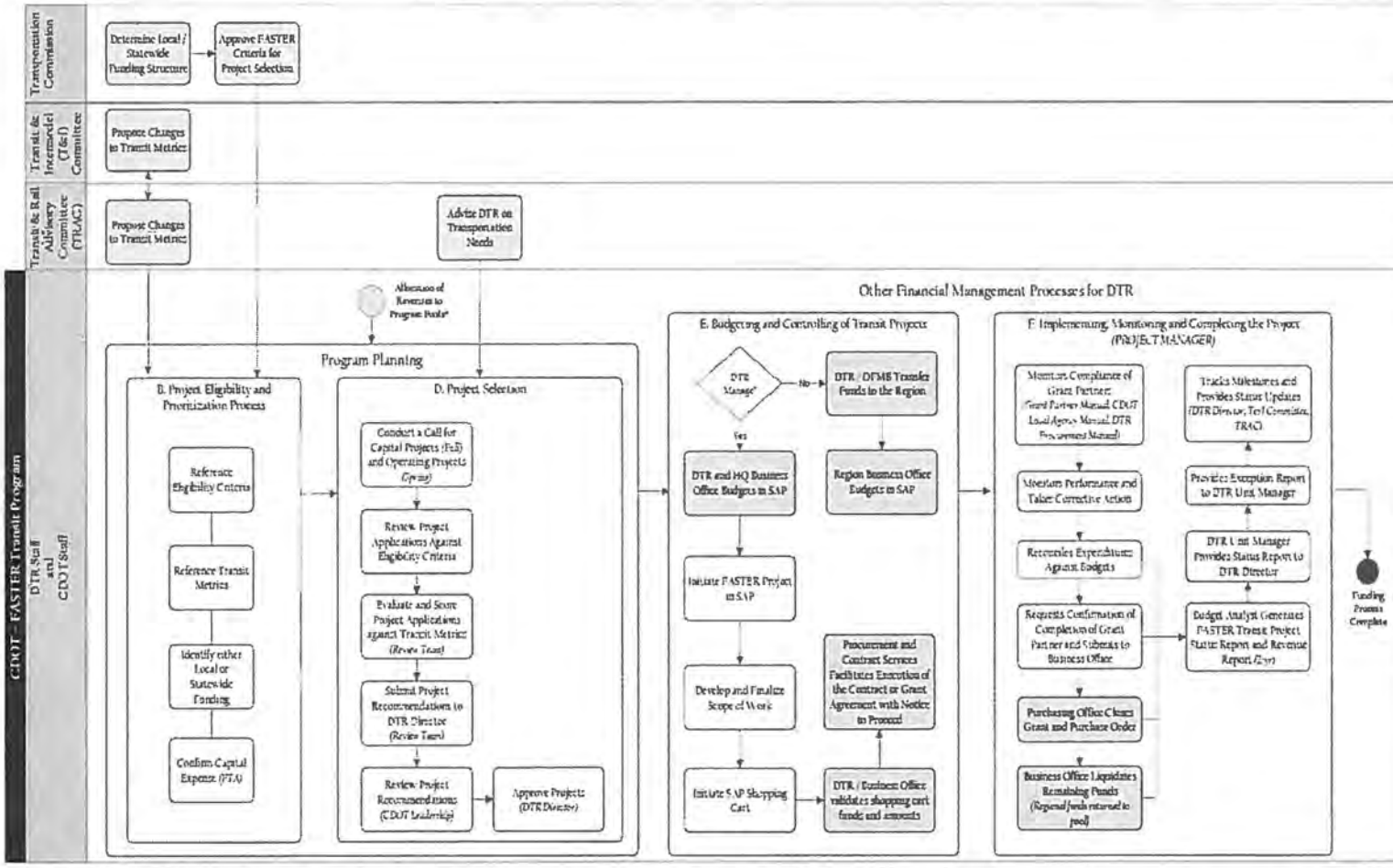


Date of Approval

FASTER Program - Program Planning and Financial Management Processes (Level 2) - Division of Transit and Rail (DTR)

Purpose: To display a lower level of detail of how the DTR financial management processes utilizes funds in the FASTER Transit Program.

Subject
FASTER Transit Program



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CDOT - FASTER Transit Program
DTR Staff and CDOT Staff

*Refer to FASTER Program (P&B) Procedural Directive for Level 1 process flow.

1608.1

Resolution # TC-17-11-13 FASTER Transit Distribution

Resolution # TC-17-11-13

FY 2018-19 through FY 2021-22 FASTER Transit Distribution

Approved by the Transportation Commission on November 16, 2017.

WHEREAS, the Colorado Transportation Commission (the Commission) has statutory authority pursuant to §43-1-106 to approve, accept, and amend various planning documents resulting from Section 135 Title 23 of the U.S.C. and §43-1-1101 through 1105 C.R.S.; and

WHEREAS, the Division of Transit & Rail, through C.R.S. 24-1-128.7 (2013) re: State of Colorado Government and C.R.S. 43-1-117.5 (2013) re: duties and powers of Division of Transit & Rail, is responsible for the planning, development, operation, and integration of transit and rail, including, where appropriate, advanced guideway systems, into the statewide transportation system; shall, in coordination with other transit and rail providers, plan, promote, and implement investments in transit and railservices statewide; and

WHEREAS, the Division of Transit & Rail has engaged transit partners through both a CDOT committee known as the Transit & Rail Advisory Committee (TRAC) and through many briefings in various public forums to gather input and refine the policy; and

WHEREAS, the Division of Transit & Rail has followed the guidance of Policy Directive 14, regarding state of good repair for capital assets such as vehicles, equipment, and facilities; and also regarding the goals of efficiency (ridership) & connectivity (service miles of regional, inter-regional, & inter-city); and

WHEREAS, the Commission previously approved and adopted in January 2014 (TC-3133, Policy Directive 1605.0), the Bustang Interregional Express Bus service as a CDOT commitment of \$3.0 Million per year in operating expenditures, and

WHEREAS, the Commission previously approved and adopted in January 2016 (TC-16- 1-9, Policy Directive 704.0) such that the Commission's role is to determine what type of projects are eligible for FASTER funding and sets out the pools of FASTER revenues; and

WHEREAS, the revised FASTER Transit Distribution arrived at through the above actions, input, and collaboration, is as follows:

- \$2.1 Million small agency capital (all except MMT, Transfort, RTD)
- \$2.0 Million small agency admin & operating (all except MMT, Transfort, RTD)
- \$0.9 Million large urban capital (MMT @ \$0.7 M/yr & TransFort @

\$0.2 M/yr)

\$5.0 Million Local Pool

\$1.0 Million for DTR Administration, Planning, Tech.Assistance

\$3.5 Million for CDOT Bustang Interregional Express (IX) Bus Services

\$2.5 Million Operating Assistance for Other Regional / Interregional Bus Services

\$3.0 Million for large urban capital (RTD)

\$10.0 Million Statewide Pool

NOW THEREFORE BE IT RESOLVED, the Commission approves the FY 2018-19 through FY 2022-23 FASTER Transit Distribution methodology listed above for use in accepting and reviewing applications for the award of these funds, and to guide the development of the corresponding STIP.



Herman Stockinger, Secretary
Transportation Commission of Colorado



Date

Motion to Approve: Gilliland
Seconded: Peterson
Approved: Yes AYE: 9 NAY: 0
Amended: No



COLORADO
Department of Transportation

DIVISION OF TRANSIT AND RAIL STATE MANAGEMENT PLAN

APPENDIX B | NON-FEDERAL TRANSIT FUNDS

B.2 Senate Bill 267

Draft August 2019

Contents

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Attachment

Senate Bill 17-267

Resolution #TC-17-11-15 SB267 Project List

B3 SENATE BILL 17-267 (SB 267) CONCERNING THE SUSTAINABILITY OF RURAL COLORADO

SB 267 authorizes the execution of lease-purchase agreements on state facilities totaling \$2 billion, to be issued in equal amounts over four years, beginning in State Fiscal Year (FY) 2018-2019. The Colorado Department of Transportation (CDOT) is the steward of \$1.88 billion of those proceeds, of which at least 10% must go to transit (\$188 million) and a minimum of 25% to counties with a population of less than 50,000 as of July 2015.

Documents that govern how CDOT administers SB 267 funds for transit projects include:

- SB 276 https://leg.colorado.gov/sites/default/files/2017a_267_sigid_0.pdf
- Resolution #TC-17-11-15 that instructs CDOT to dedicate revenue received toward an approved project list: <https://www.codot.gov/about/transportation-commission/approved-resolutions/2017-resolutions/november-2017/resolution-tc-17-11-6-acq-19944.pdf/view>

B3.1 Program Goals

For transit projects funding, the Division of Transit and Rail (DTR) has outlined the following principles for discussion.

- Largely follow the highway project selection criteria: readiness, strategic, supported, achieves statewide and regional plan goal areas, leverages other funds where possible, and supports a statewide transportation system. The one exception would be in the area of tolling as repayment “offset” strategy.
- For transit projects, statewide goals and system connectivity include local (now owned by CDOT) projects which should emphasize the “leverage other funds” goal through local match and partnerships.
- Due to timing requirements, use current recommended projects list based on established project priorities for SB 267 Year 1 and Year 2 funds. This could commit up to \$45 million of the total \$188 million in SB 267 funds.
- Based on transparency and fairness expectations, complete a longer-term process (3 to 6 months) to refine the Transit Development Program, both the overall list and a Tier 1 list. This would be the basis for selecting projects for the remaining \$143 million of \$188 million in SB 267 transit funds.

B3.2 Roles and Responsibilities

The Colorado Transportation Commission has approval authority for the allocation or awarding of funds.

B3.3 Eligible Subrecipients

Eligible subrecipients are local public and private non-profit entities, as well as tribal governments, that offer public transportation, including specialized transportation services for the elderly and disabled.

B3.4 Eligible Projects

Projects are identified through the statewide planning processes, discussions with the Statewide Transportation Advisory Committee (STAC) and the Transit and Rail Advisory Committee (TRAC), input from the Transit & Intermodal Committee of the Transportation Commission, and specific outreach related to the use of SB 267 funds.

In November 2017, DTR presented the Transportation Commission with an approach to manage and administer all transit funds collectively as a program. DTR recommended that recurring, sustainable funds, such as FTA Section 5311 and state Funding Advancement for Surface Transportation and Economic Recovery Act (FASTER) funds, should be used for ongoing operational support of local, regional, and interregional transit services, while other one-time funding sources such as SB 267 should be used for capital purchases.

SB 267 funds are further limited because the Certificates of Participation associated with the legislation have a 20-year payback period, whereas most buses and small capital items have an expected useful life of no more than 10 to 15 years. Based on this DTR recommended SB 267 funds be used for transit infrastructure projects with a 20-year or greater expected useful life.

B3.5 Project Selection Criteria and Methodology

The following criteria are considered:

- **Project Readiness**—The project has already undergone a significant level of planning and is ready to proceed in the short term and complete construction within 3 years.
- **Strategic Nature**—The project is of regional or statewide significance or is part of a statewide programmatic need.
- **Planning Support**—The project is supported by relevant planning documents (Transit Development Program, Intercity and Regional Bus Network Plan, corridor National Environmental Policy Act (NEPA) documents, local plan documents, or similar).

- Statewide Transit Plan Goal Areas—Supports statewide plan goal areas of system preservation & expansion, mobility/accessibility, transit system development and partnerships, environmental stewardship, and economic vitality.
- Expected Life—The project results in a facility or infrastructure asset that carries an expected useful life longer of 20 years or greater.
- Supports Statewide System—Supports a statewide transportation system, with consideration of transportation needs throughout the 15 Transportation Planning Regions and the state.

The following methods have been used to award the first year of projects:

- Readiness and Demonstrated Timetable: Higher priority will be given to those projects that are shovel-ready (with NEPA clearance finalized, at least 30% design completed, and site location selected and purchased) and to the completion of existing projects.
- Project Purpose, Cost Savings, and Efficiency: Higher priority will be given to those projects that have a high degree of local & regional support, are well developed, have a defensible business case, and support or provide significant transit operational and utilization benefits.
- Special Considerations: Higher scoring in this area will be given to those projects that demonstrate that they were developed in partnership with the local community. In the case of requests for the expansion of existing facilities, higher scoring will be applied if the project demonstrates the need for the facility and for growth in the program it supports. Agencies that adequately demonstrate institutional commitment, funding, financial capacity, and capability to sustain the service and project over time will also be scored more strongly.

B3.6 Reporting Requirements

DTR submits a status report to the Transit & Intermodal Committee of the Transportation Commission on a quarterly basis.

ATTACHMENTS

Senate Bill 17-267

An Act

SENATE BILL 17-267

BY SENATOR(S) Sonnenberg and Guzman, Aguilar, Coram, Crowder, Donovan, Fenberg, Fields, Garcia, Jahn, Kagan, Kefalas, Kerr, Merrifield, Todd, Williams A.;

also REPRESENTATIVE(S) Becker K. and Becker J., Arndt, Bridges, Buckner, Catlin, Coleman, Covarrubias, Danielson, Esgar, Exum, Garnett, Ginal, Gray, Hamner, Hansen, Herod, Hooton, Jackson, Kennedy, Kraft-Tharp, Lee, Lontine, McLachlan, Melton, Michaelson Jenet, Mitsch Bush, Navarro, Pabon, Pettersen, Rankin, Rosenthal, Valdez, Weissman, Wilson, Winter, Young, Duran.

CONCERNING THE SUSTAINABILITY OF RURAL COLORADO.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Legislative declaration. (1) The general assembly hereby finds and declares that:

(a) In comparison to the urban and suburban areas of the state, rural Colorado, on average and with some exceptions, faces complex demographic, economic, and geographical challenges including:

(I) An older population that requires more medical care;

(II) Less robust and diverse economic activity and associated lower average wages and household incomes; and

(III) Greater challenges, due to distance and less adequate transportation infrastructure, in accessing critical services such as health care; and

(b) The purpose of this legislation is to ensure and perpetuate the sustainability of rural Colorado by addressing some of these demographic, economic, and geographical challenges and by such other means as the general assembly, in its considered judgment, finds necessary and appropriate.

(2) The general assembly further finds and declares that the sustainability of rural Colorado is directly connected to the economic vitality of the state as a whole, and that all of the provisions of this act, including provisions that on their face apply to and affect all areas of the state but that especially benefit rural Colorado, relate to and serve and are necessarily and properly connected to the general assembly's purpose of ensuring and perpetuating the sustainability of rural Colorado.

SECTION 2. In Colorado Revised Statutes, amend 2-3-119 as follows:

2-3-119. Audit of healthcare affordability and sustainability fee - cost shift. ~~Starting with the second full state fiscal year following the receipt of the notice from the executive director of the department of health care policy and financing pursuant to section 25.5-4-402.3 (7), C.R.S., and thereafter~~ At the discretion of the legislative audit committee, the state auditor shall conduct or cause to be conducted a performance and fiscal audit of the ~~hospital-provider~~ HEALTHCARE AFFORDABILITY AND SUSTAINABILITY fee established pursuant to ~~section 25.5-4-402.3, C.R.S.~~ SECTION 25.5-4-402.4.

SECTION 3. In Colorado Revised Statutes, 2-3-1203, repeal (8)(a)(V) as follows:

2-3-1203. Sunset review of advisory committees - legislative declaration - definition - repeal. (8) (a) The following statutory authorizations for the designated advisory committees will repeal on July

1, 2019:

(V) ~~The hospital provider fee oversight and advisory board created in section 25.5-4-402.3, C.R.S.;~~

SECTION 4. In Colorado Revised Statutes, add 22-54-139 as follows:

22-54-139. Additional funding for schools - use of retail marijuana sales tax revenue transferred to state public school fund - definitions. (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "LARGE RURAL DISTRICT" MEANS A DISTRICT IN COLORADO THAT THE DEPARTMENT OF EDUCATION DETERMINES IS RURAL, BASED ON THE GEOGRAPHIC SIZE OF THE DISTRICT AND THE DISTANCE OF THE DISTRICT FROM THE NEAREST LARGE, URBANIZED AREA, AND THAT HAD A FUNDED PUPIL COUNT FOR THE PRIOR BUDGET YEAR OF ONE THOUSAND PUPILS OR MORE BUT FEWER THAN SIX THOUSAND FIVE HUNDRED PUPILS.

(b) "PER PUPIL DISTRIBUTION AMOUNT" MEANS:

(I) FOR A LARGE RURAL DISTRICT, AN AMOUNT EQUAL TO THIRTY MILLION DOLLARS MULTIPLIED BY THE PERCENTAGE SPECIFIED IN SUBSECTION (2)(a) OF THIS SECTION AND THEN DIVIDED BY THE SUM OF THE TOTAL FUNDED PUPIL COUNT FOR THE PRIOR BUDGET YEAR OF ALL LARGE RURAL DISTRICTS; AND

(II) FOR A SMALL RURAL DISTRICT, AN AMOUNT EQUAL TO THIRTY MILLION DOLLARS MULTIPLIED BY THE PERCENTAGE SPECIFIED IN SUBSECTION (2)(b) OF THIS SECTION AND THEN DIVIDED BY THE SUM OF THE TOTAL FUNDED PUPIL COUNT FOR THE PRIOR BUDGET YEAR OF ALL SMALL RURAL DISTRICTS;

(c) "SMALL RURAL DISTRICT" MEANS A DISTRICT IN COLORADO THAT THE DEPARTMENT OF EDUCATION DETERMINES IS RURAL, BASED ON THE GEOGRAPHIC SIZE OF THE DISTRICT AND THE DISTANCE OF THE DISTRICT FROM THE NEAREST LARGE, URBANIZED AREA, AND THAT HAD A FUNDED PUPIL COUNT FOR THE PRIOR BUDGET YEAR OF FEWER THAN ONE THOUSAND PUPILS.

(2) FOR THE 2017-18 BUDGET YEAR, ALL OF THE GROSS RETAIL MARIJUANA SALES TAX PROCEEDS TRANSFERRED FROM THE GENERAL FUND TO THE STATE PUBLIC SCHOOL FUND CREATED IN SECTION 22-54-114 (1) AS REQUIRED BY SECTION 39-28.8-203 (1)(b)(I.3)(B) IS APPROPRIATED FROM THE STATE PUBLIC SCHOOL FUND TO THE DEPARTMENT FOR MONTHLY DISTRIBUTION TO EACH LARGE RURAL DISTRICT AND EACH SMALL RURAL DISTRICT FOR THE PURPOSE OF IMPROVING STUDENT LEARNING AND THE EDUCATIONAL ENVIRONMENT, INCLUDING BUT NOT LIMITED TO LOAN FORGIVENESS FOR EDUCATORS AND STAFF, TECHNOLOGY, AND TRANSPORTATION, AS FOLLOWS:

(a) FIFTY-FIVE PERCENT OF THE MONEY IS ALLOCATED TO LARGE RURAL DISTRICTS AND DISTRIBUTED TO EACH LARGE RURAL DISTRICT IN AN AMOUNT EQUAL TO THE PER PUPIL DISTRIBUTION AMOUNT MULTIPLIED BY THE LARGE RURAL DISTRICT'S FUNDED PUPIL COUNT FOR THE PRIOR BUDGET YEAR FOR PROPORTIONAL APPORTIONMENT TO EVERY SCHOOL IN THE DISTRICT BASED ON THE NUMBER OF STUDENTS ENROLLED IN EACH SCHOOL FOR THE PRIOR BUDGET YEAR; AND

(b) FORTY-FIVE PERCENT OF THE MONEY IS ALLOCATED TO SMALL RURAL SCHOOL DISTRICTS AND DISTRIBUTED TO EACH SMALL RURAL DISTRICT IN AN AMOUNT EQUAL TO THE PER PUPIL DISTRIBUTION AMOUNT MULTIPLIED BY THE SMALL RURAL DISTRICT'S FUNDED PUPIL COUNT FOR THE PRIOR BUDGET YEAR FOR PROPORTIONAL APPORTIONMENT TO EVERY SCHOOL IN THE DISTRICT BASED ON THE NUMBER OF STUDENTS ENROLLED IN EACH SCHOOL FOR THE PRIOR BUDGET YEAR.

(3) FOR THE 2018-19 BUDGET YEAR AND FOR EACH BUDGET YEAR THEREAFTER, ALL OF THE GROSS RETAIL MARIJUANA SALES TAX PROCEEDS TRANSFERRED FROM THE GENERAL FUND TO THE STATE PUBLIC SCHOOL FUND CREATED IN SECTION 22-54-114 (1) AS REQUIRED BY SECTION 39-28.8-203 (1)(b)(I.5)(B) IS APPROPRIATED FROM THE STATE PUBLIC SCHOOL FUND TO THE DEPARTMENT TO MEET THE STATE'S SHARE OF THE TOTAL PROGRAM OF ALL DISTRICTS AND FUNDING FOR INSTITUTE CHARTER SCHOOLS.

SECTION 5. In Colorado Revised Statutes, 23-1-106, **amend** (10.2)(a) as follows:

23-1-106. Duties and powers of the commission with respect to

capital construction and long-range planning - legislative declaration - definitions. (10.2) (a) (I) Notwithstanding any law to the contrary AND EXCEPT AS PROVIDED IN SUBSECTION (10.2)(a)(III) OF THIS SECTION, all academic facilities acquired or constructed, or an auxiliary facility repurposed for use as an academic facility, solely from cash funds held by the state institution of higher education and operated and maintained from such cash funds or from state moneys MONEY appropriated for such purpose, or both, including, but not limited to, those facilities described in ~~paragraph (b) of subsection (9)~~ SUBSECTION (9)(b) of this section, that did not previously qualify for state controlled maintenance funding will qualify for state controlled maintenance funding, subject to funding approval by the capital development committee and the eligibility guidelines described in section 24-30-1303.9. ~~C.R.S.~~

(II) For purposes of this ~~paragraph (a)~~ SUBSECTION (10.2)(a), the eligibility for state controlled maintenance funding commences on the date of the acceptance of the construction or repurposing of the facility or the closing date of any acquisition. The date of the acceptance of construction or repurposing shall be determined by the office of the state architect.

(III) IF AN ACADEMIC FACILITY IS ACQUIRED OR CONSTRUCTED, OR IF AN AUXILIARY FACILITY IS REPURPOSED FOR USE AS AN ACADEMIC FACILITY, SOLELY FROM CASH FUNDS HELD BY THE STATE INSTITUTION OF HIGHER EDUCATION AND OPERATED AND MAINTAINED FROM SUCH CASH FUNDS, THEN AS OF THE DATE OF THE ACCEPTANCE OF CONSTRUCTION OR REPURPOSING THAT OCCURS ON OR AFTER JULY 1, 2018, THE FACILITY IS NOT ELIGIBLE FOR CONTROLLED MAINTENANCE FUNDING.

SECTION 6. In Colorado Revised Statutes, 24-1-119.5, **add** (9) as follows:

24-1-119.5. Department of health care policy and financing - creation. (9) THE COLORADO HEALTHCARE AFFORDABILITY AND SUSTAINABILITY ENTERPRISE CREATED IN SECTION 25.5-4-402.4 (3) SHALL EXERCISE ITS POWERS AND PERFORM ITS DUTIES AND FUNCTIONS AS IF THE SAME WERE TRANSFERRED BY A TYPE 2 TRANSFER, AS DEFINED IN SECTION 24-1-105, TO THE DEPARTMENT OF HEALTH CARE POLICY AND FINANCING.

SECTION 7. In Colorado Revised Statutes, 24-4-103, **amend** (8)(c)(I) as follows:

24-4-103. Rule-making - procedure - definitions - repeal.
(8) (c) (I) Notwithstanding any other provision of law to the contrary and the provisions of section 24-4-107, all rules adopted or amended on or after January 1, 1993, and before November 1, 1993, shall expire at 11:59 p.m. on May 15 of the year following their adoption unless the general assembly by bill acts to postpone the expiration of a specific rule, and commencing with rules adopted or amended on or after November 1, 1993, all rules adopted or amended during any one-year period that begins each November 1 and continues through the following October 31 shall expire at 11:59 p.m. on the May 15 that follows such one-year period unless the general assembly by bill acts to postpone the expiration of a specific rule; except that a rule adopted pursuant to ~~section 25.5-4-402.3 (5) (b) (III), C.R.S.;~~ shall expire SECTION 25.5-4-402.4 (6)(b)(III) EXPIRES at 11:59 p.m. on the May 15 following the adoption of the rule unless the general assembly acts by bill to postpone the expiration of a specific rule. The general assembly, in its discretion, may postpone such expiration, in which case, the provisions of section 24-4-108 or 24-34-104 shall apply, and the rules shall expire or be ARE subject to review as provided in said THOSE sections. The postponement of the expiration of a rule shall DOES not constitute legislative approval of the rule nor be AND IS NOT admissible in any court as evidence of legislative intent. The postponement of the expiration date of a specific rule shall DOES not prohibit any action by the general assembly pursuant to the provisions of ~~paragraph (d) of this subsection (8)~~ SUBSECTION (8)(d) OF THIS SECTION with respect to such THE rule.

SECTION 8. In Colorado Revised Statutes, 24-30-1303.9, amend (7)(a)(II), (7)(a)(III), and (7)(a)(IV); and add (7)(a)(V) as follows:

24-30-1303.9. Eligibility for state controlled maintenance funding - legislative declaration. (7) (a) Controlled maintenance funds may not be used for:

(II) Auxiliary facilities as defined in section 23-1-106 (10.3);
~~C.R.S.;~~

(III) Leasehold interests in real property; or

(IV) Any work properly categorized as capital construction; OR

(V) FACILITIES DESCRIBED IN SECTION 23-1-106 (10.2)(a)(III).

SECTION 9. In Colorado Revised Statutes, add 24-37-305 as follows:

24-37-305. 2018-19 fiscal year - required reductions in departmental and executive branch budget requests. (1)(a) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (1)(b) OF THIS SECTION, FOR THE 2018-19 BUDGET YEAR, EACH PRINCIPAL DEPARTMENT OF STATE GOVERNMENT THAT SUBMITS A BUDGET REQUEST TO THE OFFICE OF STATE PLANNING AND BUDGETING SHALL REQUEST, WHEN SUBMITTING THE BUDGET REQUEST, A TOTAL BUDGET FOR THE DEPARTMENT THAT IS AT LEAST TWO PERCENT LOWER THAN ITS ACTUAL BUDGET FOR THE 2017-18 FISCAL YEAR.

(b) THE REQUIREMENT SPECIFIED IN SUBSECTION (1)(a) OF THIS SECTION DOES NOT APPLY TO THE DEPARTMENT OF EDUCATION CREATED IN SECTION 24-1-115 (1) OR THE DEPARTMENT OF TRANSPORTATION CREATED IN SECTION 24-1-128.7 (1).

(2) THE OFFICE OF STATE PLANNING AND BUDGETING SHALL STRONGLY CONSIDER THE BUDGET REDUCTION PROPOSALS MADE BY EACH PRINCIPAL DEPARTMENT PURSUANT TO SUBSECTION (1) OF THIS SECTION WHEN PREPARING THE ANNUAL EXECUTIVE BUDGET PROPOSALS TO THE GENERAL ASSEMBLY FOR THE GOVERNOR AS REQUIRED BY SECTION 24-37-302 (1)(g) AND SHALL SEEK TO ENSURE, SUBJECT TO SECTION 24-37-303, THAT THE EXECUTIVE BUDGET PROPOSAL FOR EACH DEPARTMENT IS AT LEAST TWO PERCENT LOWER THAN THE DEPARTMENT'S ACTUAL BUDGET FOR THE 2017-18 FISCAL YEAR.

SECTION 10. In Colorado Revised Statutes, 24-75-219, **repeal as added by Senate Bill 17-262 (2)(c.3)(I) and (2)(c.7)(I)** as follows:

24-75-219. Transfers - transportation - capital construction - definitions. (2)(c.3) On June 30, 2019, the state treasurer shall transfer:

(I) ~~One hundred sixty million dollars from the general fund to the highway users tax fund, and~~

(c.7) On June 30, 2020, the state treasurer shall transfer:

(I) ~~One hundred sixty million dollars from the general fund to the~~

highway users tax fund; and

SECTION 11. In Colorado Revised Statutes, 24-77-103.6, amend (6)(b)(I) as follows:

24-77-103.6. Retention of excess state revenues - general fund exempt account - required uses - excess state revenues legislative report. (6) As used in this section:

(b) (I) "Excess state revenues cap" for a given fiscal year means: ~~either of the following:~~

~~(A) If the voters of the state approve a ballot issue to authorize the state to incur multiple-fiscal year obligations at the November 2005 statewide election, an amount that is equal to the highest total state revenues for a fiscal year from the period of the 2005-06 fiscal year through the 2009-10 fiscal year, adjusted each subsequent fiscal year for inflation and the percentage change in state population, plus one hundred million dollars, and adjusting such sum for the qualification or disqualification of enterprises and debt service changes; or~~

~~(B) If the voters of the state do not approve a ballot issue to authorize the state to incur multiple-fiscal year obligations at the November 2005 statewide election; FOR EACH FISCAL YEAR UP TO AND INCLUDING THE 2016-17 FISCAL YEAR, an amount that is equal to the highest total state revenues for a fiscal year from the period of the 2005-06 fiscal year through the 2009-10 fiscal year, adjusted each subsequent fiscal year for inflation, the percentage change in state population, the qualification or disqualification of enterprises, and debt service changes;~~

~~(C) FOR THE 2017-18 FISCAL YEAR, AN AMOUNT THAT IS EQUAL TO THE EXCESS STATE REVENUES CAP FOR THE 2016-17 FISCAL YEAR CALCULATED PURSUANT TO SUBSECTION (6)(b)(I)(B) OF THIS SECTION, ADJUSTED FOR INFLATION, THE PERCENTAGE CHANGE IN STATE POPULATION, THE QUALIFICATION OR DISQUALIFICATION OF ENTERPRISES, AND DEBT SERVICE CHANGES, LESS TWO HUNDRED MILLION DOLLARS; AND~~

~~(D) FOR THE 2018-19 FISCAL YEAR AND EACH SUCCEEDING FISCAL YEAR, THE AMOUNT OF THE EXCESS STATE REVENUES CAP FOR THE 2017-18 FISCAL YEAR CALCULATED PURSUANT TO SUBSECTION (6)(b)(I)(C) OF THIS~~

SECTION, ADJUSTED EACH SUBSEQUENT FISCAL YEAR FOR INFLATION, THE PERCENTAGE CHANGE IN STATE POPULATION, THE QUALIFICATION OR DISQUALIFICATION OF ENTERPRISES, AND DEBT SERVICE CHANGES.

SECTION 12. In Colorado Revised Statutes, add part 13 to article 82 of title 24 as follows:

PART 13
LEASE-PURCHASE AGREEMENTS FOR STATE PROPERTY

24-82-1301. Legislative declaration. (1) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

(a) DUE TO INSUFFICIENT FUNDING, NECESSARY HIGH-PRIORITY STATE HIGHWAY PROJECTS AND STATE CAPITAL CONSTRUCTION PROJECTS, INCLUDING PROJECTS AT STATE INSTITUTIONS OF HIGHER EDUCATION, IN ALL AREAS OF THE STATE HAVE BEEN DELAYED, AND THE STATE HAS ALSO DELAYED CRITICAL CONTROLLED MAINTENANCE AND UPKEEP OF STATE CAPITAL ASSETS;

(b) BY ISSUING LEASE-PURCHASE AGREEMENTS USING STATE BUILDINGS AS COLLATERAL AS AUTHORIZED BY THIS PART 13, THE STATE CAN GENERATE SUFFICIENT FUNDS TO ACCELERATE THE COMPLETION OF MANY OF THE NECESSARY HIGH-PRIORITY STATE HIGHWAY PROJECTS AND CAPITAL CONSTRUCTION PROJECTS THAT HAVE BEEN DELAYED AND BETTER MAINTAIN AND PRESERVE EXISTING STATE CAPITAL ASSETS;

(c) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT A MAJORITY OF THE ADDITIONAL FUNDING FOR STATE CAPITAL CONSTRUCTION PROJECTS REALIZED FROM ISSUING LEASE-PURCHASE AGREEMENTS BE USED FOR CONTROLLED MAINTENANCE AND UPKEEP OF STATE CAPITAL ASSETS.

24-82-1302. Definitions. AS USED IN THIS PART 13, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "CAPITAL CONSTRUCTION" HAS THE SAME MEANING AS SET FORTH IN SECTION 24-30-1301 (2).

(2) "CONTROLLED MAINTENANCE" HAS THE SAME MEANING AS SET FORTH IN SECTION 24-30-1301 (4).

(3) "ELIGIBLE STATE FACILITY" MEANS ANY FINANCIALLY UNENCUMBERED BUILDING, STRUCTURE, OR FACILITY THAT IS OWNED BY THE STATE, INCLUDING A BUILDING, STRUCTURE, OR FACILITY DETERMINED TO BE ELIGIBLE BY A GOVERNING BOARD OF A STATE INSTITUTION OF HIGHER EDUCATION, AND DOES NOT INCLUDE ANY BUILDING, STRUCTURE, OR FACILITY THAT IS PART OF THE STATE EMERGENCY RESERVE FOR ANY STATE FISCAL YEAR AS DESIGNATED IN THE ANNUAL GENERAL APPROPRIATION ACT.

(4) "STATE INSTITUTION OF HIGHER EDUCATION" MEANS A STATE INSTITUTION OF HIGHER EDUCATION, AS DEFINED IN SECTION 23-18-102 (10), AND THE AURARIA HIGHER EDUCATION CENTER CREATED IN ARTICLE 70 OF TITLE 23.

24-82-1303. Lease-purchase agreements for capital construction and transportation projects. (1) ON OR BEFORE DECEMBER 31, 2017, THE STATE ARCHITECT, THE DIRECTOR OF THE OFFICE OF STATE PLANNING AND BUDGETING OR HIS OR HER DESIGNEE, AND THE STATE INSTITUTIONS OF HIGHER EDUCATION SHALL IDENTIFY AND PREPARE A COLLABORATIVE LIST OF ELIGIBLE STATE FACILITIES THAT CAN BE COLLATERALIZED AS PART OF THE LEASE-PURCHASE AGREEMENTS FOR CAPITAL CONSTRUCTION AND TRANSPORTATION PROJECTS AUTHORIZED IN THIS PART 13. THE TOTAL CURRENT REPLACEMENT VALUE OF THE IDENTIFIED BUILDINGS MUST EQUAL AT LEAST TWO BILLION DOLLARS.

(2)(a) NOTWITHSTANDING THE PROVISIONS OF SECTIONS 24-82-102 (1)(b) AND 24-82-801, AND PURSUANT TO SECTION 24-36-121, NO SOONER THAN JULY 1, 2018, THE STATE, ACTING BY AND THROUGH THE STATE TREASURER, SHALL EXECUTE LEASE-PURCHASE AGREEMENTS, EACH FOR NO MORE THAN TWENTY YEARS OF ANNUAL PAYMENTS, FOR THE PROJECTS DESCRIBED IN SUBSECTION (4) OF THIS SECTION. THE STATE SHALL EXECUTE THE LEASE-PURCHASE AGREEMENTS ONLY IN ACCORDANCE WITH THE FOLLOWING SCHEDULE:

(I) DURING THE 2018-19 STATE FISCAL YEAR, THE STATE SHALL EXECUTE LEASE-PURCHASE AGREEMENTS IN AN AMOUNT UP TO FIVE HUNDRED MILLION DOLLARS;

(II) DURING THE 2019-20 STATE FISCAL YEAR, THE STATE SHALL EXECUTE LEASE-PURCHASE AGREEMENTS IN AN AMOUNT UP TO FIVE

HUNDRED MILLION DOLLARS;

(III) DURING THE 2020-21 STATE FISCAL YEAR, THE STATE SHALL EXECUTE LEASE-PURCHASE AGREEMENTS IN AN AMOUNT UP TO FIVE HUNDRED MILLION DOLLARS; AND

(IV) DURING THE 2021-22 FISCAL YEAR, THE STATE SHALL EXECUTE LEASE-PURCHASE AGREEMENTS IN AN AMOUNT UP TO FIVE HUNDRED MILLION DOLLARS.

(b) THE ANTICIPATED ANNUAL STATE-FUNDED PAYMENTS FOR THE PRINCIPAL AND INTEREST COMPONENTS OF THE AMOUNT PAYABLE UNDER ALL LEASE-PURCHASE AGREEMENTS ENTERED INTO PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION SHALL NOT EXCEED ONE HUNDRED FIFTY MILLION DOLLARS.

(c) THE STATE, ACTING BY AND THROUGH THE STATE TREASURER, AT THE STATE TREASURER'S SOLE DISCRETION, MAY ENTER INTO ONE OR MORE LEASE-PURCHASE AGREEMENTS AUTHORIZED BY SUBSECTION (2)(a) OF THIS SECTION WITH ANY FOR-PROFIT OR NONPROFIT CORPORATION, TRUST, OR COMMERCIAL BANK AS A TRUSTEE AS THE LESSOR.

(d) ANY LEASE-PURCHASE AGREEMENT EXECUTED AS REQUIRED BY SUBSECTION (2)(a) OF THIS SECTION SHALL PROVIDE THAT ALL OF THE OBLIGATIONS OF THE STATE UNDER THE AGREEMENT ARE SUBJECT TO THE ACTION OF THE GENERAL ASSEMBLY IN ANNUALLY MAKING MONEY AVAILABLE FOR ALL PAYMENTS THEREUNDER. PAYMENTS UNDER ANY LEASE-PURCHASE AGREEMENT MUST BE MADE, SUBJECT TO ANNUAL ALLOCATION PURSUANT TO SECTION 43-1-113 BY THE TRANSPORTATION COMMISSION CREATED IN SECTION 43-1-106 (1) OR SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY, AS APPLICABLE, FROM THE FOLLOWING SOURCES OF MONEY:

(I) FIRST, NINE MILLION DOLLARS ANNUALLY, OR ANY LESSER AMOUNT THAT IS SUFFICIENT TO MAKE EACH FULL PAYMENT DUE, SHALL BE PAID FROM THE GENERAL FUND OR ANY OTHER LEGALLY AVAILABLE SOURCE OF MONEY FOR THE PURPOSE OF FULLY FUNDING THE CONTROLLED MAINTENANCE AND CAPITAL CONSTRUCTION PROJECTS IN THE STATE TO BE FUNDED WITH THE PROCEEDS OF LEASE-PURCHASE AGREEMENTS AS SPECIFIED IN SUBSECTION (4)(a) OF THIS SECTION;

(II) NEXT, FIFTY MILLION DOLLARS ANNUALLY, OR ANY LESSER AMOUNT THAT IS SUFFICIENT TO MAKE EACH FULL PAYMENT DUE, SHALL BE PAID FROM ANY LEGALLY AVAILABLE MONEY UNDER THE CONTROL OF THE TRANSPORTATION COMMISSION SOLELY FOR THE PURPOSE OF ALLOWING THE CONSTRUCTION, SUPERVISION, AND MAINTENANCE OF STATE HIGHWAYS TO BE FUNDED WITH THE PROCEEDS OF LEASE-PURCHASE AGREEMENTS AS SPECIFIED IN SUBSECTION (4)(b) OF THIS SECTION AND SECTION 43-4-206 (1)(b)(V); AND

(III) THE REMAINDER OF THE AMOUNT NEEDED, IN ADDITION TO THE AMOUNTS SPECIFIED IN SUBSECTIONS (2)(d)(I) AND (2)(d)(II) OF THIS SECTION, TO MAKE EACH FULL PAYMENT DUE SHALL BE PAID FROM THE GENERAL FUND OR ANY OTHER LEGALLY AVAILABLE SOURCE OF MONEY.

(e) EACH AGREEMENT MUST ALSO PROVIDE THAT THE OBLIGATIONS OF THE STATE DO NOT CREATE STATE DEBT WITHIN THE MEANING OF ANY PROVISION OF THE STATE CONSTITUTION OR STATE LAW CONCERNING OR LIMITING THE CREATION OF STATE DEBT AND ARE NOT A MULTIPLE FISCAL-YEAR DIRECT OR INDIRECT DEBT OR OTHER FINANCIAL OBLIGATION OF THE STATE WITHIN THE MEANING OF SECTION 20 (4) OF ARTICLE X OF THE STATE CONSTITUTION. IF THE STATE DOES NOT RENEW A LEASE-PURCHASE AGREEMENT EXECUTED AS REQUIRED BY SUBSECTION (2)(a) OF THIS SECTION, THE SOLE SECURITY AVAILABLE TO THE LESSOR IS THE PROPERTY THAT IS THE SUBJECT OF THE NONRENEWED LEASE-PURCHASE AGREEMENT.

(f) A LEASE-PURCHASE AGREEMENT EXECUTED AS REQUIRED BY SUBSECTION (2)(a) OF THIS SECTION MAY CONTAIN SUCH TERMS, PROVISIONS, AND CONDITIONS AS THE STATE TREASURER, ACTING ON BEHALF OF THE STATE, DEEMS APPROPRIATE, INCLUDING ALL OPTIONAL TERMS; EXCEPT THAT EACH LEASE-PURCHASE AGREEMENT MUST SPECIFICALLY AUTHORIZE THE STATE OR THE GOVERNING BOARD OF THE APPLICABLE STATE INSTITUTION OF HIGHER EDUCATION TO RECEIVE FEE TITLE TO ALL REAL AND PERSONAL PROPERTY THAT IS THE SUBJECT OF THE LEASE-PURCHASE AGREEMENT ON OR BEFORE THE EXPIRATION OF THE TERMS OF THE AGREEMENT.

(g) ANY LEASE-PURCHASE AGREEMENT EXECUTED AS REQUIRED BY SUBSECTION (2)(a) OF THIS SECTION MAY PROVIDE FOR THE ISSUANCE, DISTRIBUTION, AND SALE OF INSTRUMENTS EVIDENCING RIGHTS TO RECEIVE RENTALS AND OTHER PAYMENTS MADE AND TO BE MADE UNDER THE

LEASE-PURCHASE AGREEMENT. THE INSTRUMENTS MAY BE ISSUED, DISTRIBUTED, OR SOLD ONLY BY THE LESSOR OR ANY PERSON DESIGNATED BY THE LESSOR AND NOT BY THE STATE. THE INSTRUMENTS DO NOT CREATE A RELATIONSHIP BETWEEN THE PURCHASERS OF THE INSTRUMENTS AND THE STATE OR CREATE ANY OBLIGATION ON THE PART OF THE STATE TO THE PURCHASERS. THE INSTRUMENTS ARE NOT NOTES, BONDS, OR ANY OTHER EVIDENCE OF STATE DEBT WITHIN THE MEANING OF ANY PROVISION OF THE STATE CONSTITUTION OR STATE LAW CONCERNING OR LIMITING THE CREATION OF STATE DEBT AND ARE NOT A MULTIPLE FISCAL-YEAR DIRECT OR INDIRECT DEBT OR OTHER FINANCIAL OBLIGATION OF THE STATE WITHIN THE MEANING OF SECTION 20 (4) OF ARTICLE X OF THE STATE CONSTITUTION.

(h) INTEREST PAID UNDER A LEASE-PURCHASE AGREEMENT AUTHORIZED PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION, INCLUDING INTEREST REPRESENTED BY THE INSTRUMENTS, IS EXEMPT FROM COLORADO INCOME TAX.

(i) THE STATE, ACTING BY AND THROUGH THE STATE TREASURER AND THE GOVERNING BOARDS OF THE INSTITUTIONS OF HIGHER EDUCATION, IS AUTHORIZED TO ENTER INTO ANCILLARY AGREEMENTS AND INSTRUMENTS THAT ARE NECESSARY OR APPROPRIATE IN CONNECTION WITH A LEASE-PURCHASE AGREEMENT, INCLUDING BUT NOT LIMITED TO DEEDS, GROUND LEASES, SUB-LEASES, EASEMENTS, OR OTHER INSTRUMENTS RELATING TO THE REAL PROPERTY ON WHICH THE FACILITIES ARE LOCATED.

(j) THE PROVISIONS OF SECTION 24-30-202 (5)(b) DO NOT APPLY TO A LEASE-PURCHASE AGREEMENT EXECUTED AS REQUIRED BY OR TO ANY ANCILLARY AGREEMENT OR INSTRUMENT ENTERED INTO PURSUANT TO THIS SUBSECTION (2). THE STATE CONTROLLER OR HIS OR HER DESIGNEE SHALL WAIVE ANY PROVISION OF THE FISCAL RULES PROMULGATED PURSUANT TO SECTION 24-30-202 (1) AND (13) THAT THE STATE CONTROLLER FINDS INCOMPATIBLE OR INAPPLICABLE WITH RESPECT TO A LEASE-PURCHASE AGREEMENT OR AN ANCILLARY AGREEMENT OR INSTRUMENT.

(3) (a) BEFORE EXECUTING A LEASE-PURCHASE AGREEMENT REQUIRED BY SUBSECTION (2)(a) OF THIS SECTION, IN ORDER TO PROTECT AGAINST FUTURE INTEREST RATE INCREASES, THE STATE, ACTING BY AND THROUGH THE STATE TREASURER AND AT THE DISCRETION OF THE STATE TREASURER, MAY ENTER INTO AN INTEREST RATE EXCHANGE AGREEMENT

PURSUANT TO ARTICLE 59.3 OF TITLE 11. A LEASE-PURCHASE AGREEMENT EXECUTED AS REQUIRED BY SUBSECTION (2)(a) OF THIS SECTION IS A PROPOSED PUBLIC SECURITY FOR THE PURPOSES OF ARTICLE 59.3 OF TITLE 11. ANY PAYMENTS MADE BY THE STATE UNDER AN AGREEMENT ENTERED INTO PURSUANT TO THIS SUBSECTION (3) MUST BE MADE SOLELY FROM MONEY MADE AVAILABLE TO THE STATE TREASURER FROM THE EXECUTION OF A LEASE-PURCHASE AGREEMENT OR FROM MONEY DESCRIBED IN SUBSECTIONS (2)(d)(I) AND (2)(d)(II) OF THIS SECTION.

(b) ANY AGREEMENT ENTERED INTO PURSUANT TO THIS SUBSECTION (3) MUST ALSO PROVIDE THAT THE OBLIGATIONS OF THE STATE DO NOT CREATE STATE DEBT WITHIN THE MEANING OF ANY PROVISION OF THE STATE CONSTITUTION OR STATE LAW CONCERNING OR LIMITING THE CREATION OF STATE DEBT AND ARE NOT A MULTIPLE FISCAL-YEAR DIRECT OR INDIRECT DEBT OR OTHER FINANCIAL OBLIGATION OF THE STATE WITHIN THE MEANING OF SECTION 20 (4) OF ARTICLE X OF THE STATE CONSTITUTION.

(c) ANY MONEY RECEIVED BY THE STATE UNDER AN AGREEMENT ENTERED INTO PURSUANT TO THIS SUBSECTION (3) SHALL BE USED TO MAKE PAYMENTS ON LEASE-PURCHASE AGREEMENTS ENTERED INTO PURSUANT TO SUBSECTION (2) OF THIS SECTION OR TO PAY THE COSTS OF THE PROJECT FOR WHICH A LEASE-PURCHASE AGREEMENT WAS EXECUTED.

(4) PROCEEDS OF LEASE-PURCHASE AGREEMENTS EXECUTED AS REQUIRED BY SUBSECTION (2)(a) OF THIS SECTION SHALL BE USED AS FOLLOWS:

(a) (I) THE FIRST ONE HUNDRED TWENTY MILLION DOLLARS OF THE PROCEEDS OF LEASE-PURCHASE AGREEMENTS ISSUED DURING THE 2018-19 STATE FISCAL YEAR SHALL BE USED FOR CONTROLLED MAINTENANCE AND CAPITAL CONSTRUCTION PROJECTS IN THE STATE AS FOLLOWS:

(A) THIRTEEN MILLION SIX THOUSAND EIGHTY-ONE DOLLARS FOR LEVEL I CONTROLLED MAINTENANCE;

(B) SIXTY MILLION SIX HUNDRED THIRTY-SEVEN THOUSAND THREE HUNDRED FIVE DOLLARS FOR LEVEL II CONTROLLED MAINTENANCE;

(C) FORTY MILLION TWO HUNDRED NINE THOUSAND FIVE HUNDRED THIRTY-FIVE DOLLARS FOR LEVEL III CONTROLLED MAINTENANCE; AND

(D) THE REMAINDER FOR CAPITAL CONSTRUCTION PROJECTS AS PRIORITIZED BY THE CAPITAL DEVELOPMENT COMMITTEE.

(II) THE CAPITAL DEVELOPMENT COMMITTEE SHALL POST THE LIST OF SPECIFIC CONTROLLED MAINTENANCE PROJECTS AND THE COST OF EACH PROJECT FUNDED PURSUANT TO SUBSECTION (4)(a)(I)(A), (4)(a)(I)(B), or (4)(a)(I)(C) OF THIS SECTION ON ITS OFFICIAL WEBSITE NO LATER THAN MAY 11, 2017.

(b) THE REMAINDER OF THE PROCEEDS SHALL BE CREDITED TO THE STATE HIGHWAY FUND CREATED IN SECTION 43-1-219 AND USED BY THE DEPARTMENT OF TRANSPORTATION IN ACCORDANCE WITH SECTION 43-4-206 (1)(b)(V).

SECTION 13. In Colorado Revised Statutes, 25.5-3-108, amend (17) as follows:

25.5-3-108. Responsibility of the department of health care policy and financing - provider reimbursement. (17) Subject to adequate funding BEING made available under ~~section 25.5-4-402.3~~ SECTION 25.5-4-402.4, the ~~state department~~ COLORADO HEALTHCARE AFFORDABILITY AND SUSTAINABILITY ENTERPRISE CREATED IN SECTION 25.5-4-402.4 (3) shall increase hospital reimbursements up to one hundred percent of hospital costs for providing medical care under the program.

SECTION 14. In Colorado Revised Statutes, 25.5-4-209, amend (1)(b); and add (1)(c) and (1)(d) as follows:

25.5-4-209. Payments by third parties - copayments by recipients - review - appeal - children's waiting list reduction fund. (1) (b) Subject to any limitations imposed by Title XIX AND THE REQUIREMENTS SET FORTH IN SUBSECTION (1)(c) OF THIS SECTION, a recipient ~~shall be required to~~ MUST pay at the time of service a portion of the cost of any medical benefit rendered to the recipient or to the recipient's dependents pursuant to this ~~article~~ ARTICLE 4 or article 5 or 6 of this title TITLE 25.5, as determined by ~~rule~~ RULES of the state department.

(c) (I) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (1)(c)(II) OF THIS SECTION, ON AND AFTER JANUARY 1, 2018, FOR PHARMACY AND FOR HOSPITAL OUTPATIENT SERVICES, INCLUDING URGENT CARE CENTERS

AND FACILITIES AND EMERGENCY SERVICES, THE RULES OF THE STATE DEPARTMENT REQUIRED BY SUBSECTION (1)(b) OF THIS SECTION MUST REQUIRE THE RECIPIENT TO PAY:

(A) FOR PHARMACY, AT LEAST DOUBLE THE AVERAGE AMOUNT PAID BY RECIPIENTS IN STATE FISCAL YEAR 2015-16; OR

(B) FOR HOSPITAL OUTPATIENT SERVICES, AT LEAST DOUBLE THE AMOUNT REQUIRED TO BE PAID AS SPECIFIED IN THE RULES AS OF JANUARY 1, 2017.

(II) FOR BOTH PHARMACY AND HOSPITAL OUTPATIENT SERVICES, THE AMOUNT REQUIRED TO BE PAID BY THE RECIPIENT SHALL NOT EXCEED ANY SPECIFIED MAXIMUM DOLLAR AMOUNT ALLOWED BY FEDERAL LAW OR REGULATIONS AS OF JANUARY 1, 2017.

(d) THE STATE DEPARTMENT SHALL EVALUATE OPTIONS TO EXEMPT INDIVIDUALS WHO ARE QUALIFIED FOR INSTITUTIONAL CARE BUT ARE INSTEAD ENROLLED IN HOME- AND COMMUNITY-BASED SERVICE WAIVERS FROM THE INCREASED PAYMENT REQUIREMENTS SPECIFIED IN SUBSECTION (1)(c) OF THIS SECTION.

SECTION 15. In Colorado Revised Statutes, 25.5-4-402, amend (3)(a) as follows:

25.5-4-402. Providers - hospital reimbursement - rules.
(3) (a) In addition to the reimbursement rate process described in subsection (1) of this section and subject to adequate funding BEING made available pursuant to ~~section 25.5-4-402.3~~ SECTION 25.5-4-402.4, the ~~state department~~ COLORADO HEALTHCARE AFFORDABILITY AND SUSTAINABILITY ENTERPRISE CREATED IN SECTION 25.5-4-402.4 (3) shall pay an additional amount based upon performance to those hospitals that provide services that improve health care outcomes for their patients. ~~This amount shall be determined by~~ The state department SHALL DETERMINE THIS AMOUNT based upon nationally recognized performance measures established in rules adopted by the state board. The state quality standards ~~shall~~ MUST be consistent with federal quality standards published by an organization with expertise in health care quality, including but not limited to, the centers for medicare and medicaid services, the agency for healthcare research and quality, or the national quality forum.

SECTION 16. In Colorado Revised Statutes, repeal as amended by Senate Bill 17-256 25.5-4-402.3.

SECTION 17. In Colorado Revised Statutes, add 25.5-4-402.4 as follows:

25.5-4-402.4. Hospitals - healthcare affordability and sustainability fee - legislative declaration - Colorado healthcare affordability and sustainability enterprise - federal waiver - fund created - rules. (1) **Short title.** THE SHORT TITLE OF THIS SECTION IS THE "COLORADO HEALTHCARE AFFORDABILITY AND SUSTAINABILITY ENTERPRISE ACT OF 2017".

(2) **Legislative declaration.** THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

(a) THE STATE AND THE PROVIDERS OF PUBLICLY FUNDED MEDICAL SERVICES, AND HOSPITALS IN PARTICULAR, SHARE A COMMON COMMITMENT TO COMPREHENSIVE HEALTH CARE REFORM;

(b) HOSPITALS WITHIN THE STATE INCUR SIGNIFICANT COSTS BY PROVIDING UNCOMPENSATED EMERGENCY DEPARTMENT CARE AND OTHER UNCOMPENSATED MEDICAL SERVICES TO LOW-INCOME AND UNINSURED POPULATIONS;

(c) THIS SECTION IS ENACTED AS PART OF A COMPREHENSIVE HEALTH CARE REFORM AND IS INTENDED TO PROVIDE THE FOLLOWING SERVICES AND BENEFITS TO HOSPITALS AND INDIVIDUALS:

(I) PROVIDING A PAYER SOURCE FOR SOME LOW-INCOME AND UNINSURED POPULATIONS WHO MAY OTHERWISE BE CARED FOR IN EMERGENCY DEPARTMENTS AND OTHER SETTINGS IN WHICH UNCOMPENSATED CARE IS PROVIDED;

(II) REDUCING THE UNDERPAYMENT TO COLORADO HOSPITALS PARTICIPATING IN PUBLICLY FUNDED HEALTH INSURANCE PROGRAMS;

(III) REDUCING THE NUMBER OF PERSONS IN COLORADO WHO ARE WITHOUT HEALTH CARE BENEFITS;

(IV) REDUCING THE NEED OF HOSPITALS AND OTHER HEALTH CARE PROVIDERS TO SHIFT THE COST OF PROVIDING UNCOMPENSATED CARE TO OTHER PAYERS;

(V) EXPANDING ACCESS TO HIGH-QUALITY, AFFORDABLE HEALTH CARE FOR LOW-INCOME AND UNINSURED POPULATIONS; AND

(VI) PROVIDING THE ADDITIONAL BUSINESS SERVICES SPECIFIED IN SUBSECTION (4)(a)(IV) OF THIS SECTION TO HOSPITALS THAT PAY THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE CHARGED AND COLLECTED AS AUTHORIZED BY SUBSECTION (4) OF THIS SECTION BY THE COLORADO HEALTHCARE AFFORDABILITY AND SUSTAINABILITY ENTERPRISE CREATED IN SUBSECTION (3)(a) OF THIS SECTION;

(d) THE COLORADO HEALTHCARE AFFORDABILITY AND SUSTAINABILITY ENTERPRISE PROVIDES BUSINESS SERVICES TO HOSPITALS WHEN, IN EXCHANGE FOR PAYMENT OF HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEES BY HOSPITALS, IT:

(I) OBTAINS FEDERAL MATCHING MONEY AND RETURNS BOTH THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE AND THE FEDERAL MATCHING MONEY TO HOSPITALS TO INCREASE REIMBURSEMENT RATES TO HOSPITALS FOR PROVIDING MEDICAL CARE UNDER THE STATE MEDICAL ASSISTANCE PROGRAM AND THE COLORADO INDIGENT CARE PROGRAM AND TO INCREASE THE NUMBER OF INDIVIDUALS COVERED BY PUBLIC MEDICAL ASSISTANCE; AND

(II) PROVIDES ADDITIONAL BUSINESS SERVICES TO HOSPITALS AS SPECIFIED IN SUBSECTION (4)(a)(IV) OF THIS SECTION;

(e) IT IS NECESSARY, APPROPRIATE, AND IN THE BEST INTEREST OF THE STATE TO ACKNOWLEDGE THAT BY PROVIDING THE BUSINESS SERVICES SPECIFIED IN SUBSECTIONS (2)(d)(I) AND (2)(d)(II) OF THIS SECTION, THE COLORADO HEALTHCARE AFFORDABILITY AND SUSTAINABILITY ENTERPRISE ENGAGES IN AN ACTIVITY CONDUCTED IN THE PURSUIT OF A BENEFIT, GAIN, OR LIVELIHOOD AND THEREFORE OPERATES AS A BUSINESS;

(f) CONSISTENT WITH THE DETERMINATION OF THE COLORADO SUPREME COURT IN *NICHOLL V. E-470 PUBLIC HIGHWAY AUTHORITY*, 896 P.2d 859 (COLO. 1995), THAT THE POWER TO IMPOSE TAXES IS

INCONSISTENT WITH ENTERPRISE STATUS UNDER SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION, IT IS THE CONCLUSION OF THE GENERAL ASSEMBLY THAT THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE CHARGED AND COLLECTED BY THE COLORADO HEALTHCARE AFFORDABILITY AND SUSTAINABILITY ENTERPRISE IS A FEE, NOT A TAX, BECAUSE THE FEE IS IMPOSED FOR THE SPECIFIC PURPOSES OF ALLOWING THE ENTERPRISE TO DEFRAY THE COSTS OF PROVIDING THE BUSINESS SERVICES SPECIFIED IN SUBSECTIONS (2)(d)(I) AND (2)(d)(II) OF THIS SECTION TO HOSPITALS THAT PAY THE FEE AND IS COLLECTED AT RATES THAT ARE REASONABLY CALCULATED BASED ON THE BENEFITS RECEIVED BY THOSE HOSPITALS; AND

(g) SO LONG AS THE COLORADO HEALTHCARE AFFORDABILITY AND SUSTAINABILITY ENTERPRISE QUALIFIES AS AN ENTERPRISE FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION, THE REVENUES FROM THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE CHARGED AND COLLECTED BY THE ENTERPRISE ARE NOT STATE FISCAL YEAR SPENDING, AS DEFINED IN SECTION 24-77-102 (17), OR STATE REVENUES, AS DEFINED IN SECTION 24-77-103.6 (6)(c), AND DO NOT COUNT AGAINST EITHER THE STATE FISCAL YEAR SPENDING LIMIT IMPOSED BY SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION OR THE EXCESS STATE REVENUES CAP, AS DEFINED IN SECTION 24-77-103.6 (6)(b)(I).

(3) (a) **Colorado healthcare affordability and sustainability enterprise.** THE COLORADO HEALTHCARE AFFORDABILITY AND SUSTAINABILITY ENTERPRISE, REFERRED TO IN THIS SECTION AS THE "ENTERPRISE", IS CREATED. THE ENTERPRISE IS AND OPERATES AS A GOVERNMENT-OWNED BUSINESS WITHIN THE STATE DEPARTMENT FOR THE PURPOSE OF CHARGING AND COLLECTING THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE, LEVERAGING HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE REVENUE TO OBTAIN FEDERAL MATCHING MONEY, AND UTILIZING AND DEPLOYING THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE REVENUE AND FEDERAL MATCHING MONEY TO PROVIDE THE BUSINESS SERVICES SPECIFIED IN SUBSECTIONS (2)(d)(I) AND (2)(d)(II) OF THIS SECTION TO HOSPITALS THAT PAY THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE.

(b) THE ENTERPRISE CONSTITUTES AN ENTERPRISE FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION SO LONG AS IT RETAINS THE AUTHORITY TO ISSUE REVENUE BONDS AND RECEIVES LESS

THAN TEN PERCENT OF ITS TOTAL REVENUES IN GRANTS FROM ALL COLORADO STATE AND LOCAL GOVERNMENTS COMBINED. SO LONG AS IT CONSTITUTES AN ENTERPRISE PURSUANT TO THIS SUBSECTION (3)(b), THE ENTERPRISE IS NOT SUBJECT TO ANY PROVISIONS OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION.

(c) (I) THE REPEAL OF THE HOSPITAL PROVIDER FEE PROGRAM, AS IT EXISTED PURSUANT TO SECTION 25.5-4-402.3 BEFORE ITS REPEAL, EFFECTIVE JULY 1, 2017, BY SENATE BILL 17-267, ENACTED IN 2017, AND THE CREATION OF THE COLORADO HEALTHCARE AFFORDABILITY AND SUSTAINABILITY ENTERPRISE AS A NEW ENTERPRISE TO CHARGE AND COLLECT A NEW HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE AS AUTHORIZED BY SUBSECTION (4) OF THIS SECTION AND PROVIDE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE-FUNDED BUSINESS SERVICES TO HOSPITALS THAT REPLACE AND SUPPLEMENT SERVICES PREVIOUSLY FUNDED BY HOSPITAL PROVIDER FEES IS THE CREATION OF A NEW GOVERNMENT-OWNED BUSINESS THAT PROVIDES BUSINESS SERVICES TO HOSPITALS AS A NEW ENTERPRISE FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION, DOES NOT CONSTITUTE THE QUALIFICATION OF AN EXISTING GOVERNMENT-OWNED BUSINESS AS AN ENTERPRISE FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION OR SECTION 24-77-103.6 (6)(b)(II), AND, THEREFORE, DOES NOT REQUIRE OR AUTHORIZE ADJUSTMENT OF THE STATE FISCAL YEAR SPENDING LIMIT CALCULATED PURSUANT TO SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION OR THE EXCESS STATE REVENUES CAP, AS DEFINED IN SECTION 24-77-103.6 (6)(b)(I).

(II) NOTWITHSTANDING SUBSECTION (3)(c)(I) OF THIS SECTION, BECAUSE THE REPEAL OF THE HOSPITAL PROVIDER FEE PROGRAM, AS IT EXISTED PURSUANT TO SECTION 25.5-4-402.3 BEFORE ITS REPEAL BY SENATE BILL 17-267, ENACTED IN 2017, WILL ALLOW THE STATE TO SPEND MORE GENERAL FUND MONEY FOR GENERAL GOVERNMENTAL PURPOSES THAN IT WOULD OTHERWISE BE ABLE TO SPEND BELOW THE EXCESS STATE REVENUES CAP, AS DEFINED IN SECTION 24-77-103.6 (6)(b)(I), IT IS APPROPRIATE TO RESTRAIN THE GROWTH OF GOVERNMENT BY LOWERING THE BASE AMOUNT USED TO CALCULATE THE EXCESS STATE REVENUES CAP FOR THE 2017-18 STATE FISCAL YEAR BY TWO HUNDRED MILLION DOLLARS.

(d) THE ENTERPRISE'S PRIMARY POWERS AND DUTIES ARE:

(I) TO CHARGE AND COLLECT THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE AS SPECIFIED IN SUBSECTION (4) OF THIS SECTION;

(II) TO LEVERAGE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE REVENUE COLLECTED TO OBTAIN FEDERAL MATCHING MONEY, WORKING WITH OR THROUGH THE STATE DEPARTMENT AND THE STATE BOARD TO THE EXTENT REQUIRED BY FEDERAL LAW OR OTHERWISE NECESSARY;

(III) TO EXPEND HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE REVENUE, MATCHING FEDERAL MONEY, AND ANY OTHER MONEY FROM THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE CASH FUND AS SPECIFIED IN SUBSECTIONS (4) AND (5) OF THIS SECTION;

(IV) TO ISSUE REVENUE BONDS PAYABLE FROM THE REVENUES OF THE ENTERPRISE;

(V) TO ENTER INTO AGREEMENTS WITH THE STATE DEPARTMENT TO THE EXTENT NECESSARY TO COLLECT AND EXPEND HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE REVENUE;

(VI) TO ENGAGE THE SERVICES OF PRIVATE PERSONS OR ENTITIES SERVING AS CONTRACTORS, CONSULTANTS, AND LEGAL COUNSEL FOR PROFESSIONAL AND TECHNICAL ASSISTANCE AND ADVICE AND TO SUPPLY OTHER SERVICES RELATED TO THE CONDUCT OF THE AFFAIRS OF THE ENTERPRISE, INCLUDING THE PROVISION OF ADDITIONAL BUSINESS SERVICES TO HOSPITALS AS SPECIFIED IN SUBSECTION (4)(a)(IV) OF THIS SECTION; AND

(VII) TO ADOPT AND AMEND OR REPEAL POLICIES FOR THE REGULATION OF ITS AFFAIRS AND THE CONDUCT OF ITS BUSINESS CONSISTENT WITH THE PROVISIONS OF THIS SECTION.

(e) THE ENTERPRISE SHALL EXERCISE ITS POWERS AND PERFORM ITS DUTIES AS IF THE SAME WERE TRANSFERRED TO THE STATE DEPARTMENT BY A TYPE 2 TRANSFER, AS DEFINED IN SECTION 24-1-105.

(4) Healthcare affordability and sustainability fee. (a) FOR THE FISCAL YEAR COMMENCING JULY 1, 2017, AND FOR EACH FISCAL YEAR THEREAFTER, THE ENTERPRISE IS AUTHORIZED TO CHARGE AND COLLECT A HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE, AS DESCRIBED IN

42 CFR 433.68 (b), ON OUTPATIENT AND INPATIENT SERVICES PROVIDED BY ALL LICENSED OR CERTIFIED HOSPITALS, REFERRED TO IN THIS SECTION AS "HOSPITALS", FOR THE PURPOSE OF OBTAINING FEDERAL FINANCIAL PARTICIPATION UNDER THE STATE MEDICAL ASSISTANCE PROGRAM AS DESCRIBED IN THIS ARTICLE 4 AND ARTICLES 5 AND 6 OF THIS TITLE 25.5, REFERRED TO IN THIS SECTION AS THE "STATE MEDICAL ASSISTANCE PROGRAM", AND THE COLORADO INDIGENT CARE PROGRAM DESCRIBED IN PART 1 OF ARTICLE 3 OF THIS TITLE 25.5, REFERRED TO IN THIS SECTION AS THE "COLORADO INDIGENT CARE PROGRAM". THE ENTERPRISE SHALL USE THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE REVENUE TO:

(I) PROVIDE A BUSINESS SERVICE TO HOSPITALS BY INCREASING REIMBURSEMENT TO HOSPITALS FOR PROVIDING MEDICAL CARE UNDER:

(A) THE STATE MEDICAL ASSISTANCE PROGRAM; AND

(B) THE COLORADO INDIGENT CARE PROGRAM;

(II) PROVIDE A BUSINESS SERVICE TO HOSPITALS BY INCREASING THE NUMBER OF INDIVIDUALS COVERED BY PUBLIC MEDICAL ASSISTANCE AND THEREBY REDUCING THE AMOUNT OF UNCOMPENSATED CARE THAT THE HOSPITALS MUST PROVIDE;

(III) PAY THE ADMINISTRATIVE COSTS TO THE ENTERPRISE IN IMPLEMENTING AND ADMINISTERING THIS SECTION SUBJECT TO THE LIMITATION THAT ADMINISTRATIVE COSTS OF THE ENTERPRISE ARE LIMITED TO THREE PERCENT OF THE ENTERPRISE'S EXPENDITURES BASED ON A METHODOLOGY APPROVED BY THE OFFICE OF STATE PLANNING AND BUDGETING AND THE STAFF OF THE JOINT BUDGET COMMITTEE OF THE GENERAL ASSEMBLY; AND

(IV) PROVIDE OR CONTRACT FOR OR ARRANGE THE PROVISION OF ADDITIONAL BUSINESS SERVICES TO HOSPITALS BY:

(A) CONSULTING WITH HOSPITALS TO HELP THEM IMPROVE BOTH COST EFFICIENCY AND PATIENT SAFETY IN PROVIDING MEDICAL SERVICES AND THE CLINICAL EFFECTIVENESS OF THOSE SERVICES;

(B) ADVISING HOSPITALS REGARDING POTENTIAL CHANGES TO FEDERAL AND STATE LAWS AND REGULATIONS THAT GOVERN THE

PROVISION OF AND REIMBURSEMENT PAID FOR MEDICAL SERVICES UNDER THE PROGRAMS ADMINISTERED PURSUANT TO THIS ARTICLE 4 AND ARTICLES 5 AND 6 OF THIS TITLE 25.5;

(C) PROVIDING COORDINATED SERVICES TO HOSPITALS TO HELP THEM ADAPT AND TRANSITION TO ANY NEW OR MODIFIED PERFORMANCE TRACKING AND PAYMENT SYSTEMS FOR THE PROGRAMS ADMINISTERED PURSUANT TO THIS ARTICLE 4 AND ARTICLES 5 AND 6 OF THIS TITLE 25.5, WHICH MAY INCLUDE DATA SHARING, TELEHEALTH COORDINATION AND SUPPORT, ESTABLISHMENT OF PERFORMANCE METRICS, BENCHMARKING TO SUCH METRICS, AND CLINICAL AND ADMINISTRATIVE PROCESS CONSULTING AND OTHER APPROPRIATE SERVICES;

(D) PROVIDING ANY OTHER SERVICES TO HOSPITALS THAT AID THEM IN EFFICIENTLY AND EFFECTIVELY PARTICIPATING IN THE PROGRAMS ADMINISTERED PURSUANT TO THIS ARTICLE 4 AND ARTICLES 5 AND 6 OF THIS TITLE 25.5; AND

(E) PROVIDING FUNDING FOR, AND IN COOPERATION WITH THE STATE DEPARTMENT AND HOSPITALS SUPPORTING THE IMPLEMENTATION OF, A HEALTH CARE DELIVERY SYSTEM REFORM INCENTIVE PAYMENTS PROGRAM AS DESCRIBED IN SUBSECTION (8) OF THIS SECTION.

(b) THE ENTERPRISE SHALL RECOMMEND FOR APPROVAL AND ESTABLISHMENT BY THE STATE BOARD THE AMOUNT OF THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE THAT IT INTENDS TO CHARGE AND COLLECT. THE STATE BOARD MUST ESTABLISH THE FINAL AMOUNT OF THE FEE BY RULES PROMULGATED IN ACCORDANCE WITH ARTICLE 4 OF TITLE 24. THE STATE BOARD SHALL NOT ESTABLISH ANY AMOUNT THAT EXCEEDS THE FEDERAL LIMIT FOR SUCH FEES. THE STATE BOARD MAY DEVIATE FROM THE RECOMMENDATIONS OF THE ENTERPRISE, BUT SHALL EXPRESS IN WRITING THE REASONS FOR ANY DEVIATIONS. IN ESTABLISHING THE AMOUNT OF THE FEE AND IN PROMULGATING THE RULES GOVERNING THE FEE, THE STATE BOARD SHALL:

(I) CONSIDER RECOMMENDATIONS OF THE ENTERPRISE;

(II) ESTABLISH THE AMOUNT OF THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE SO THAT THE AMOUNT COLLECTED FROM THE FEE AND FEDERAL MATCHING FUNDS ASSOCIATED WITH THE FEE ARE SUFFICIENT

TO PAY FOR THE ITEMS DESCRIBED IN SUBSECTION (4)(a) OF THIS SECTION, BUT NOTHING IN THIS SUBSECTION (4)(b)(II) REQUIRES THE STATE BOARD TO INCREASE THE FEE ABOVE THE AMOUNT RECOMMENDED BY THE ENTERPRISE; AND

(III) FOR THE 2017-18 FISCAL YEAR, ESTABLISH THE AMOUNT OF THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE SO THAT THE AMOUNT COLLECTED FROM THE FEE IS APPROXIMATELY EQUAL TO THE SUM OF THE AMOUNTS OF THE APPROPRIATIONS SPECIFIED FOR THE FEE IN THE GENERAL APPROPRIATION ACT, SENATE BILL 17-254, ENACTED IN 2017, AND ANY OTHER SUPPLEMENTAL APPROPRIATION ACT.

(c) (I) IN ACCORDANCE WITH THE REDISTRIBUTIVE METHOD SET FORTH IN 42 CFR 433.68 (e)(1) AND (e)(2), THE ENTERPRISE, ACTING IN CONCERT WITH OR THROUGH AN AGREEMENT WITH THE STATE DEPARTMENT IF REQUIRED BY FEDERAL LAW, MAY SEEK A WAIVER FROM THE BROAD-BASED HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE REQUIREMENT OR THE UNIFORM HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE REQUIREMENT, OR BOTH. IN ADDITION, THE ENTERPRISE, ACTING IN CONCERT WITH OR THROUGH AN AGREEMENT WITH THE STATE DEPARTMENT IF REQUIRED BY FEDERAL LAW, SHALL SEEK ANY FEDERAL WAIVER NECESSARY TO FUND AND, IN COOPERATION WITH THE STATE DEPARTMENT AND HOSPITALS, SUPPORT THE IMPLEMENTATION OF A HEALTH CARE DELIVERY SYSTEM REFORM INCENTIVE PAYMENTS PROGRAM AS DESCRIBED IN SUBSECTION (8) OF THIS SECTION. SUBJECT TO FEDERAL APPROVAL AND TO MINIMIZE THE FINANCIAL IMPACT ON CERTAIN HOSPITALS, THE ENTERPRISE MAY EXEMPT FROM PAYMENT OF THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE CERTAIN TYPES OF HOSPITALS, INCLUDING BUT NOT LIMITED TO:

(A) PSYCHIATRIC HOSPITALS, AS LICENSED BY THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT;

(B) HOSPITALS THAT ARE LICENSED AS GENERAL HOSPITALS AND CERTIFIED AS LONG-TERM CARE HOSPITALS BY THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT;

(C) CRITICAL ACCESS HOSPITALS THAT ARE LICENSED AS GENERAL HOSPITALS AND ARE CERTIFIED BY THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT UNDER 42 CFR PART 485, SUBPART F;

(D) INPATIENT REHABILITATION FACILITIES; OR

(E) HOSPITALS SPECIFIED FOR EXEMPTION UNDER 42 CFR 433.68
(e).

(II) IN DETERMINING WHETHER A HOSPITAL MAY BE EXCLUDED, THE ENTERPRISE SHALL USE ONE OR MORE OF THE FOLLOWING CRITERIA:

(A) A HOSPITAL THAT IS LOCATED IN A RURAL AREA;

(B) A HOSPITAL WITH WHICH THE STATE DEPARTMENT DOES NOT CONTRACT TO PROVIDE SERVICES UNDER THE STATE MEDICAL ASSISTANCE PROGRAM;

(C) A HOSPITAL WHOSE INCLUSION OR EXCLUSION WOULD NOT SIGNIFICANTLY AFFECT THE NET BENEFIT TO HOSPITALS PAYING THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE; OR

(D) A HOSPITAL THAT MUST BE INCLUDED TO RECEIVE FEDERAL APPROVAL.

(III) THE ENTERPRISE MAY REDUCE THE AMOUNT OF THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE FOR CERTAIN HOSPITALS TO OBTAIN FEDERAL APPROVAL AND TO MINIMIZE THE FINANCIAL IMPACT ON CERTAIN HOSPITALS. IN DETERMINING FOR WHICH HOSPITALS THE ENTERPRISE MAY REDUCE THE AMOUNT OF THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE, THE ENTERPRISE SHALL USE ONE OR MORE OF THE FOLLOWING CRITERIA:

(A) THE HOSPITAL IS A TYPE OF HOSPITAL DESCRIBED IN SUBSECTION (4)(c)(I) OF THIS SECTION;

(B) THE HOSPITAL IS LOCATED IN A RURAL AREA;

(C) THE HOSPITAL SERVES A HIGHER PERCENTAGE THAN THE AVERAGE HOSPITAL OF PERSONS COVERED BY THE STATE MEDICAL ASSISTANCE PROGRAM, MEDICARE, OR COMMERCIAL INSURANCE OR PERSONS ENROLLED IN A MANAGED CARE ORGANIZATION;

(D) THE HOSPITAL DOES NOT CONTRACT WITH THE STATE

DEPARTMENT TO PROVIDE SERVICES UNDER THE STATE MEDICAL ASSISTANCE PROGRAM;

(E) IF THE HOSPITAL PAID A REDUCED HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE, THE REDUCED FEE WOULD NOT SIGNIFICANTLY AFFECT THE NET BENEFIT TO HOSPITALS PAYING THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE; OR

(F) THE HOSPITAL IS REQUIRED NOT TO PAY A REDUCED HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE AS A CONDITION OF FEDERAL APPROVAL.

(IV) THE ENTERPRISE MAY CHANGE HOW IT PAYS HOSPITAL REIMBURSEMENT OR QUALITY INCENTIVE PAYMENTS, OR BOTH, IN WHOLE OR IN PART, UNDER THE AUTHORITY OF A FEDERAL WAIVER IF THE TOTAL REIMBURSEMENT TO HOSPITALS IS EQUAL TO OR ABOVE THE FEDERAL UPPER PAYMENT LIMIT CALCULATION UNDER THE WAIVER.

(d) THE ENTERPRISE MAY ALTER THE PROCESS PRESCRIBED IN THIS SUBSECTION (4) TO THE EXTENT NECESSARY TO MEET THE FEDERAL REQUIREMENTS AND TO OBTAIN FEDERAL APPROVAL.

(e) (I) THE ENTERPRISE SHALL ESTABLISH POLICIES ON THE CALCULATION, ASSESSMENT, AND TIMING OF THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE. THE ENTERPRISE SHALL ASSESS THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE ON A SCHEDULE TO BE SET BY THE ENTERPRISE BOARD AS PROVIDED IN SUBSECTION (7)(d) OF THIS SECTION. THE PERIODIC HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE PAYMENTS FROM A HOSPITAL AND THE ENTERPRISE'S REIMBURSEMENT TO THE HOSPITAL UNDER SUBSECTIONS (5)(b)(I) AND (5)(b)(II) OF THIS SECTION ARE DUE AS NEARLY SIMULTANEOUSLY AS FEASIBLE; EXCEPT THAT THE ENTERPRISE'S REIMBURSEMENT TO THE HOSPITAL IS DUE NO MORE THAN TWO DAYS AFTER THE PERIODIC HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE PAYMENT IS RECEIVED FROM THE HOSPITAL. THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE MUST BE IMPOSED ON EACH HOSPITAL EVEN IF MORE THAN ONE HOSPITAL IS OWNED BY THE SAME ENTITY. THE FEE MUST BE PRORATED AND ADJUSTED FOR THE EXPECTED VOLUME OF SERVICE FOR ANY YEAR IN WHICH A HOSPITAL OPENS OR CLOSES.

(II) THE ENTERPRISE IS AUTHORIZED TO REFUND ANY UNUSED PORTION OF THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE. FOR ANY PORTION OF THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE THAT HAS BEEN COLLECTED BY THE ENTERPRISE BUT FOR WHICH THE ENTERPRISE HAS NOT RECEIVED FEDERAL MATCHING FUNDS, THE ENTERPRISE SHALL REFUND BACK TO THE HOSPITAL THAT PAID THE FEE THE AMOUNT OF THAT PORTION OF THE FEE WITHIN FIVE BUSINESS DAYS AFTER THE FEE IS COLLECTED.

(III) THE ENTERPRISE SHALL ESTABLISH REQUIREMENTS FOR THE REPORTS THAT HOSPITALS MUST SUBMIT TO THE ENTERPRISE TO ALLOW THE ENTERPRISE TO CALCULATE THE AMOUNT OF THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE. NOTWITHSTANDING THE PROVISIONS OF PART 2 OF ARTICLE 72 OF TITLE 24 OR SUBSECTION (7)(f) OF THIS SECTION, INFORMATION PROVIDED TO THE ENTERPRISE PURSUANT TO THIS SECTION IS CONFIDENTIAL AND IS NOT A PUBLIC RECORD. NONETHELESS, THE ENTERPRISE MAY PREPARE AND RELEASE SUMMARIES OF THE REPORTS TO THE PUBLIC.

(f) A HOSPITAL SHALL NOT INCLUDE ANY AMOUNT OF THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE AS A SEPARATE LINE ITEM IN ITS BILLING STATEMENTS.

(g) THE STATE BOARD SHALL PROMULGATE ANY RULES PURSUANT TO THE "STATE ADMINISTRATIVE PROCEDURE ACT", ARTICLE 4 OF TITLE 24, NECESSARY FOR THE ADMINISTRATION AND IMPLEMENTATION OF THIS SECTION. PRIOR TO SUBMITTING ANY PROPOSED RULES CONCERNING THE ADMINISTRATION OR IMPLEMENTATION OF THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE TO THE STATE BOARD, THE ENTERPRISE SHALL CONSULT WITH THE STATE BOARD ON THE PROPOSED RULES AS SPECIFIED IN SUBSECTION (7)(d) OF THIS SECTION.

(5) Healthcare affordability and sustainability fee cash fund.

(a) ANY HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE COLLECTED PURSUANT TO THIS SECTION BY THE ENTERPRISE MUST BE TRANSMITTED TO THE STATE TREASURER, WHO SHALL CREDIT THE FEE TO THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE CASH FUND, WHICH FUND IS HEREBY CREATED AND REFERRED TO IN THIS SECTION AS THE "FUND". THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO

THE FUND. THE STATE TREASURER SHALL INVEST ANY MONEY IN THE FUND NOT EXPENDED FOR THE PURPOSES SPECIFIED IN SUBSECTION (5)(b) OF THIS SECTION AS PROVIDED BY LAW. MONEY IN THE FUND SHALL NOT BE TRANSFERRED TO ANY OTHER FUND AND SHALL NOT BE USED FOR ANY PURPOSE OTHER THAN THE PURPOSES SPECIFIED IN THIS SUBSECTION (5) AND IN SUBSECTION (4) OF THIS SECTION.

(b) ALL MONEY IN THE FUND IS SUBJECT TO FEDERAL MATCHING AS AUTHORIZED UNDER FEDERAL LAW AND IS CONTINUOUSLY APPROPRIATED TO THE ENTERPRISE FOR THE FOLLOWING PURPOSES:

(I) TO MAXIMIZE THE INPATIENT AND OUTPATIENT HOSPITAL REIMBURSEMENTS TO UP TO THE UPPER PAYMENT LIMITS AS DEFINED IN 42 CFR 447.272 AND 42 CFR 447.321;

(II) TO INCREASE HOSPITAL REIMBURSEMENTS UNDER THE COLORADO INDIGENT CARE PROGRAM TO UP TO ONE HUNDRED PERCENT OF THE HOSPITAL'S COSTS OF PROVIDING MEDICAL CARE UNDER THE PROGRAM;

(III) TO PAY THE QUALITY INCENTIVE PAYMENTS PROVIDED IN SECTION 25.5-4-402 (3);

(IV) SUBJECT TO AVAILABLE REVENUE FROM THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE AND FEDERAL MATCHING FUNDS, TO EXPAND ELIGIBILITY FOR PUBLIC MEDICAL ASSISTANCE BY:

(A) INCREASING THE ELIGIBILITY LEVEL FOR PARENTS AND CARETAKER RELATIVES OF CHILDREN WHO ARE ELIGIBLE FOR MEDICAL ASSISTANCE, PURSUANT TO SECTION 25.5-5-201 (1)(m), FROM SIXTY-ONE PERCENT TO ONE HUNDRED THIRTY-THREE PERCENT OF THE FEDERAL POVERTY LINE;

(B) INCREASING THE ELIGIBILITY LEVEL FOR CHILDREN AND PREGNANT WOMEN UNDER THE CHILDREN'S BASIC HEALTH PLAN TO UP TO TWO HUNDRED FIFTY PERCENT OF THE FEDERAL POVERTY LINE;

(C) PROVIDING ELIGIBILITY UNDER THE STATE MEDICAL ASSISTANCE PROGRAM FOR A CHILDLESS ADULT OR AN ADULT WITHOUT A DEPENDENT CHILD IN THE HOME, PURSUANT TO SECTION 25.5-5-201 (1)(p), WHO EARNS UP TO ONE HUNDRED THIRTY-THREE PERCENT OF THE FEDERAL POVERTY

LINE; AND

(D) PROVIDING A BUY-IN PROGRAM IN THE STATE MEDICAL ASSISTANCE PROGRAM FOR DISABLED ADULTS AND CHILDREN WHOSE FAMILIES HAVE INCOME OF UP TO FOUR HUNDRED FIFTY PERCENT OF THE FEDERAL POVERTY LINE;

(V) TO PROVIDE CONTINUOUS ELIGIBILITY FOR TWELVE MONTHS FOR CHILDREN ENROLLED IN THE STATE MEDICAL ASSISTANCE PROGRAM;

(VI) TO PAY THE ENTERPRISE'S ACTUAL ADMINISTRATIVE COSTS OF IMPLEMENTING AND ADMINISTERING THIS SECTION, INCLUDING BUT NOT LIMITED TO THE FOLLOWING COSTS:

(A) ADMINISTRATIVE EXPENSES OF THE ENTERPRISE;

(B) THE ENTERPRISE'S ACTUAL COSTS RELATED TO IMPLEMENTING AND MAINTAINING THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE, INCLUDING PERSONAL SERVICES, OPERATING, AND CONSULTING EXPENSES;

(C) THE ENTERPRISE'S ACTUAL COSTS FOR THE CHANGES AND UPDATES TO THE MEDICAID MANAGEMENT INFORMATION SYSTEM FOR THE IMPLEMENTATION OF SUBSECTIONS (5)(b)(I) TO (5)(b)(III) OF THIS SECTION;

(D) THE ENTERPRISE'S PERSONAL SERVICES AND OPERATING COSTS RELATED TO PERSONNEL, CONSULTING SERVICES, AND FOR REVIEW OF HOSPITAL COSTS NECESSARY TO IMPLEMENT AND ADMINISTER THE INCREASES IN INPATIENT AND OUTPATIENT HOSPITAL PAYMENTS MADE PURSUANT TO SUBSECTION (5)(b)(I) OF THIS SECTION, INCREASES IN THE COLORADO INDIGENT CARE PROGRAM PAYMENTS MADE PURSUANT TO SUBSECTION (5)(b)(II) OF THIS SECTION, AND QUALITY INCENTIVE PAYMENTS MADE PURSUANT TO SUBSECTION (5)(b)(III) OF THIS SECTION;

(E) THE ENTERPRISE'S ACTUAL COSTS FOR THE CHANGES AND UPDATES TO THE COLORADO BENEFITS MANAGEMENT SYSTEM AND MEDICAID MANAGEMENT INFORMATION SYSTEM TO IMPLEMENT AND MAINTAIN THE EXPANDED ELIGIBILITY PROVIDED FOR IN SUBSECTIONS (5)(b)(IV) AND (5)(b)(V) OF THIS SECTION;

(F) THE ENTERPRISE'S PERSONAL SERVICES AND OPERATING COSTS RELATED TO PERSONNEL NECESSARY TO IMPLEMENT AND ADMINISTER THE EXPANDED ELIGIBILITY FOR PUBLIC MEDICAL ASSISTANCE PROVIDED FOR IN SUBSECTIONS (5)(b)(IV) AND (5)(b)(V) OF THIS SECTION, INCLUDING BUT NOT LIMITED TO ADMINISTRATIVE COSTS ASSOCIATED WITH THE DETERMINATION OF ELIGIBILITY FOR PUBLIC MEDICAL ASSISTANCE BY COUNTY DEPARTMENTS; AND

(G) THE ENTERPRISE'S PERSONAL SERVICES, OPERATING, AND SYSTEMS COSTS RELATED TO EXPANDING THE OPPORTUNITY FOR INDIVIDUALS TO APPLY FOR PUBLIC MEDICAL ASSISTANCE DIRECTLY AT HOSPITALS OR THROUGH ANOTHER ENTITY OUTSIDE THE COUNTY DEPARTMENTS, IN CONNECTION WITH SECTION 25.5-4-205, THAT WOULD INCREASE ACCESS TO PUBLIC MEDICAL ASSISTANCE AND REDUCE THE NUMBER OF UNINSURED SERVED BY HOSPITALS;

(VII) TO OFFSET THE LOSS OF ANY FEDERAL MATCHING MONEY DUE TO A DECREASE IN THE CERTIFICATION OF THE PUBLIC EXPENDITURE PROCESS FOR OUTPATIENT HOSPITAL SERVICES FOR MEDICAL SERVICES PREMIUMS THAT WERE IN EFFECT AS OF JULY 1, 2008;

(VIII) SUBJECT TO ANY NECESSARY FEDERAL WAIVERS BEING OBTAINED, TO PROVIDE FUNDING FOR A HEALTH CARE DELIVERY SYSTEM REFORM INCENTIVE PAYMENTS PROGRAM AS DESCRIBED IN SUBSECTION (8) OF THIS SECTION; AND

(IX) TO PROVIDE ADDITIONAL BUSINESS SERVICES TO HOSPITALS AS SPECIFIED IN SUBSECTION (4)(a)(IV) OF THIS SECTION.

(6) Appropriations. (a) (I) THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE IS TO SUPPLEMENT, NOT SUPPLANT, GENERAL FUND APPROPRIATIONS TO SUPPORT HOSPITAL REIMBURSEMENTS. GENERAL FUND APPROPRIATIONS FOR HOSPITAL REIMBURSEMENTS SHALL BE MAINTAINED AT THE LEVEL OF APPROPRIATIONS IN THE MEDICAL SERVICES PREMIUM LINE ITEM MADE FOR THE FISCAL YEAR COMMENCING JULY 1, 2008; EXCEPT THAT GENERAL FUND APPROPRIATIONS FOR HOSPITAL REIMBURSEMENTS MAY BE REDUCED IF AN INDEX OF APPROPRIATIONS TO OTHER PROVIDERS SHOWS THAT GENERAL FUND APPROPRIATIONS ARE REDUCED FOR OTHER PROVIDERS. IF THE INDEX SHOWS THAT GENERAL FUND APPROPRIATIONS ARE REDUCED FOR OTHER PROVIDERS, THE GENERAL FUND APPROPRIATIONS

FOR HOSPITAL REIMBURSEMENTS SHALL NOT BE REDUCED BY A GREATER PERCENTAGE THAN THE REDUCTIONS OF APPROPRIATIONS FOR THE OTHER PROVIDERS AS SHOWN BY THE INDEX.

(II) IF GENERAL FUND APPROPRIATIONS FOR HOSPITAL REIMBURSEMENTS ARE REDUCED BELOW THE LEVEL OF APPROPRIATIONS IN THE MEDICAL SERVICES PREMIUM LINE ITEM MADE FOR THE FISCAL YEAR COMMENCING JULY 1, 2008, THE GENERAL FUND APPROPRIATIONS WILL BE INCREASED BACK TO THE LEVEL OF APPROPRIATIONS IN THE MEDICAL SERVICES PREMIUM LINE ITEM MADE FOR THE FISCAL YEAR COMMENCING JULY 1, 2008, AT THE SAME PERCENTAGE AS THE APPROPRIATIONS FOR OTHER PROVIDERS AS SHOWN BY THE INDEX. THE GENERAL ASSEMBLY IS NOT OBLIGATED TO INCREASE THE GENERAL FUND APPROPRIATIONS BACK TO THE LEVEL OF APPROPRIATIONS IN THE MEDICAL SERVICES PREMIUM LINE ITEM IN A SINGLE FISCAL YEAR AND SUCH INCREASES MAY OCCUR OVER NONCONSECUTIVE FISCAL YEARS.

(III) FOR PURPOSES OF THIS SUBSECTION (6)(a), THE "INDEX OF APPROPRIATIONS TO OTHER PROVIDERS" OR "INDEX" MEANS THE AVERAGE PERCENT CHANGE IN REIMBURSEMENT RATES THROUGH APPROPRIATIONS OR LEGISLATION ENACTED BY THE GENERAL ASSEMBLY TO HOME HEALTH PROVIDERS, PHYSICIAN SERVICES, AND OUTPATIENT PHARMACIES, EXCLUDING DISPENSING FEES. THE STATE BOARD, AFTER CONSULTATION WITH THE ENTERPRISE BOARD, IS AUTHORIZED TO CLARIFY THIS DEFINITION AS NECESSARY BY RULE.

(b) IF THE REVENUE FROM THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE IS INSUFFICIENT TO FULLY FUND ALL OF THE PURPOSES DESCRIBED IN SUBSECTION (5)(b) OF THIS SECTION:

(I) THE GENERAL ASSEMBLY IS NOT OBLIGATED TO APPROPRIATE GENERAL FUND REVENUES TO FUND SUCH PURPOSES;

(II) THE HOSPITAL PROVIDER REIMBURSEMENT AND QUALITY INCENTIVE PAYMENT INCREASES DESCRIBED IN SUBSECTIONS (5)(b)(I) TO (5)(b)(III) OF THIS SECTION AND THE COSTS DESCRIBED IN SUBSECTION (5)(b)(VI) OF THIS SECTION SHALL BE FULLY FUNDED USING REVENUE FROM THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE AND FEDERAL MATCHING FUNDS BEFORE ANY ELIGIBILITY EXPANSION IS FUNDED; AND

(III) (A) IF THE STATE BOARD PROMULGATES RULES THAT EXPAND ELIGIBILITY FOR MEDICAL ASSISTANCE TO BE PAID FOR PURSUANT TO SUBSECTION (5)(b)(IV) OF THIS SECTION, AND THE STATE DEPARTMENT THEREAFTER NOTIFIES THE ENTERPRISE BOARD THAT THE REVENUE AVAILABLE FROM THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE AND THE FEDERAL MATCHING FUNDS WILL NOT BE SUFFICIENT TO PAY FOR ALL OR PART OF THE EXPANDED ELIGIBILITY, THE ENTERPRISE BOARD SHALL RECOMMEND TO THE STATE BOARD REDUCTIONS IN MEDICAL BENEFITS OR ELIGIBILITY SO THAT THE REVENUE WILL BE SUFFICIENT TO PAY FOR ALL OF THE REDUCED BENEFITS OR ELIGIBILITY. AFTER RECEIVING THE RECOMMENDATIONS OF THE ENTERPRISE BOARD, THE STATE BOARD SHALL ADOPT RULES PROVIDING FOR REDUCED BENEFITS OR REDUCED ELIGIBILITY FOR WHICH THE REVENUE WILL BE SUFFICIENT AND SHALL FORWARD ANY ADOPTED RULES TO THE JOINT BUDGET COMMITTEE. NOTWITHSTANDING THE PROVISIONS OF SECTION 24-4-103 (8) AND (12), FOLLOWING THE ADOPTION OF RULES PURSUANT TO THIS SUBSECTION (6)(b)(III)(A), THE STATE BOARD SHALL NOT SUBMIT THE RULES TO THE ATTORNEY GENERAL AND SHALL NOT FILE THE RULES WITH THE SECRETARY OF STATE UNTIL THE JOINT BUDGET COMMITTEE APPROVES THE RULES PURSUANT TO SUBSECTION (6)(b)(III)(B) OF THIS SECTION.

(B) THE JOINT BUDGET COMMITTEE SHALL PROMPTLY CONSIDER ANY RULES ADOPTED BY THE STATE BOARD PURSUANT TO SUBSECTION (6)(b)(III)(A) OF THIS SECTION. THE JOINT BUDGET COMMITTEE SHALL PROMPTLY NOTIFY THE STATE DEPARTMENT, THE STATE BOARD, AND THE ENTERPRISE BOARD OF ANY ACTION ON THE RULES. IF THE JOINT BUDGET COMMITTEE DOES NOT APPROVE THE RULES, THE JOINT BUDGET COMMITTEE SHALL RECOMMEND A REDUCTION IN BENEFITS OR ELIGIBILITY SO THAT THE REVENUE FROM THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE AND THE MATCHING FEDERAL FUNDS WILL BE SUFFICIENT TO PAY FOR THE REDUCED BENEFITS OR ELIGIBILITY. AFTER APPROVING THE RULES PURSUANT TO THIS SUBSECTION (6)(b)(III)(B), THE JOINT BUDGET COMMITTEE SHALL REQUEST THAT THE COMMITTEE ON LEGAL SERVICES, CREATED PURSUANT TO SECTION 2-3-501, EXTEND THE RULES AS PROVIDED FOR IN SECTION 24-4-103 (8) UNLESS THE COMMITTEE ON LEGAL SERVICES FINDS AFTER REVIEW THAT THE RULES DO NOT CONFORM WITH SECTION 24-4-103 (8)(a).

(C) AFTER THE STATE BOARD HAS RECEIVED NOTIFICATION OF THE APPROVAL OF RULES ADOPTED PURSUANT TO SUBSECTION (6)(b)(III)(A) OF

THIS SECTION, THE STATE BOARD SHALL SUBMIT THE RULES TO THE ATTORNEY GENERAL PURSUANT TO SECTION 24-4-103 (8)(b) AND SHALL FILE THE RULES AND THE OPINION OF THE ATTORNEY GENERAL WITH THE SECRETARY OF STATE PURSUANT TO SECTION 24-4-103 (12) AND WITH THE OFFICE OF LEGISLATIVE LEGAL SERVICES. PURSUANT TO SECTION 24-4-103 (5), THE RULES ARE EFFECTIVE TWENTY DAYS AFTER PUBLICATION OF THE RULES AND ARE ONLY EFFECTIVE UNTIL THE FOLLOWING MAY 15 UNLESS THE RULES ARE EXTENDED PURSUANT TO A BILL ENACTED PURSUANT TO SECTION 24-4-103 (8).

(c) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION, IF, AFTER RECEIPT OF AUTHORIZATION TO RECEIVE FEDERAL MATCHING FUNDS FOR MONEY IN THE FUND, THE AUTHORIZATION IS WITHDRAWN OR CHANGED SO THAT FEDERAL MATCHING FUNDS ARE NO LONGER AVAILABLE, THE ENTERPRISE SHALL CEASE COLLECTING THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE AND SHALL REPAY TO THE HOSPITALS ANY MONEY RECEIVED BY THE FUND THAT IS NOT SUBJECT TO FEDERAL MATCHING FUNDS.

(7) Colorado healthcare affordability and sustainability enterprise board. (a) (I) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (7)(a)(II) OF THIS SECTION, THE ENTERPRISE BOARD CONSISTS OF THIRTEEN MEMBERS APPOINTED BY THE GOVERNOR, WITH THE ADVICE AND CONSENT OF THE SENATE, AS FOLLOWS:

(A) FIVE MEMBERS WHO ARE EMPLOYED BY HOSPITALS IN COLORADO, INCLUDING AT LEAST ONE PERSON WHO IS EMPLOYED BY A HOSPITAL IN A RURAL AREA, ONE PERSON WHO IS EMPLOYED BY A SAFETY-NET HOSPITAL FOR WHICH THE PERCENT OF MEDICAID-ELIGIBLE INPATIENT DAYS RELATIVE TO ITS TOTAL INPATIENT DAYS IS EQUAL TO OR GREATER THAN ONE STANDARD DEVIATION ABOVE THE MEAN, AND ONE PERSON WHO IS EMPLOYED BY A HOSPITAL IN AN URBAN AREA;

(B) ONE MEMBER WHO IS A REPRESENTATIVE OF A STATEWIDE ORGANIZATION OF HOSPITALS;

(C) ONE MEMBER WHO REPRESENTS A STATEWIDE ORGANIZATION OF HEALTH INSURANCE CARRIERS OR A HEALTH INSURANCE CARRIER LICENSED PURSUANT TO TITLE 10 AND WHO IS NOT A REPRESENTATIVE OF A HOSPITAL;

(D) ONE MEMBER OF THE HEALTH CARE INDUSTRY WHO DOES NOT REPRESENT A HOSPITAL OR A HEALTH INSURANCE CARRIER;

(E) ONE MEMBER WHO IS A CONSUMER OF HEALTH CARE AND WHO IS NOT A REPRESENTATIVE OR AN EMPLOYEE OF A HOSPITAL, HEALTH INSURANCE CARRIER, OR OTHER HEALTH CARE INDUSTRY ENTITY;

(F) ONE MEMBER WHO IS A REPRESENTATIVE OF PERSONS WITH DISABILITIES, WHO IS LIVING WITH A DISABILITY, AND WHO IS NOT A REPRESENTATIVE OR AN EMPLOYEE OF A HOSPITAL, HEALTH INSURANCE CARRIER, OR OTHER HEALTH CARE INDUSTRY ENTITY;

(G) ONE MEMBER WHO IS A REPRESENTATIVE OF A BUSINESS THAT PURCHASES OR OTHERWISE PROVIDES HEALTH INSURANCE FOR ITS EMPLOYEES; AND

(H) TWO EMPLOYEES OF THE STATE DEPARTMENT.

(II) THE INITIAL MEMBERS OF THE ENTERPRISE BOARD ARE THE MEMBERS OF THE HOSPITAL PROVIDER FEE OVERSIGHT AND ADVISORY BOARD THAT WAS CREATED AND EXISTED PURSUANT TO SECTION 25.5-4-402.3 (6), PRIOR TO JULY 1, 2017, AND SUCH MEMBERS SHALL SERVE ON AND AFTER JULY 1, 2017, FOR THE REMAINDER OF THE TERMS FOR WHICH THEY WERE APPOINTED AS MEMBERS OF THE ADVISORY BOARD. THE POWERS, DUTIES, AND FUNCTIONS OF THE HOSPITAL PROVIDER FEE OVERSIGHT AND ADVISORY BOARD ARE TRANSFERRED BY A TYPE 3 TRANSFER, AS DEFINED IN SECTION 24-1-105, TO THE ENTERPRISE, AND THE HOSPITAL PROVIDER FEE OVERSIGHT AND ADVISORY BOARD IS ABOLISHED.

(III) THE GOVERNOR SHALL CONSULT WITH REPRESENTATIVES OF A STATEWIDE ORGANIZATION OF HOSPITALS IN MAKING THE APPOINTMENTS PURSUANT TO SUBSECTIONS (7)(a)(I)(A) AND (7)(a)(I)(B) OF THIS SECTION. NO MORE THAN SIX MEMBERS OF THE ENTERPRISE BOARD MAY BE MEMBERS OF THE SAME POLITICAL PARTY.

(IV) MEMBERS OF THE ENTERPRISE BOARD SERVE AT THE PLEASURE OF THE GOVERNOR. ALL TERMS ARE FOR FOUR YEARS. A MEMBER WHO IS APPOINTED TO FILL A VACANCY SHALL SERVE THE REMAINDER OF THE UNEXPIRED TERM OF THE FORMER MEMBER.

(V) THE GOVERNOR SHALL DESIGNATE A CHAIR FROM AMONG THE MEMBERS OF THE ENTERPRISE BOARD APPOINTED PURSUANT TO SUBSECTIONS (7)(a)(I)(A) TO (7)(a)(I)(G) OF THIS SECTION. THE ENTERPRISE BOARD SHALL ELECT A VICE-CHAIR FROM AMONG ITS MEMBERS.

(b) MEMBERS OF THE ENTERPRISE BOARD SERVE WITHOUT COMPENSATION BUT MUST BE REIMBURSED FROM MONEY IN THE FUND FOR ACTUAL AND NECESSARY EXPENSES INCURRED IN THE PERFORMANCE OF THEIR DUTIES PURSUANT TO THIS SECTION.

(c) THE ENTERPRISE BOARD MAY CONTRACT FOR A GROUP FACILITATOR TO ASSIST THE MEMBERS OF THE ENTERPRISE BOARD IN PERFORMING THEIR REQUIRED DUTIES.

(d) THE ENTERPRISE BOARD HAS, AT A MINIMUM, THE FOLLOWING DUTIES:

(I) TO DETERMINE THE TIMING AND METHOD BY WHICH THE ENTERPRISE ASSESSES THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE AND THE AMOUNT OF THE FEE;

(II) IF REQUESTED BY THE HEALTH AND HUMAN SERVICES COMMITTEE OF THE SENATE OR THE PUBLIC HEALTH CARE AND HUMAN SERVICES COMMITTEE OF THE HOUSE OF REPRESENTATIVES, OR ANY SUCCESSOR COMMITTEES, TO CONSULT WITH THE COMMITTEES ON ANY LEGISLATION THAT MAY IMPACT THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE OR HOSPITAL REIMBURSEMENTS ESTABLISHED PURSUANT TO THIS SECTION;

(III) TO DETERMINE CHANGES IN THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE THAT INCREASE THE NUMBER OF HOSPITALS BENEFITTING FROM THE USES OF THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE DESCRIBED IN SUBSECTIONS (5)(b)(I) TO (5)(b)(IV) OF THIS SECTION OR THAT MINIMIZE THE NUMBER OF HOSPITALS THAT SUFFER LOSSES AS A RESULT OF PAYING THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE;

(IV) TO RECOMMEND TO THE STATE DEPARTMENT REFORMS OR CHANGES TO THE INPATIENT HOSPITAL AND OUTPATIENT HOSPITAL REIMBURSEMENTS AND QUALITY INCENTIVE PAYMENTS MADE UNDER THE

STATE MEDICAL ASSISTANCE PROGRAM TO INCREASE PROVIDER ACCOUNTABILITY, PERFORMANCE, AND REPORTING;

(V) TO DIRECT AND OVERSEE THE ENTERPRISE IN SEEKING, IN CONCERT WITH OR THROUGH AN AGREEMENT WITH THE STATE DEPARTMENT IF REQUIRED BY FEDERAL LAW, ANY FEDERAL WAIVER NECESSARY TO FUND AND, IN COOPERATION WITH THE STATE DEPARTMENT AND HOSPITALS, SUPPORT THE IMPLEMENTATION OF A HEALTH CARE DELIVERY SYSTEM REFORM INCENTIVE PAYMENTS PROGRAM AS DESCRIBED IN SUBSECTION (8) OF THIS SECTION;

(VI) TO RECOMMEND TO THE STATE DEPARTMENT THE SCHEDULE AND APPROACH TO THE IMPLEMENTATION OF SUBSECTIONS (5)(b)(IV) AND (5)(b)(V) OF THIS SECTION;

(VII) IF MONEY IN THE FUND IS INSUFFICIENT TO FULLY FUND ALL OF THE PURPOSES SPECIFIED IN SUBSECTION (5)(b) OF THIS SECTION, TO RECOMMEND TO THE STATE BOARD CHANGES TO THE EXPANDED ELIGIBILITY PROVISIONS DESCRIBED IN SUBSECTION (5)(b)(IV) OF THIS SECTION;

(VIII) TO PREPARE THE REPORTS SPECIFIED IN SUBSECTION (7)(e) OF THIS SECTION;

(IX) TO MONITOR THE IMPACT OF THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE ON THE BROADER HEALTH CARE MARKETPLACE;

(X) TO ESTABLISH REQUIREMENTS FOR THE REPORTS THAT HOSPITALS MUST SUBMIT TO THE ENTERPRISE TO ALLOW THE ENTERPRISE TO CALCULATE THE AMOUNT OF THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE; AND

(XI) TO PERFORM ANY OTHER DUTIES REQUIRED TO FULFILL THE ENTERPRISE BOARD'S CHARGE OR THOSE ASSIGNED TO IT BY THE STATE BOARD OR THE EXECUTIVE DIRECTOR.

(e) ON OR BEFORE JANUARY 15, 2018, AND ON OR BEFORE JANUARY 15 EACH YEAR THEREAFTER, THE ENTERPRISE BOARD SHALL SUBMIT A WRITTEN REPORT TO THE HEALTH AND HUMAN SERVICES COMMITTEE OF THE SENATE AND THE PUBLIC HEALTH CARE AND HUMAN SERVICES COMMITTEE OF THE HOUSE OF REPRESENTATIVES, OR ANY SUCCESSOR COMMITTEES, THE

JOINT BUDGET COMMITTEE OF THE GENERAL ASSEMBLY, THE GOVERNOR, AND THE STATE BOARD. THE REPORT SHALL INCLUDE, BUT NEED NOT BE LIMITED TO:

(I) THE RECOMMENDATIONS MADE TO THE STATE BOARD PURSUANT TO THIS SECTION;

(II) A DESCRIPTION OF THE FORMULA FOR HOW THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE IS CALCULATED AND THE PROCESS BY WHICH THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE IS ASSESSED AND COLLECTED;

(III) AN ITEMIZATION OF THE TOTAL AMOUNT OF THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE PAID BY EACH HOSPITAL AND ANY PROJECTED REVENUE THAT EACH HOSPITAL IS EXPECTED TO RECEIVE DUE TO:

(A) THE INCREASED REIMBURSEMENTS MADE PURSUANT TO SUBSECTIONS (5)(b)(I) AND (5)(b)(II) OF THIS SECTION AND THE QUALITY INCENTIVE PAYMENTS MADE PURSUANT TO SUBSECTION (5)(b)(III) OF THIS SECTION; AND

(B) THE INCREASED ELIGIBILITY DESCRIBED IN SUBSECTIONS (5)(b)(IV) AND (5)(b)(V) OF THIS SECTION;

(IV) AN ITEMIZATION OF THE COSTS INCURRED BY THE ENTERPRISE IN IMPLEMENTING AND ADMINISTERING THE HEALTHCARE AFFORDABILITY AND SUSTAINABILITY FEE;

(V) ESTIMATES OF THE DIFFERENCES BETWEEN THE COST OF CARE PROVIDED AND THE PAYMENT RECEIVED BY HOSPITALS ON A PER-PATIENT BASIS, AGGREGATED FOR ALL HOSPITALS, FOR PATIENTS COVERED BY EACH OF THE FOLLOWING:

(A) MEDICAID;

(B) MEDICARE; AND

(C) ALL OTHER PAYERS; AND

(VI) A SUMMARY OF:

(A) THE EFFORTS MADE BY THE ENTERPRISE, ACTING IN CONCERT WITH OR THROUGH AN AGREEMENT WITH THE STATE DEPARTMENT IF REQUIRED BY FEDERAL LAW, TO SEEK ANY FEDERAL WAIVER NECESSARY TO FUND AND, IN COOPERATION WITH THE STATE DEPARTMENT AND HOSPITALS, SUPPORT THE IMPLEMENTATION OF A HEALTH CARE DELIVERY SYSTEM REFORM INCENTIVE PAYMENTS PROGRAM AS DESCRIBED IN SUBSECTION (8) OF THIS SECTION; AND

(B) THE PROGRESS ACTUALLY MADE BY THE ENTERPRISE, IN COOPERATION WITH THE STATE DEPARTMENT AND HOSPITALS, TOWARDS THE GOAL OF IMPLEMENTING SUCH A PROGRAM.

(f) (I) THE ENTERPRISE IS SUBJECT TO THE OPEN MEETINGS PROVISIONS OF THE "COLORADO SUNSHINE ACT OF 1972", CONTAINED IN PART 4 OF ARTICLE 6 OF TITLE 24, AND THE "COLORADO OPEN RECORDS ACT", PART 2 OF ARTICLE 72 OF TITLE 24.

(II) FOR PURPOSES OF THE "COLORADO OPEN RECORDS ACT", PART 2 OF ARTICLE 72 OF TITLE 24, AND EXCEPT AS MAY OTHERWISE BE PROVIDED BY FEDERAL LAW OR REGULATION OR STATE LAW, THE RECORDS OF THE ENTERPRISE ARE PUBLIC RECORDS, AS DEFINED IN SECTION 24-72-202 (6), REGARDLESS OF WHETHER THE ENTERPRISE RECEIVES LESS THAN TEN PERCENT OF ITS TOTAL ANNUAL REVENUES IN GRANTS, AS DEFINED IN SECTION 24-77-102 (7), FROM ALL COLORADO STATE AND LOCAL GOVERNMENTS COMBINED.

(III) THE ENTERPRISE IS A PUBLIC ENTITY FOR PURPOSES OF PART 2 OF ARTICLE 57 OF TITLE 11.

(8) Health care delivery system reform incentive payments program - funding and implementation. THE ENTERPRISE, ACTING IN CONCERT WITH OR THROUGH AN AGREEMENT WITH THE STATE DEPARTMENT IF REQUIRED BY FEDERAL LAW, SHALL SEEK ANY FEDERAL WAIVER NECESSARY TO FUND AND, IN COOPERATION WITH THE STATE DEPARTMENT AND HOSPITALS, SUPPORT THE IMPLEMENTATION, NO EARLIER THAN OCTOBER 1, 2019, OF A HEALTH CARE DELIVERY SYSTEM REFORM INCENTIVE PAYMENTS PROGRAM THAT WILL IMPROVE HEALTH CARE ACCESS AND OUTCOMES FOR INDIVIDUALS SERVED BY THE STATE DEPARTMENT

WHILE EFFICIENTLY UTILIZING AVAILABLE FINANCIAL RESOURCES. SUCH A PROGRAM MUST, AT A MINIMUM:

(a) INCLUDE AN INITIAL PLANNING PHASE TO:

(I) ASSESS NEEDS; AND

(II) DEVELOP ACHIEVABLE OUTCOME-BASED METRICS TO BE USED TO MEASURE PROGRESS TOWARDS PROGRAM GOALS, INCLUDING THE GOALS OF HEALTH CARE DELIVERY SYSTEM INTEGRATION, IMPROVED PATIENT OUTCOMES, AND MORE EFFICIENT PROVISION OF CARE; AND

(b) ADDRESS THE FOLLOWING FOCUS AREAS:

(I) CARE COORDINATION AND CARE TRANSITION MANAGEMENT;

(II) INTEGRATION OF PHYSICAL AND BEHAVIORAL HEALTH CARE SERVICES;

(III) CHRONIC CONDITION MANAGEMENT;

(IV) TARGETED POPULATION HEALTH; AND

(V) DATA-DRIVEN ACCOUNTABILITY AND OUTCOME MEASUREMENT.

SECTION 18. In Colorado Revised Statutes, add 25.5-4-402.7 as follows:

25.5-4-402.7. Unexpended hospital provider fee cash fund - creation - transfer from hospital provider fee cash fund - use of fund - repeal. (1) THE UNEXPENDED HOSPITAL PROVIDER FEE CASH FUND, REFERRED TO IN THIS SECTION AS THE "FUND", IS HEREBY CREATED IN THE STATE TREASURY. ON JUNE 30, 2017, THE STATE TREASURER SHALL TRANSFER TO THE FUND ALL MONEY IN THE HOSPITAL PROVIDER FEE CASH FUND CREATED IN SECTION 25.5-4-402.3 (4)(a), AS THAT SECTION EXISTED BEFORE ITS REPEAL BY SENATE BILL 17-267, ENACTED IN 2017. THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO THE GENERAL FUND. MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE STATE DEPARTMENT THROUGH OCTOBER 30, 2018, FOR THE PURPOSE OF PAYING

CLAIMS INCURRED BEFORE JULY 1, 2017, THAT WERE PAYABLE PURSUANT TO SECTION 25.5-5-402.3 (4), AS THAT SECTION EXISTED BEFORE ITS REPEAL BY SENATE BILL 17-267, ENACTED IN 2017. THE STATE DEPARTMENT SHALL REFUND ANY MONEY IN THE FUND DERIVED FROM HOSPITAL PROVIDER FEES THAT IS NOT EXPENDED FOR THE PURPOSE OF PAYING CLAIMS TO THE HOSPITALS THAT PAID THE FEES.

(2) THIS SECTION IS REPEALED, EFFECTIVE NOVEMBER 1, 2018.

SECTION 19. In Colorado Revised Statutes, 25.5-5-201, amend (1) introductory portion, (1)(o)(II), and (1)(r)(II) as follows:

25.5-5-201. Optional provisions - optional groups - repeal.

(1) The federal government allows the state to select optional groups to receive medical assistance. Pursuant to federal law, any person who is eligible for medical assistance under the optional groups specified in this section shall receive both the mandatory services specified in sections 25.5-5-102 and 25.5-5-103 and the optional services specified in sections 25.5-5-202 and 25.5-5-203. Subject to the availability of federal financial aid funds, the following are the individuals or groups that Colorado has selected as optional groups to receive medical assistance pursuant to this article and articles 4 and 6 of this title TITLE 25.5:

(o) (II) Notwithstanding the provisions of ~~subparagraph (f) of this paragraph (o);~~ SUBSECTION (1)(o)(I) OF THIS SECTION, if the ~~moneys~~ MONEY in the ~~hospital provider~~ HEALTHCARE AFFORDABILITY AND SUSTAINABILITY fee cash fund established pursuant to ~~section 25.5-4-402.3 (4)~~ SECTION 25.5-4-402.4, together with the corresponding federal matching funds, are IS insufficient to fully fund all of the purposes described in ~~section 25.5-4-402.3 (4) (b)~~ SECTION 25.5-4-402.4 (5)(b), after receiving recommendations from the ~~hospital provider fee oversight and advisory board~~ COLORADO HEALTHCARE AFFORDABILITY AND SUSTAINABILITY ENTERPRISE established pursuant to ~~section 25.5-4-402.3 (6)~~ SECTION 25.5-4-402.4 (3), for individuals with disabilities who are participating in the medicaid buy-in program established in part 14 of article 6 of this title TITLE 25.5, the state board by rule adopted pursuant to the provisions of ~~section 25.5-4-402.3 (5) (b) (III)~~ SECTION 25.5-4-402.4 (6)(b)(III) may reduce the medical benefits offered or the percentage of the federal poverty line to below four hundred fifty percent or may eliminate this eligibility group.

(r) (II) Notwithstanding the provisions of ~~subparagraph (I) of this paragraph (r);~~ SUBSECTION (1)(r)(I) OF THIS SECTION, if the moneys MONEY in the ~~hospital provider~~ HEALTHCARE AFFORDABILITY AND SUSTAINABILITY fee cash fund established pursuant to ~~section 25.5-4-402.3 (4)~~ SECTION 25.5-4-402.4, together with the corresponding federal matching funds, are IS insufficient to fully fund all of the purposes described in ~~section 25.5-4-402.3 (4) (b)~~ SECTION 25.5-4-402.4 (5)(b), after receiving recommendations from the ~~hospital provider fee oversight and advisory board~~ COLORADO HEALTHCARE AFFORDABILITY AND SUSTAINABILITY ENTERPRISE established pursuant to ~~section 25.5-4-402.3 (6)~~ SECTION 25.5-4-402.4 (3), for persons eligible for a medicaid buy-in program established pursuant to section 25.5-5-206, the state board by rule adopted pursuant to the provisions of ~~section 25.5-4-402.3 (5) (b) (III)~~ SECTION 25.5-4-402.4 (6)(b)(III) may reduce the medical benefits offered, or the percentage of the federal poverty line, or may eliminate this eligibility group.

SECTION 20. In Colorado Revised Statutes, 25.5-5-204.5, amend (2) as follows:

25.5-5-204.5. Continuous eligibility - children - repeal. (2) Notwithstanding the provisions of subsection (1) of this section, if the moneys MONEY in the ~~hospital provider~~ HEALTHCARE AFFORDABILITY AND SUSTAINABILITY fee cash fund established pursuant to ~~section 25.5-4-402.3 (4)~~ SECTION 25.5-4-402.4, together with the corresponding federal matching funds, are IS insufficient to fully fund all of the purposes described in ~~section 25.5-4-402.3 (4) (b)~~ SECTION 25.5-4-402.4 (5)(b), after receiving recommendations from the ~~hospital provider fee oversight and advisory board~~ COLORADO HEALTHCARE AFFORDABILITY AND SUSTAINABILITY ENTERPRISE established pursuant to ~~section 25.5-4-402.3 (6)~~ SECTION 25.5-4-402.4 (3), the state board by rule adopted pursuant to the provisions of ~~section 25.5-4-402.3 (5) (b) (III)~~ SECTION 25.5-4-402.4 (6)(b)(III) may eliminate the continuous enrollment requirement pursuant to this section.

SECTION 21. In Colorado Revised Statutes, add 25.5-5-420 as follows:

25.5-5-420. Advancing care for exceptional kids. WITHIN ONE HUNDRED TWENTY DAYS OF THE ENACTMENT OF THE FEDERAL "ADVANCING

CARE FOR EXCEPTIONAL KIDS ACT", SUBJECT TO AVAILABLE APPROPRIATIONS, THE STATE DEPARTMENT SHALL SEEK ANY FEDERAL APPROVAL NECESSARY TO FUND, IN COOPERATION WITH HOSPITALS THAT MEET THE SPECIFIED REQUIREMENTS, THE IMPLEMENTATION OF AN ENHANCED PEDIATRIC HEALTH HOME FOR CHILDREN WITH COMPLEX MEDICAL CONDITIONS. REQUIREMENTS FOR PARTICIPATION BY THE STATE DEPARTMENT, ALONG WITH THE REQUIREMENT OF AN ENHANCED PEDIATRIC HEALTH HOME, ARE STIPULATED BY THE "ADVANCING CARE FOR EXCEPTIONAL KIDS ACT" AND SHALL BE COMPLIED WITH ACCORDINGLY.

SECTION 22. In Colorado Revised Statutes, 25.5-8-103, amend the introductory portion, (4)(a)(II), and (4)(b)(II) as follows:

25.5-8-103. Definitions - repeal. As used in this article ARTICLE 8, unless the context otherwise requires:

(4) "Eligible person" means:

(a) (II) Notwithstanding the provisions of subparagraph (I) of this paragraph (a), SUBSECTION (4)(a)(I) OF THIS SECTION, if the moneys MONEY in the hospital provider HEALTHCARE AFFORDABILITY AND SUSTAINABILITY fee cash fund established pursuant to ~~section 25.5-4-402.3 (4)~~ SECTION 25.5-4-402.4 (5), together with the corresponding federal matching funds, are IS insufficient to fully fund all of the purposes described in ~~section 25.5-4-402.3 (4) (b)~~ SECTION 25.5-4-402.4 (5)(b), after receiving recommendations from the hospital provider fee oversight and advisory board COLORADO HEALTHCARE AFFORDABILITY AND SUSTAINABILITY ENTERPRISE established pursuant to ~~section 25.5-4-402.3 (6)~~ SECTION 25.5-4-402.4 (3), for persons less than nineteen years of age, the state board may by rule adopted pursuant to the provisions of ~~section 25.5-4-402.3 (5) (b) (II)~~ SECTION 25.5-4-402.4 (6)(b)(III) reduce the percentage of the federal poverty line to below two hundred fifty percent, but the percentage shall not be reduced to below two hundred five percent.

(b) (II) Notwithstanding the provisions of subparagraph (I) of this paragraph (b) SUBSECTION (4)(b)(I) OF THIS SECTION, if the moneys MONEY in the hospital provider HEALTHCARE AFFORDABILITY AND SUSTAINABILITY fee cash fund established pursuant to ~~section 25.5-4-402.3 (4)~~ SECTION 25.5-4-402.4 (5), together with the corresponding federal matching funds, are IS insufficient to fully fund all of the purposes described in section

~~25.5-4-402.3 (4)~~ (b) SECTION 25.5-4-402.4 (5)(b), after receiving recommendations from the ~~hospital provider fee oversight and advisory board~~ COLORADO HEALTHCARE AFFORDABILITY AND SUSTAINABILITY ENTERPRISE established pursuant to ~~section 25.5-4-402.3 (6)~~ SECTION 25.5-4-402.4 (3), for pregnant women, the state board by rule adopted pursuant to the provisions of ~~section 25.5-4-402.3 (5) (b) (II)~~ SECTION 25.5-4-402.4 (6)(b)(III) may reduce the percentage of the federal poverty line to below two hundred fifty percent, but the percentage shall not be reduced to below two hundred five percent.

SECTION 23. In Colorado Revised Statutes, 29-2-105, amend (1) introductory portion and (1)(d)(I) introductory portion; and add (1)(d)(I)(O) as follows:

29-2-105. Contents of sales tax ordinances and proposals - repeal. (1) The sales tax ordinance or proposal of any incorporated town, city, or county adopted pursuant to this article shall be imposed on the sale of tangible personal property at retail or the furnishing of services, as provided in ~~paragraph (d) of this subsection (1)~~ SUBSECTION (1)(d) OF THIS SECTION. Any countywide or incorporated town or city sales tax ordinance or proposal shall include the following provisions:

(d) (I) A provision that the sale of tangible personal property and services taxable pursuant to this article shall be the same as the sale of tangible personal property and services taxable pursuant to section 39-26-104, ~~C.R.S.~~, except as otherwise provided in this ~~paragraph (d)~~ SUBSECTION (1)(d). The sale of tangible personal property and services taxable pursuant to this article shall be subject to the same sales tax exemptions as those specified in part 7 of article 26 of title 39 ~~C.R.S.~~; except that the sale of the following may be exempted from a town, city, or county sales tax only by the express inclusion of the exemption either at the time of adoption of the initial sales tax ordinance or resolution or by amendment thereto:

(O) THE EXEMPTION FOR RETAIL SALES OF MARIJUANA UPON WHICH THE RETAIL MARIJUANA SALES TAX IS IMPOSED PURSUANT TO SECTION 39-28.8-202 AS SPECIFIED IN SECTION 39-26-729.

SECTION 24. In Colorado Revised Statutes, add 39-3-209 as follows:

39-3-209. State expenditure for property tax exemptions - mechanism for refunding of excess state revenue - legislative declaration. (1) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

(a) ALTHOUGH THE EXEMPTIONS ALLOWED BY THIS PART 2 ARE EXEMPTIONS FROM LOCAL GOVERNMENT PROPERTY TAXES, THE STATE MUST REIMBURSE LOCAL GOVERNMENTS FOR THE NET AMOUNT OF PROPERTY TAX REVENUES LOST AS A RESULT OF THE EXEMPTIONS AND THEREFORE BEARS THE FULL COST OF THE EXEMPTIONS;

(b) SECTION 3.5 OF ARTICLE X OF THE STATE CONSTITUTION AUTHORIZES THE GENERAL ASSEMBLY TO RAISE OR LOWER THE MAXIMUM AMOUNT OF ACTUAL VALUE OF RESIDENTIAL REAL PROPERTY OF WHICH FIFTY PERCENT IS EXEMPT PURSUANT TO THIS PART 2;

(c) IN ORDER TO ELIMINATE THE COST OF THE EXEMPTION AND FUND OTHER STATE NEEDS, THE GENERAL ASSEMBLY, AS AUTHORIZED BY SECTION 3.5 OF ARTICLE X OF THE STATE CONSTITUTION, HAS AT TIMES TEMPORARILY SUSPENDED THE EXEMPTION FOR QUALIFYING SENIORS ALLOWED BY THIS PART 2 BY LOWERING TO ZERO THE MAXIMUM AMOUNT OF ACTUAL VALUE OF RESIDENTIAL REAL PROPERTY OF WHICH FIFTY PERCENT IS EXEMPT;

(d) THE GENERAL ASSEMBLY INTENDS TO ALLOW SENIORS TO RELY ON PREDICTABLE AND SUSTAINABLE EXEMPTIONS BY FULLY FUNDING THE PROPERTY TAX EXEMPTION FOR QUALIFYING SENIORS IN THE FUTURE, AND IT IS MORE LIKELY TO BE ABLE TO DO SO IF THE COST OF THE EXEMPTION, WHICH EXCLUSIVELY BENEFITS TAXPAYERS WHO RESIDE IN COLORADO, CONSTITUTES A REFUND OF EXCESS STATE REVENUES FOR STATE FISCAL YEARS FOR WHICH SUCH REFUNDS ARE REQUIRED; AND

(e) SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION AUTHORIZES THE STATE TO USE ANY REASONABLE METHOD TO MAKE REQUIRED REFUNDS OF EXCESS STATE REVENUES, AND THE PAYMENT BY THE STATE OF REIMBURSEMENT TO LOCAL GOVERNMENTS FOR THE NET AMOUNT OF PROPERTY TAX REVENUES LOST AS A RESULT OF THE PROPERTY TAX EXEMPTIONS ALLOWED BY THIS PART 2, WHICH EXEMPTIONS DIRECTLY REDUCE THE TAX LIABILITY OF TAXPAYING COLORADO RESIDENTS THROUGHOUT THE STATE, IS A REASONABLE METHOD OF MAKING SUCH

REFUNDS.

(2) FOR ANY STATE FISCAL YEAR COMMENCING ON OR AFTER JULY 1, 2017, FOR WHICH STATE REVENUES, AS DEFINED IN SECTION 24-77-103.6 (6)(c), EXCEED THE EXCESS STATE REVENUES CAP, AS DEFINED IN SECTION 24-77-103.6 (6)(b)(I)(C) OR (6)(b)(I)(D), AND ARE REQUIRED TO BE REFUNDED IN ACCORDANCE WITH SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION, THE LESSER OF ALL REIMBURSEMENT PAID BY THE STATE TREASURER TO EACH TREASURER AS REQUIRED BY SECTION 39-3-207 (4) FOR THE PROPERTY TAX YEAR THAT COMMENCED DURING THE STATE FISCAL YEAR OR AN AMOUNT OF SUCH REIMBURSEMENT EQUAL TO THE AMOUNT OF EXCESS STATE REVENUES FOR THE STATE FISCAL YEAR THAT ARE REQUIRED TO BE REFUNDED IS A REFUND OF SUCH EXCESS STATE REVENUES.

SECTION 25. In Colorado Revised Statutes, 39-22-537, amend (3)(a) introductory portion and (6) as follows:

39-22-537. Credit for personal property taxes paid - legislative declaration - definitions - repeal. (3) (a) For any income tax year commencing on or after January 1, 2015, but prior to ~~January 1, 2020~~ JANUARY 1, 2019, a taxpayer who qualifies under ~~paragraph (b) of this subsection~~ (3) SUBSECTION (3)(b) OF THIS SECTION is allowed a credit against the tax imposed by this ~~article~~ ARTICLE 22 that is equal to a percentage of the property taxes paid for personal property in Colorado during the income tax year. For a given income tax year, a taxpayer's percentage is equal to one hundred percent minus the sum of the taxpayer's federal marginal income tax rate for the year and the state income tax rate for the year; except that the percentage is equal to one hundred percent for an organization that:

(6) This section is repealed, effective ~~July 1, 2022~~ JULY 1, 2021.

SECTION 26. In Colorado Revised Statutes, add 39-22-537.5 as follows:

39-22-537.5. Credit for personal property taxes paid - legislative declaration - definitions - repeal. (1) THE GENERAL ASSEMBLY DECLARES THAT THE PURPOSE OF THE TAX EXPENDITURE IN THIS SECTION IS TO MINIMIZE THE NEGATIVE IMPACT OF THE BUSINESS PERSONAL PROPERTY TAX ON BUSINESSES.

(2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "PROPERTY TAX" MEANS THE AD VALOREM TAX IMPOSED PURSUANT TO SECTION 3 OF ARTICLE X OF THE STATE CONSTITUTION BUT DOES NOT INCLUDE PUBLIC UTILITIES ASSESSED PURSUANT TO SECTION 39-4-102, AND DOES NOT INCLUDE THE GRADUATED ANNUAL SPECIFIC OWNERSHIP TAX IMPOSED PURSUANT TO SECTION 6 OF ARTICLE X OF THE STATE CONSTITUTION.

(b) "TAXPAYER" INCLUDES AN ORGANIZATION EXEMPT FROM FEDERAL TAXATION PURSUANT TO SECTION 501 (c) OF THE INTERNAL REVENUE CODE.

(3) (a) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY 1, 2019, A TAXPAYER IS ALLOWED A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE 22 EQUAL TO THE PROPERTY TAX PAID IN COLORADO DURING THE INCOME TAX YEAR ON UP TO EIGHTEEN THOUSAND DOLLARS OF THE TOTAL ACTUAL VALUE OF THE TAXPAYER'S PERSONAL PROPERTY.

(b) A TAXPAYER MAY NOT CLAIM A TAX CREDIT UNDER THIS SECTION FOR THE PAYMENT OF DELINQUENT PROPERTY TAXES THAT WERE OWED FOR A PRIOR PROPERTY TAX YEAR.

(c) THE AMOUNT OF THE CREDIT UNDER THIS SECTION THAT EXCEEDS THE TAXPAYER'S INCOME TAXES DUE IS REFUNDED TO THE TAXPAYER.

(4) TO CLAIM A CREDIT UNDER THIS SECTION, A TAXPAYER MUST SUBMIT TO THE DEPARTMENT OF REVENUE A COPY OF A PROPERTY TAX STATEMENT DESCRIBED IN SECTION 39-10-103 FOR ALL OF THE TAXPAYER'S PERSONAL PROPERTY FOR THE PROPERTY TAX YEAR FOR WHICH THE CREDIT IS CLAIMED.

SECTION 27. In Colorado Revised Statutes, 39-22-627, amend (1)(b), (3), and (6); and repeal (9) as follows:

39-22-627. Temporary adjustment of rate of income tax - refund of excess state revenues - authority of executive director.

(1) (b) In order for the provisions of ~~paragraph (a) of this subsection (1)~~ SUBSECTION (1)(a) OF THIS SECTION to take effect, the amount of state revenues required to be refunded for the specified state fiscal year shall ~~shall~~ MUST exceed the total of the ~~adjusted amount set forth in section 39-22-123~~ (4) (c), OF REIMBURSEMENT FOR PROPERTY TAX REVENUES LOST AS A RESULT OF THE PROPERTY TAX EXEMPTIONS ALLOWED BY PART 2 OF ARTICLE 3 OF THIS TITLE 39 PAID BY THE STATE TREASURER TO EACH COUNTY TREASURER AS REQUIRED BY SECTION 39-3-207 (4) FOR THE PROPERTY TAX YEAR THAT COMMENCED DURING THE SPECIFIED STATE FISCAL YEAR plus the estimated amount by which state revenues would be decreased as the result of a reduction in the state income tax rate from four and sixty-three one-hundredths percent to four and one-half percent of federal taxable income, as determined pursuant to this section.

(3) If one or more ballot questions are submitted to the voters at a statewide election to be held in November of any given calendar year that seek authorization for the state to retain and spend all or any portion of the amount of excess state revenues for the state fiscal year ending during said calendar year, the executive director shall not reduce the state income tax rate until the results of said election are known so that the state income tax rate may be reduced only if, after the results of said election, the amount of excess state revenues required to be refunded for the state fiscal year exceeds the total of the ~~adjusted amount set forth in section 39-22-123~~ (4)(c), OF REIMBURSEMENT FOR PROPERTY TAX REVENUES LOST AS A RESULT OF THE PROPERTY TAX EXEMPTIONS ALLOWED BY PART 2 OF ARTICLE 3 OF THIS TITLE 39 PAID BY THE STATE TREASURER TO EACH COUNTY TREASURER AS REQUIRED BY SECTION 39-3-207 (4) FOR THE PROPERTY TAX YEAR THAT COMMENCED DURING THE SPECIFIED STATE FISCAL YEAR plus the estimated amount by which state revenues would be decreased as a result of a reduction in the state income tax rate from four and sixty-three one-hundredths percent to four and one-half percent of federal taxable income pursuant to this section.

(6) If, based on the financial report prepared by the controller in accordance with section 24-77-106.5, ~~C.R.S.~~, the controller certifies that the amount of the state revenues for any state fiscal year commencing on or after ~~July 1, 2010~~ JULY 1, 2017, exceeds the limitation on state fiscal year spending imposed by section 20 (7)(a) of article X of the state constitution for that state fiscal year and exceeds the amount of excess state revenues that the voters statewide have authorized the state to retain and

spend for that state fiscal year by less than the total of the ~~adjusted amount set forth in section 39-22-123 (4)(c)~~, OF REIMBURSEMENT FOR PROPERTY TAX REVENUES LOST AS A RESULT OF THE PROPERTY TAX EXEMPTIONS ALLOWED BY PART 2 OF ARTICLE 3 OF THIS TITLE 39 PAID BY THE STATE TREASURER TO EACH COUNTY TREASURER AS REQUIRED BY SECTION 39-3-207 (4) FOR THE PROPERTY TAX YEAR THAT COMMENCED DURING THE SPECIFIED STATE FISCAL YEAR plus the estimated amount by which state revenues would be decreased as the result of a reduction in the state income tax rate from four and sixty-three one-hundredths percent to four and one-half percent of federal taxable income as calculated by the executive director pursuant to subsection (2) of this section, then the reduction in the state income tax rate allowed pursuant to subsection (1) of this section shall not be allowed for the income tax year commencing during the calendar year in which the state fiscal year ended.

(9) ~~If, by operation of section 39-22-123 (6), excess state revenues are no longer refunded through an earned income tax credit, the total of the adjusted amount set forth in section 39-22-123 (4)(c) is not added to the estimated amount by which state revenues would be decreased as the result of a reduction in the state income tax rate for purposes of the calculations set forth in paragraph (b) of subsection (1) and subsections (3) and (6) of this section:~~

SECTION 28. In Colorado Revised Statutes, **add** 39-26-729 as follows:

39-26-729. Retail sales of marijuana. ON AND AFTER JULY 1, 2017, ALL RETAIL SALES OF MARIJUANA UPON WHICH THE RETAIL MARIJUANA SALES TAX IS IMPOSED PURSUANT TO SECTION 39-28.8-202 ARE EXEMPT FROM TAXATION UNDER PART 1 OF THIS ARTICLE 26.

SECTION 29. In Colorado Revised Statutes, 39-28.8-202, **amend** (1)(a)(I) as follows:

39-28.8-202. Retail marijuana sales tax. (1) (a) (I) In addition to the tax imposed pursuant to part 1 of article 26 of this title TITLE 39 and the sales tax imposed by a local government pursuant to title 29, 30, 31, or 32, but except as otherwise set forth in subparagraphs ~~(II) and (III) of this paragraph (a)~~ SUBSECTIONS (1)(a)(II) AND (1)(a)(III) OF THIS SECTION, beginning January 1, 2014, ~~and through June 30, 2017~~ AND THROUGH JUNE

30, 2017, there is imposed upon all sales of retail marijuana and retail marijuana products by a retailer a tax at the rate of ten percent of the amount of the sale. ~~and beginning July 1, 2017, there is imposed upon all sales of retail marijuana and retail marijuana products by a retailer a tax at the rate of eight percent of the amount of the sale.~~ BEGINNING JULY 1, 2017, THERE IS IMPOSED UPON ALL SALES OF RETAIL MARIJUANA AND RETAIL MARIJUANA PRODUCTS BY A RETAILER A TAX AT THE RATE OF FIFTEEN PERCENT OF THE AMOUNT OF THE SALE. The tax imposed by this section is computed in accordance with schedules or forms prescribed by the executive director of the department; except that a retail marijuana store is not allowed to retain any portion of the retail marijuana sales tax collected pursuant to this part 2 to cover the expenses of collecting and remitting the tax and except that the department of revenue may require a retailer to make returns and remit the tax described in this part 2 by electronic means.

SECTION 30. In Colorado Revised Statutes, 39-28.8-203, **amend** (1) introductory portion, (1)(a)(I), and (1)(b)(I); **repeal** (1)(a)(I.5); and **add** (1)(b)(I.3) and (1)(b)(I.5) as follows:

39-28.8-203. Disposition of collections - definitions. (1) The proceeds of all ~~monneys~~ MONEY collected from the retail marijuana sales tax are INITIALLY credited to the old age pension fund created in section 1 of article XXIV of the state constitution in accordance with paragraphs (a) and (f) of section 2 of article XXIV of the state constitution AND THEREAFTER ARE TRANSFERRED TO THE GENERAL FUND IN ACCORDANCE WITH SECTION 7 OF ARTICLE XXIV OF THE STATE CONSTITUTION. For each fiscal year in which a tax is collected pursuant to this part 2, an amount shall be appropriated or distributed from the general fund as follows:

(a) (I) ~~Except as otherwise set forth in subparagraph (I.5) of this paragraph (a)~~ BEFORE JULY 1, 2017, an amount equal to fifteen percent of the gross retail marijuana sales tax ~~revenues~~ REVENUE collected by the department is apportioned to local governments. ON AND AFTER JULY 1, 2017, AN AMOUNT EQUAL TO TEN PERCENT OF THE GROSS RETAIL MARIJUANA SALES TAX REVENUE COLLECTED BY THE DEPARTMENT IS APPORTIONED TO LOCAL GOVERNMENTS. The city or town share is apportioned according to the percentage that retail marijuana sales tax ~~revenues~~ REVENUE collected by the department within the boundaries of the city or town bear to the total retail marijuana sales tax ~~revenues~~ REVENUE

collected by the department. The county share is apportioned according to the percentage that retail marijuana sales tax revenues REVENUE collected by the department in the unincorporated area of the county bear to total retail marijuana sales tax revenues REVENUE collected by the department.

~~(I.5) If the ballot issue is placed on the November 3, 2015, ballot and a majority of the electors voting thereon vote "No/Against", then beginning January 1, 2016, the amount that would otherwise be distributed to a local government through subparagraph (f) of this paragraph (a) is halved until the total reduction that results from this subparagraph (I.5) is greater than or equal to the amount that was distributed to the local government under this paragraph (a) for the fiscal year 2014-15. Thereafter, the local government receives the full apportioned amount required by subparagraph (f) of this paragraph (a). The reduction in a local government's distribution does not increase the amount apportioned to other local governments.~~

(b) (I) UNTIL JULY 1, 2017, the state treasurer shall transfer from the general fund to the marijuana tax cash fund an amount equal to eighty-five percent of the gross retail marijuana sales tax revenues REVENUE collected by the department.

(I.3) ON AND AFTER JULY 1, 2017, BUT BEFORE JULY 1, 2018, OF THE NINETY PERCENT OF THE GROSS RETAIL MARIJUANA SALES TAX REVENUE IN THE GENERAL FUND REMAINING AFTER THE ALLOCATION TO LOCAL GOVERNMENTS REQUIRED BY SUBSECTION (1)(a)(I) OF THIS SECTION IS MADE, THE STATE TREASURER SHALL RETAIN TWENTY-EIGHT AND FIFTEEN ONE-HUNDREDTHS PERCENT LESS THIRTY MILLION DOLLARS IN THE GENERAL FUND FOR USE FOR ANY LAWFUL PURPOSE AND SHALL TRANSFER FROM THE GENERAL FUND:

(A) SEVENTY-ONE AND EIGHTY-FIVE ONE-HUNDREDTHS PERCENT TO THE MARIJUANA TAX CASH FUND; AND

(B) THIRTY MILLION DOLLARS TO THE STATE PUBLIC SCHOOL FUND CREATED IN SECTION 22-54-114 (1) FOR USE AS SPECIFIED IN SECTION 22-54-139 (2).

(I.5) ON AND AFTER JULY 1, 2018, OF THE NINETY PERCENT OF THE GROSS RETAIL MARIJUANA SALES TAX REVENUE IN THE GENERAL FUND

REMAINING AFTER THE ALLOCATION TO LOCAL GOVERNMENTS REQUIRED BY SUBSECTION (1)(a)(I) OF THIS SECTION IS MADE, THE STATE TREASURER SHALL RETAIN FIFTEEN AND FIFTY-SIX ONE-HUNDREDTHS PERCENT IN THE GENERAL FUND FOR USE FOR ANY LAWFUL PURPOSE AND SHALL TRANSFER FROM THE GENERAL FUND:

(A) SEVENTY-ONE AND EIGHTY-FIVE ONE-HUNDREDTHS PERCENT TO THE MARIJUANA TAX CASH FUND; AND

(B) TWELVE AND FIFTY-NINE ONE-HUNDREDTHS PERCENT TO THE STATE PUBLIC SCHOOL FUND CREATED IN SECTION 22-54-114 (1) FOR USE AS SPECIFIED IN SECTION 22-54-139 (3).

SECTION 31. In Colorado Revised Statutes, 43-4-206, amend (1) introductory portion, (1)(b) introductory portion, (1)(b)(V), (2)(a) introductory portion, (2)(b), and (3) as follows:

43-4-206. State allocation. (1) Except as otherwise provided in ~~subsection (2)~~ SUBSECTIONS (1)(a)(V), (2), AND (3) of this section, after paying the costs of the Colorado state patrol and ~~such~~ ANY other costs of the department, exclusive of highway construction, highway improvements, or highway maintenance, as THAT are appropriated by the general assembly, ~~sixty-five percent of the balance of~~ MONEY IN the highway users tax fund shall be paid to the state highway fund and ~~shall be~~ expended for the following purposes:

(b) Except as otherwise provided in subsection (2) of this section, all ~~moneys~~ MONEY in the state highway fund not required for the creation, maintenance, and application of the highway anticipation or sinking fund and all ~~moneys~~ MONEY in the state highway supplementary fund are available to pay for:

(V) The construction, reconstruction, repairs, improvement, planning, supervision, and maintenance of the state highway system and other public highways, including any county and municipal roads and highways, together with the acquisition of rights-of-way and access rights for the same. ANY PROCEEDS OF LEASE-PURCHASE AGREEMENTS EXECUTED AS REQUIRED BY SECTION 24-82-1303 (2)(a) THAT ARE CREDITED TO THE STATE HIGHWAY FUND PURSUANT TO SECTION 24-82-1303 (4)(b) SHALL BE USED ONLY FOR QUALIFIED FEDERAL AID HIGHWAY PROJECTS THAT ARE

INCLUDED IN THE STRATEGIC TRANSPORTATION PROJECT INVESTMENT PROGRAM OF THE DEPARTMENT OF TRANSPORTATION AND THAT ARE DESIGNATED FOR TIER 1 FUNDING AS TEN-YEAR DEVELOPMENT PROGRAM PROJECTS ON THE DEPARTMENT'S DEVELOPMENT PROGRAM PROJECT LIST, WITH AT LEAST TWENTY-FIVE PERCENT OF THE MONEY BEING USED FOR PROJECTS THAT ARE LOCATED IN COUNTIES WITH POPULATIONS OF FIFTY THOUSAND OR LESS AS OF JULY 2015 AS REPORTED BY THE STATE DEMOGRAPHY OFFICE OF THE DEPARTMENT OF LOCAL AFFAIRS. NO MORE THAN NINETY PERCENT OF THE PROCEEDS SHALL BE EXPENDED FOR HIGHWAY PURPOSES OR HIGHWAY-RELATED CAPITAL IMPROVEMENTS, AND AT LEAST TEN PERCENT OF THE PROCEEDS SHALL BE EXPENDED FOR TRANSIT PURPOSES OR FOR TRANSIT-RELATED CAPITAL IMPROVEMENTS.

(2) (a) ~~Notwithstanding the provisions of subsection (1) of this section, the revenues~~ REVENUE accrued to and transferred to the highway users tax fund pursuant to section 39-26-123 (4)(a) ~~or 24-75-219, C.R.S.,~~ or appropriated to the highway users tax fund pursuant to House Bill 02-1389, enacted at the second regular session of the sixty-third general assembly, and credited to the state highway fund pursuant to section 43-4-205 (6.5) shall be expended by the department of transportation for the implementation of the strategic transportation project investment program: ~~in the following manner:~~

(b) Beginning in 1998, the department of transportation shall report annually to the transportation committee of the senate and the transportation and energy committee of the house of representatives concerning the ~~revenues~~ REVENUE expended by the department pursuant to ~~paragraph (a) of this subsection (2)~~ SUBSECTION (2)(a) OF THIS SECTION AND, BEGINNING IN 2018, ANY PROCEEDS OF LEASE-PURCHASE AGREEMENTS EXECUTED AS REQUIRED BY SECTION 24-82-1303 (2)(a) THAT ARE CREDITED TO THE STATE HIGHWAY FUND PURSUANT TO SECTION 24-82-1303 (4)(b) AND EXPENDED BY THE DEPARTMENT PURSUANT TO SUBSECTION (1)(b)(V) OF THIS SECTION. THE DEPARTMENT SHALL PRESENT the report ~~shall be presented~~ at the joint meeting required under section 43-1-113 (9)(a) and THE REPORT shall describe for each fiscal year, if applicable:

(I) The projects on which the ~~revenues credited to the state highway fund pursuant to paragraph (a) of this subsection (2)~~ REVENUE AND NET PROCEEDS are to be expended, including the estimated cost of each project, the aggregate amount of revenue actually spent on each project, and the

amount of revenue allocated for each project in such fiscal year. The department of transportation shall submit a prioritized list of such projects as part of the report.

(II) The status of such projects that the department has undertaken in any previous fiscal year;

(III) The projected amount AMOUNTS of revenue AND NET PROCEEDS that the department expects to receive under this subsection (2) AND SUBSECTION (1)(b)(V) OF THIS SECTION during ~~such~~ THE fiscal year;

(IV) The amount of revenue AND NET PROCEEDS that the department has already received under this subsection (2) AND SUBSECTION (1)(b)(V) OF THIS SECTION during ~~such~~ THE fiscal year; and

(V) How the ~~revenues~~ REVENUE AND NET PROCEEDS expended under this subsection (2) AND SUBSECTION (1)(b)(V) OF THIS SECTION during ~~such~~ THE fiscal year ~~relate~~ RELATES to the total funding of the FEDERAL AID TRANSPORTATION PROJECTS THAT ARE INCLUDED IN THE strategic transportation project investment program.

(3) ~~Notwithstanding the provisions of subsection (1) of this section, the revenues~~ THE REVENUE credited to the highway users tax fund pursuant to section 43-4-205 (6.3) shall be expended by the department of transportation only for road safety projects, as defined in section 43-4-803 (21); except that the department shall, in furtherance of its duty to supervise state highways and as a consequence in compliance with section 43-4-810, expend ten million dollars per year of the revenues for the planning, designing, engineering, acquisition, installation, construction, repair, reconstruction, maintenance, operation, or administration of transit-related projects, including, but not limited to, designated bicycle or pedestrian lanes of highway and infrastructure needed to integrate different transportation modes within a multimodal transportation system, that enhance the safety of state highways for transit users.

SECTION 32. Appropriation - adjustments to 2017 long bill.

(1) To implement this act, the general fund appropriations made in the annual general appropriation act for the 2017-18 state fiscal year to the department of health care policy and financing are decreased by \$320,035 for medical services premiums.

(2) To implement this act, cash funds appropriations made in the annual general appropriation act for the 2017-18 state fiscal year from the hospital provider fee cash fund, created in section 25.5-4-402.3 (4)(a), C.R.S., to the department of health care policy and financing are decreased by \$597,380,996 as follows:

Executive director's office, general administration	
Personal services	\$2,480,099
Health, life, and dental	\$278,894
Short-term disability	\$3,870
S.B. 04-257 amortization equalization disbursement	\$107,750
S.B. 06-235 supplemental amortization equalization disbursement	\$107,748
Salary survey	\$26,618
Merit pay	\$13,447
Operating expenses	\$57,372
Legal services	\$123,811
Administrative law judge services	\$72,169
Leased space	\$247,365
Payments to OIT	\$378,109
CORE operations	\$148,145
General professional services and special projects	\$1,202,500
Executive director's office, information technology contracts and projects	
Medicaid management information system maintenance and projects	\$3,794,276
Medicaid management information system procurement contracts	\$708,606
Colorado benefits management systems, operating and contract expenses	\$3,450,954
Colorado benefits management systems, health care and economic security staff development center	\$95,832
Executive director's office, eligibility determinations and client services	
Medical identification cards	\$43,200
Contracts for special eligibility determinations	\$4,338,468
Hospital provider fee county administration	\$4,945,446
Medical assistance sites	\$402,984

Customer outreach	\$336,621
Centralized eligibility vendor contract project	\$1,745,342
Executive director's office, utilization and quality review contracts	
Professional services contracts	\$372,339
Executive director's office, provider audits and services	
Professional audit contracts	\$250,000
Executive director's office, indirect cost recoveries	
Indirect cost assessment	\$218,771
Medical services premiums	
Medical and long-term care services for medicaid eligible individuals	\$380,854,898
Behavioral health community programs	
Behavioral health capitation payments	\$25,785,121
Behavioral health fee-for-service payments	\$373,007
Office of community living	
Support level administration	\$221
Adult supported living services	\$133,235
Case management	\$28,272
Indigent care program	
Safety net provider payments	\$155,648,093
Children's basic health plan administration	\$2,416
Children's basic health plan medical and dental costs	\$8,604,997

(3) For the 2017-18 state fiscal year, \$861,416,161 is appropriated to the department of health care policy and financing. This appropriation is from the healthcare affordability and sustainability fee cash fund created in section 25.5-4-402.4 (5), C.R.S. To implement this act, the department may use this appropriation as follows:

Executive director's office, general administration	
Personal services	\$2,480,099

Health, life, and dental	\$278,894
Short-term disability	\$3,870
S.B. 04-257 amortization equalization disbursement	\$107,750
S.B. 06-235 supplemental amortization equalization disbursement	\$107,748
Salary survey	\$26,618
Merit pay	\$13,447
Operating expenses	\$57,372
Legal services	\$123,811
Administrative law judge services	\$72,169
Leased space	\$247,365
Payments to OIT	\$378,109
CORE operations	\$148,145
General professional services and special projects	\$1,202,500

Executive director's office, information technology

Contracts and projects

Medicaid management information system maintenance and projects	\$3,794,276
Medicaid management information system reprocurement contracts	\$708,606
Colorado benefits management systems, operating and contract expenses	\$3,450,954
Colorado benefits management systems, health care and economic security staff development center	\$95,832

**Executive director's office, eligibility determinations and
client services**

Medical identification cards	\$43,200
Contracts for special eligibility determinations	\$4,338,468
Hospital provider fee county administration	\$4,945,446
Medical assistance sites	\$402,984
Customer outreach	\$336,621
Centralized eligibility vendor contract project	\$1,745,342

**Executive director's office, utilization and quality review
contracts**

Professional services contracts	\$372,339
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Executive director's office, provider audits and services

Professional audit contracts	\$250,000
Executive director's office, indirect cost recoveries	
Indirect cost assessment	\$218,771
Medical services premiums	
Medical and long-term care services for medicaid eligible individuals	\$644,809,063
Behavioral health community programs	
Behavioral health capitation payments	\$25,785,121
Behavioral health fee-for-service payments	\$373,007
Office of community living	
Support level administration	\$221
Adult supported living services	\$133,235
Case management	\$28,272
Indigent care program	
Safety net provider payments	\$155,648,093
Children's basic health plan administration	\$2,416
Children's basic health plan medical and dental costs	\$8,604,997

(4) For the 2017-18 state fiscal year, the general assembly anticipates that the department of health care policy and financing will receive \$262,665,969 in federal funds to implement this act. The appropriation in subsection (2) of this section is based on the assumption that the department will receive this amount of federal funds to be used for medical services premiums.

SECTION 33. Appropriation. For the 2016-17 state fiscal year, \$3,750 is appropriated to the department of revenue. This appropriation is from the general fund. To implement this act, the department may use this appropriation for tax administration IT system (GenTax) support.

SECTION 34. Effective date. (1) Except as otherwise provided in this section, this act takes effect upon passage.

(2) Sections 2, 3, 6, 7, 11, 13, 15 through 20, 22, and 32 of this act

take effect July 1, 2017.

(3) (a) Sections 2, 3, 6, 7, 11, 13, 15 through 20, 22, and 32 of this act do not take effect if the centers for medicare and medicaid services determine that the amendments set forth in sections 2, 3, 6, 7, 11, 13, 15 through 20, 22, and 32 of this act do not comply with federal law.

(b) If the centers for medicare and medicaid services make the determination described in subsection (3)(a) of this section, the executive director of the department of health care policy and financing shall, no later than June 1, 2017, notify the revisor of statutes in writing of that determination by e-mailing the notice to revisorofstatutes.ga@state.co.us.

SECTION 35. Safety clause. The general assembly hereby finds,

determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.



Kevin J. Grantham
PRESIDENT OF
THE SENATE



Crisanta Duran
SPEAKER OF THE HOUSE
OF REPRESENTATIVES



Effie Ameen
SECRETARY OF
THE SENATE

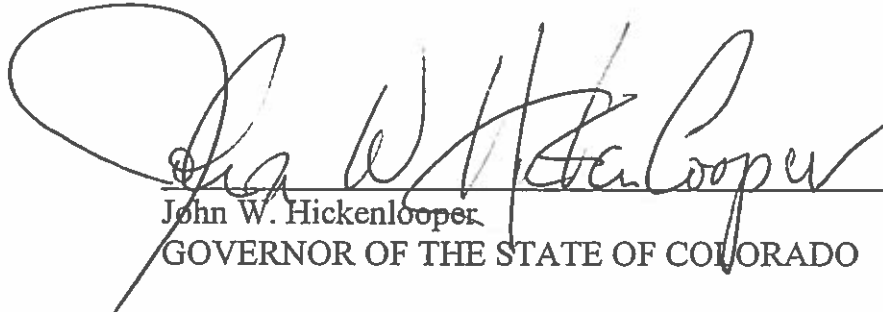


Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED

12:20 PM

5/30/17



John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO

Resolution #TC-17-11-15 SB267 Project List

Resolution #TC-17-11-15

Instructing the Colorado Department of Transportation to dedicate revenue received through Senate Bill 17-267 towards the approved project list enclosed.

Approved by the Transportation Commission on November 16, 2017.

WHEREAS, Colorado Senate Bill 17-267 generates an estimated \$1.88 billion for transportation projects through lease purchase agreements and provides the Colorado Transportation Commission the authority to designate and select projects for this purpose; and

WHEREAS, at least 25 percent of transportation funds must be spent in counties with fewer than 50,000 residents as of July 2015; and

WHEREAS, at least 10 percent of transportation funds must be spent on transit projects; and

WHEREAS, the Colorado Transportation Commission developed criteria for project selection in conjunction with applicable stakeholders and selected projects from the Development Program; and

WHEREAS, the Colorado Department of Transportation (CDOT) staff evaluated and analyzed potential projects for the Department consistent with the aforementioned criteria; and

WHEREAS, the projects selected below meet or exceed the 25% minimum for counties with fewer than 50,000 residents as of July 2015.

NOW THEREFORE BE IT RESOLVED, the Colorado Transportation Commission approves the following list transportation projects for the Fiscal Years 18-19 and 19-20 of Senate Bill 17- 267 funding in accordance with stipulations provided within the law.

- US 50: Little Blue Canyon - \$9,500,000
- US 550/160: Connection - \$54,400,000
- I-25 Colorado-Springs Denver South - \$250,000,000
- I-25: North SH 402 – SH 56 (Segment 6) - \$200,000,000
- I-70: Westbound PPSL - \$80,000,000
- SH 13 Reconstruction - \$60,000,000
- US 160: Towaoc Passing Lanes - \$9,000,000
- US 50 West of Pueblo - \$35,520,000
- SH 9: Frisco North - \$10,250,000
- I-70 East: Failing Pavement - \$55,000,000
- ADA Improvements - \$25,000,000

NOW THEREFORE BE IT FURTHER RESOLVED, the Colorado Transportation Commission will revisit the aforementioned projects, and project amounts, following the announcement of the TIGER IX and INFRA discretionary grant awards, and as a result may modify project list and/or project amounts.


Herman Stockinger, Secretary
Transportation Commission

11-16-17
Date

Motion to Approve: Scott
Seconded: Gilliland
Approved: Yes AYE: 9 NAY: 0
Amended: No



COLORADO
Department of Transportation

DIVISION OF TRANSIT AND RAIL STATE MANAGEMENT PLAN

APPENDIX B | NON-FEDERAL TRANSIT FUNDS

B.3 Settlement Funds

Draft August 2019

Outline

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Attachment

Beneficiary Mitigation Plan: Volkswagen, Audi, and Porsche Clean Air Act Settlements, March 21, 2018

B4 ALTERNATIVE FUEL SETTLEMENT PROGRAM

The State of Colorado's Beneficiary Mitigation Plan for the \$68.7 million received as a settlement from Volkswagen is administered by the Colorado Department of Health and Environment (CDPHE).

Documents that govern how the Colorado Department of Transportation (CDOT) administers Settlement Funds include:

- State of Colorado information page: <https://www.colorado.gov/pacific/cdphe/VW>
- Beneficiary Mitigation Plan, March 21, 2018
<https://environmentalrecords.colorado.gov/HPRMWebDrawer/RecordView/1239351>

B4.1 Program Goals

Approximately \$18 million, or 26% of its initial allocation of trust funds (2019-2011), will be used to replace Class 4-8 transit buses with alternative fuel (e.g., compressed natural gas [CNG], propane, hybrid) or electric vehicles and to install charging infrastructure associated with new electric transit buses.

B4.2 Roles and Responsibilities

Under an intergovernmental agreement with CDPHE, the Division of Transit and Rail (DTR) implements the Transit Bus Replacement Program.

DTR prepares and advertises a Notice of Funding Availability that announces the availability of the Settlement Funds.

CDOT DTR expects to receive, over a period of about five years, 26% of the State's funds, approximately \$18 million. By agreement, DTR will use these funds for the replacement of conventionally fueled (i.e., diesel or gas) vehicles with alternative fuel vehicles (CNG, propane, electric). In Colorado, for improved efficiency, funding will flow through existing programs. For DTR, that means the funds for alternative fuel transit buses will become part of DTR's annual Consolidated Call for Capital Projects.

B4.3 Eligible Subrecipients

Eligible subrecipients of local competitive state Funding Advancement for Surface Transportation and Economic Recovery Act (FASTER) funding assistance are local public and private nonprofit entities, as well as tribal governments, that public transportation, including specialized transportation (service for the elderly and disabled).

B4.4 Eligible Projects

The Settlement Funds can only be used for the direct replacement of passenger transit vehicles that are conventionally fueled (gas or diesel) and Class 4 or higher (over 14,000 pounds). The funds would be used for the purchase of an alternative fuel (hereinafter referred to simply as “alt fuel”) vehicle. Settlement Funds cannot be used to purchase hybrid vehicles, though alt fuel vehicles may be awarded to replace existing hybrid gas or diesel vehicles. Also eligible is charging equipment associated with that vehicle(s), as well as reasonable costs associated with installing that equipment.

CDOT will use Settlement Funds only for the incremental cost of an alt fuel vehicle. That is, for example, for the purchase of a 40-foot coach, Settlement Funds can only be used for the cost exceeding the normal cost of a conventionally fueled 40-foot coach (hereinafter referred to as the “equivalent vehicle”). However, applicants for Settlement Funds can request federal or state funds in their application to cover the cost of the equivalent vehicle—though CDOT is not guaranteeing the award of such funds.

B4.5 Applications

These funds are distributed through DTR’s Consolidated Call for Capital Projects. DTR uses a combination of existing funds and Settlement Funds to incentivize the purchase of electric, CNG, and other alternative fueled vehicles.

Eligibility criteria include:

- Only engine model year 2009 or older transit vehicles in Classes 4-8 may be replaced.
- The vehicle identified for replacement must be scrapped (i.e., the vehicle’s frame rails must be cut completely in half and a 3-inch hole must be cut in the engine block) for each new alt fuel vehicle that is funded. CDOT must be given the opportunity to witness the scrapping procedure or given other acceptable evidence of such.
- Vehicles identified for replacement must be drivable and must have been registered, operated, and insured in Colorado for the previous two years (to ensure that the program achieves real emission reductions and to prevent abuse).
- Public, private, for-profit, and nonprofit fleets are eligible so long as they meet all applicable eligibility requirements.
- The Settlement is limited to vehicle replacements and will not fund engine repowers or non-original equipment manufacturer (OEM) conversion kits.
- If Settlement Funds are awarded for a new electric vehicle, charging equipment associated with that vehicle(s) may also receive Settlement Funds, in an amount not to exceed \$100,000, with no local match required. The funds can be used for the charging equipment

as well as reasonable costs associated with installing that equipment, such as underground utility work, building modifications to accommodate the equipment, etc.

- Settlement Funds cannot fund CNG or propane fueling infrastructure.

As with other replacement vehicle requests, age, mileage and condition are factors used in evaluating the merits for replacement of the vehicle. However, the key evaluation of applications is the applicant's demonstrated overall plan for implementation of alternative fueled fleets, including their capacity to operate and sustain alternative fuel vehicles, particularly if it is for electric vehicles. For example, applicants are asked to describe their long-term alternative fuel vehicle plans and timeline for implementation; their agency's operational considerations and mitigations; their plan for power delivery; and, their agency's related financial plan. For instance, it is important for those who propose to use electric vehicles for the first time to address Demand Charges—that is, the elevated utility rates charged during the peak times that many transit operators would plan to re-charge the bulk of their vehicles.

Applications for Settlement Funds are reviewed and evaluated by a secondary selection committee consisting of representatives of the State agencies on the intra-agency Settlement Fund steering committee, which includes CDPHE, CDOT, Regional Air Quality Council (RAQC), and Colorado Energy Office (CEO). This evaluation committee reviews only the applying agencies' alternative fuel implementation plans outlined in the submitted applications and makes recommendations for vehicle and related charging equipment settlement awards.

B4.6 Match

The settlement program also does not require a local match and offers an incentive by awarding a portion of the local match required for State and Federal awards.

B4.7 Awards

DTR will use a combination of existing funds and Settlement Funds to incentivize the purchase of alt fuel vehicles. DTR will fund 110% of the incremental cost of a new alt fuel vehicle and may also fund 80% of the cost of the equivalent vehicle with CDOT-administered federal or state funds; however, as pointed out above, CDOT cannot guarantee it will award both alt fuel and equivalent vehicle funding. By providing 110% of the incremental cost, CDOT is essentially reducing the local match amount for the equivalent vehicle award. See the tables below for examples.

There are three basic funding scenarios, as outlined below that could occur with this mix of Federal/State and Settlement Funds:

- An applicant requests and receives both Settlement funding for the alt fuel vehicle(s) and Federal or State funding for the equivalent vehicle(s).

- An applicant requests and receives settlement funding for the alternative fuel vehicle(s) but does not receive Federal or State funding for the equivalent vehicle(s) requested--or which were not requested in the first place.
- Applicant requests both settlement funding for the alt fuel vehicle(s) and Federal or State funding for the equivalent vehicle(s) but is only awarded Federal or State funding for the equivalent vehicle(s). In such a case, the applicant can either decline the award, proceed with purchase of a conventionally fueled vehicle, or use other funding to pay for the incremental cost of an alt fuel vehicle. It will be important for applicants to respond to questions in the application regarding how they would proceed if this scenario were to come into play.

The two tables below illustrate the first two scenarios and calculations showing the amount of awards and local match for CNG and electric vehicles. In each scenario, the equivalent vehicle cost for a 40-foot bus is estimated to be \$500,000, a CNG-fueled vehicle cost is estimated to be \$600,000, an electric vehicle cost is estimated to be \$800,000, and the electric charging cost is estimated to be \$80,000.

Table A: Settlement Funding Examples with State or Federal Award

	CNG Bus Funding		Electric Bus and Charging Equipment	
Alt fuel vehicle cost	\$600,000 CNG bus cost	\$600,000	\$800,000 electric bus cost	\$ 800,000
Electric charging cost	N/A		Electric charging equipment \$80,000	\$ 80,000
Equivalent vehicle cost	Estimated conventional fuel 40-ft bus cost of \$500,000		Estimated conventional fuel 40-ft bus cost of \$500,000	
Federal/state award	\$500,000 times 80% Federal/State share = \$400,000		\$500,000 times 80% Federal/State share = \$400,000	
Settlement award	Incremental bus cost (\$600,000 minus \$500,000) times 110% = \$110,000		Incremental bus cost (\$800,000 minus \$500,000) times 110% = \$330,000, plus 100% of \$80,000 charging cost = \$410,000	

	CNG Bus Funding		Electric Bus and Charging Equipment	
Total awards	Federal/State award \$400,000 plus Settlement award \$110,000 = \$510,000	\$510,000	Federal/State award \$400,000 plus Settlement award \$410,000 = \$810,000	\$ 810,000
Applicant local share	Alt Fuel vehicle cost \$600,000 minus Total Awards \$510,000 = \$90,000	\$ 90,000	Alt Fuel vehicle cost \$800,000 plus charging cost \$80,000 minus Total Awards \$810,000 = \$70,000	\$ 70,000

Table B: Settlement Funding Examples without State or Federal Award

	CNG Bus Funding		Electric Bus and Charging Equipment	
Alt Fuel vehicle cost	\$600,000 CNG bus cost	\$600,000	\$800,000 electric bus cost	\$ 800,000
Electric charging cost	N/A		Electric charging equipment \$80,000	\$ 80,000
Equivalent vehicle cost	Estimated conventional fuel 40-ft bus cost of \$500,000		Estimated conventional fuel 40-ft bus cost of \$500,000	
Federal/State award	N/A	\$ -	N/A	\$ -
Settlement award	Incremental bus cost (\$600,000 minus \$500,000) times 110% = \$110,000	\$110,000	Incremental bus cost (\$800,000 minus \$500,000) times 110% = \$330,000, plus 100% of \$80,000 charging cost	\$ 410,000
Applicant local share	Alt Fuel vehicle cost \$600,000 minus Total Awards \$110,000	\$ 490,000	Alt Fuel vehicle cost \$800,000 plus charging cost \$80,000 minus Total Awards \$410,000 = \$470,000	\$ 470,000

B4.8 Reporting Requirements

Colorado's utilization of its Settlement Funds is compiled and reported to the Volkswagen Settlement Trust by the CDPHE.

ATTACHMENT

Beneficiary Mitigation Plan: Volkswagen, Audi, and Porsche Clean Air Act Settlements, March 21, 2018



Beneficiary Mitigation Plan Volkswagen, Audi, and Porsche Clean Air Act Settlements March 21, 2018

I. Introduction

Volkswagen Group of America and certain related entities (collectively Volkswagen or VW) have admitted they violated the federal Clean Air Act from 2009 to 2016 by selling 580,000 vehicles with 2.0 liter and 3.0 liter diesel engines that emit more air pollution than the Clean Air Act allows and by cheating on federal emission tests to hide the excess pollution. Volkswagen partially settled its civil liability for these violations of the Clean Air Act by entering two judicial consent decrees. Judicial settlements approved on October 25, 2016¹ and May 17, 2017² require Volkswagen to pay more than \$2.9 billion into an environmental mitigation trust fund (henceforth “the trust”), which will be administered by an independent trustee.³ States and tribes that elect to become beneficiaries of the trust may receive funds over a period of 3-10 years to offset the excess nitrogen oxide (NOx) pollution emitted by affected Volkswagen and Audi vehicles. In addition, the consent decrees require Volkswagen to repair, buy back, or pay for the early termination of leases of affected vehicles and to make a \$2.0 billion National Zero Emission Vehicle (ZEV) Investment. Volkswagen and some of its employees also face civil and criminal liability under a variety of consumer protection, financial, and other laws.

The State Mitigation Trust Agreement (State Trust Agreement) was filed with the Court on October 2, 2017 establishing October 2, 2017 as the Effective Date for the Trust.⁴ In accordance with Subparagraph 4.0.2 of the State Trust Agreement, Colorado was provided with the Notice of Beneficiary Designation which was filed with the Court on January 29, 2018⁵, officially designating Colorado as a beneficiary of the Volkswagen Diesel Emissions Environmental Mitigation Trust. As a designated beneficiary of the trust, Colorado’s initial allocation is a combined \$68.7 million for the 2.0L and 3.0L vehicles. The Colorado Department of Public Health and Environment (CDPHE) has been designated as the state’s lead agency to oversee the administration of the trust. Colorado, no later than 30 Days prior to submitting its first funding request pursuant to Paragraph 5.2, shall submit and make publicly available its Beneficiary Mitigation Plan.

¹ Order Granting the United States’ Motion to Enter Proposed Consent Decree, *In re: Volkswagen “Clean Diesel” Marketing, Sales Practices, and Products Liability Litigation*, Case No. 3:15-md-02672 (N.D. Cal., Oct. 25, 2016), available at www.cand.uscourts.gov/crb/vwmdl (the “October 2016 Consent Decree”).

² The “May 2017 Consent Decree,” available at www.cand.uscourts.gov/crb/vwmdl.

³ On March 15, 2017, the court appointed Wilmington Trust, N.A. as trustee of the environmental mitigation trust.

⁴ Available at www.vwenvironmentalmitigationtrust.com.

⁵ Available at www.vwenvironmentalmitigationtrust.com.

Pursuant to Appendix D, paragraph 4.1, of the October 2017 State Trust Agreement, the State of Colorado must submit a Beneficiary Mitigation Plan summarizing how Colorado plans to use the mitigation funds. The BMP is intended to provide the public with insight into the State's high-level vision for use of the mitigation funds and information about the specific mitigation actions for which funding is expected to be requested. The BMP is designed to "provide the level of detail reasonably ascertainable at the time of submission." This BMP describes Colorado's overall intentions and its plan for spending approximately \$57.0 million of Colorado's allocation. Colorado will allocate the remaining \$11.7 million in response to market demand and the uptake of trust funds. The trust allows Colorado to revise its Beneficiary Mitigation Plan. Colorado may adjust its goals and spending plans based on lessons learned during the early years of implementing the trust.

The settlement specifies certain categories of mitigation actions that are eligible to receive funding from the trust. The parties to the State Trust Agreement have determined that each of these eligible mitigation actions achieve sufficient NOx reductions to fulfill the purposes of the trust. Colorado is therefore free to fund any of the eligible mitigation actions in any proportion, except that no more than 15% of the funds may be used for light duty zero emission vehicle supply equipment. When selecting eligible projects for funding, CDPHE and its partner agencies will consider all the benefits of a proposed project, including NOx emission reductions, reductions of other pollutants and improved safety, among other benefits. The categories of eligible mitigation actions that Colorado anticipates will be appropriate to achieve the goals of the trust include:

- Class 8 local freight trucks and port drayage trucks (eligible large trucks)
- Class 4-7 local freight trucks (eligible medium trucks)
- Class 4-8 school bus, shuttle bus, or transit bus (eligible buses)
- Airport ground support equipment
- Light duty zero emission vehicle supply equipment
- Matching funds for projects eligible under the Diesel Emission Reduction Act (the "DERA option")
- Railroad freight switchers
- Forklifts (no fleet owners have yet expressed interest)

The State of Colorado expects to begin soliciting applications for projects and receiving funds in 2018.

II. Public Outreach

a. Initial Public Outreach

The Colorado Department of Public Health and Environment (CDPHE) has coordinated with the Colorado Department of Transportation, Colorado Energy Office, Regional Air Quality Council, and other agencies for public outreach regarding the Mitigation Trust Fund, and will continue to do so. During the fall of 2016, CDPHE and partner agencies started conducting outreach to potential beneficiaries, government officials, transportation organizations, and the public.

Information on the settlement has been available online on CDPHE's Volkswagen webpage, <https://www.colorado.gov/cdphe/VW> since approximately August 2016. The site allows the public to see up-to-date information regarding the settlement and to submit comments. CDPHE created an email

listserv for the VW settlement. The email listserv includes over 450 vehicle fleet owners, trade groups, transportation agencies, and anyone who asked to receive emails. The address group continues to grow over time.

CDPHE solicited comments and ideas on all aspects of Colorado's implementation of the settlement. A Request for Comment was published on September 30, 2016. A solicitation email was sent to stakeholders statewide and was available on CDPHE's Volkswagen Settlement webpage. Hard copies of the Request for Comment were also available at a public meeting held on November 7, 2016. About 90 individuals and entities submitted written comments to the Air Pollution Control Division (APCD) via email. A summary of the written comments and copies of the comments are available on CDPHE's webpage. Written comments continue to be submitted and reviewed.

CDPHE hosted a public stakeholder meeting on November 7, 2016 in Denver, Colorado. The meeting was announced online, by email to the listserv, and in various public meetings. With over 120 stakeholders in attendance at CDPHE and through a web stream, APCD representatives informed the public about the settlement, answered questions, and listened to stakeholders' comments to guide Colorado's implementation of the settlement. About 30 individuals and organizations provided verbal comment during the public meeting.

CDPHE and its partner agencies met with interested entities and individual stakeholders upon request. These agencies gave approximately 15 public presentations about the VW settlement at numerous events. These agencies described the settlement and the state's anticipated process for implementing the trust at meetings of the General Assembly's Joint Budget Committee, the Statewide Transportation Advisory Committee (STAC), the Freight Advisory Council, the RAQC board, Denver Regional Council of Governments, North Front Range Metropolitan Planning Organization and the Pikes Peak Area Council of Governments, among others.

Governmental entities and the public have expressed a high degree of interest in the trust. While CDPHE received comments on a wide variety of topics, several themes emerged. Formal comments and informal feedback indicate that the public supports using the trust funds to promote electric, zero emission and alternative fuel vehicles. About 44 of the 88 comments Colorado received addressing fuel types favored electric vehicles and 12 favored zero emission vehicles. Colorado received a smaller number of comments supporting other fuel types, such as clean diesel and propane, nine comments opposing natural gas and diesel fuel projects, and 10 comments encouraging Colorado to be fuel-neutral. There is considerable public support for using the trust funds to promote public transportation, with 32 comments in support. Colorado received 52 comments supporting the use of trust funds on ZEV supply equipment and two opposing this. Most of these comments supported spending the maximum allowable 15% on this category. Colorado received 22 comments in favor of using existing programs, such as ALT Fuels Colorado and Charge Ahead Colorado, to distribute the funds.

b. Comments on the Proposed Beneficiary Mitigation Plan

On August 28, 2017 CDPHE and its partner agencies solicited public input on the proposed Beneficiary Mitigation Plan. The proposed BMP was posted on CDPHE's VW website, <https://www.colorado.gov/cdphe/VW>. Notice of the opportunity for public comment was sent via email to CDPHE's listserv. CDPHE also shared the information through various public and industry outreach methods.

CDPHE held a public comment meeting regarding the proposed BMP on September 18, 2017 at the CDOT headquarters building, 4201 East Arkansas Avenue, Denver, CO 80222. Comments were accepted during the public meeting and in writing until October 13, 2017. Presentations were given to several air quality and transportation planning organizations, such as the North Front Range Metropolitan Planning Organization and the Pikes Peak Area Council of Governments, at their regularly scheduled meetings.

Oral comments were recorded during the public meeting. All oral and written comments are posted on CDPHE's VW website along with a summary of the comments received. CDPHE received 2,424 comments on the BMP. Comments provided covered topics including eligibility issues, incentive levels, expanding the DERA option, removing fleet size limits and scrappage requirements. Over 2,138 grouped citizen comments were in favor of funding electric vehicles and electric vehicle infrastructure. CDPHE and its partner agencies considered all timely comments and made appropriate revisions to finalize the Beneficiary Mitigation Plan. A document summarizing the comments and Colorado's responses is posted on CDPHE's VW website, along with the final Beneficiary Mitigation Plan.

c. Public Availability of Trust Documents

Colorado will implement the trust transparently. Colorado will account for trust expenditures and conduct audits as necessary to ensure compliance with applicable requirements. Colorado will provide appropriate reports to the trustee and the public. Documentation of trust expenses will be made available to the public in accordance with the Colorado Open Records Act (CORA) and trust requirements. Documents submitted by fleet owners and project applicants in support of funding requests and all records supporting expenditures of Eligible Mitigation Action funds will likewise be made publicly available, subject to applicable laws governing the publication of confidential business information and personally identifiable information.

III. Impacts of Volkswagen's Emission Cheating

a. Scope of the Excess Emissions

Volkswagen and certain affiliated companies sold approximately 580,000 diesel vehicles in the United States with software that recognized federal emission test protocols and operated the engine in ways that reduced emissions and overall performance while the vehicles were being tested. This allowed the vehicles to pass federal emission tests. The engines produced more power and performed better during normal driving (when the vehicles were not being tested), but the vehicles' NOx emissions far exceeded the legal limit. The affected diesel vehicles include certain 2.0 and 3.0 liter variants of the 2009-2016 model year Volkswagen Jetta, Touareg, Golf, Passat and Beetle, Audi A3, A6 Quattro, A7, A8L, Q5 and Q7, and Porsche Cayenne.

Although vehicles emit a variety of pollutants into the atmosphere, the primary effect of the illegal software was to alter the operation of emissions control components that regulate the amount of NOx the vehicles emit. The Environmental Protection Agency (EPA) reported that NOx emission levels from the 2.0 liter vehicles are 10 - 40 times higher than emission standards, and NOx emissions levels from the 3.0 liter vehicles are up to nine times higher than the emission standards.⁶

⁶ United States Environmental Protection Agency, *Frequent Questions about Volkswagen Violations* (January 12, 2017), <https://www.epa.gov/vw/frequent-questions-about-volkswagen-violations>.

b. Location of the Excess Emissions

There were approximately 11,140 affected vehicles registered in Colorado at the time the cheating was discovered, out of approximately 3.4 million total vehicles in the state. The distribution of the affected vehicles was:

- 53% - Denver Metro Area (Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, Jefferson Counties)
- 13% - Pikes Peak region (El Paso County)
- 12% - North Front Range (Larimer, Weld Counties)
- 22% - distributed among the remaining counties statewide

Figures 1 and 2 display the vehicle distribution geocoded by registration address for both 2.0 and 3.0 liter vehicles.

Data compiled by the U.S. Department of Energy conclude that 68.4% of the vehicle miles traveled in Colorado occur on urban roads, versus 31.6% traveled on rural roads.⁷ This, in conjunction with the registration data for the affected vehicles, indicates that the preponderance of excess NOx emissions originated in the urban corridors within the Denver Metro/North Front Range ozone nonattainment area and the Pikes Peak region.

Volkswagen 2.0 Liter Distribution

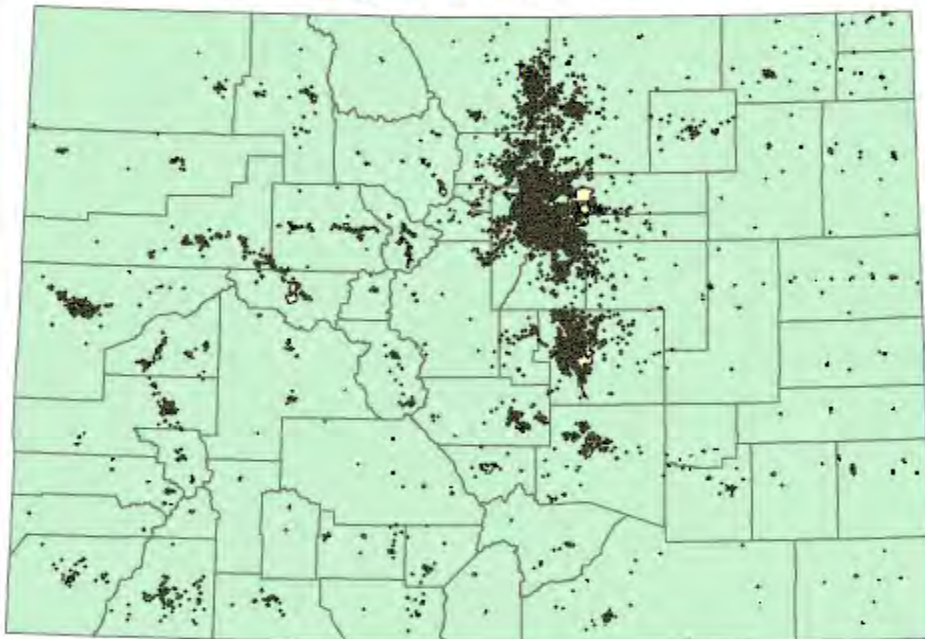


Figure 1. Volkswagen 2.0 Liter Distribution

⁷ United States Department of Energy, Office of Energy Efficiency & Renewable Energy, *Fact #902: December 7, 2015 Rural versus Urban Vehicles Miles Traveled by State*, <https://energy.gov/eere/vehicles/fact-902-december-7-2015-rural-versus-urban-vehicle-miles-travel-state>.

Volkswagen 3.0 Liter Distribution

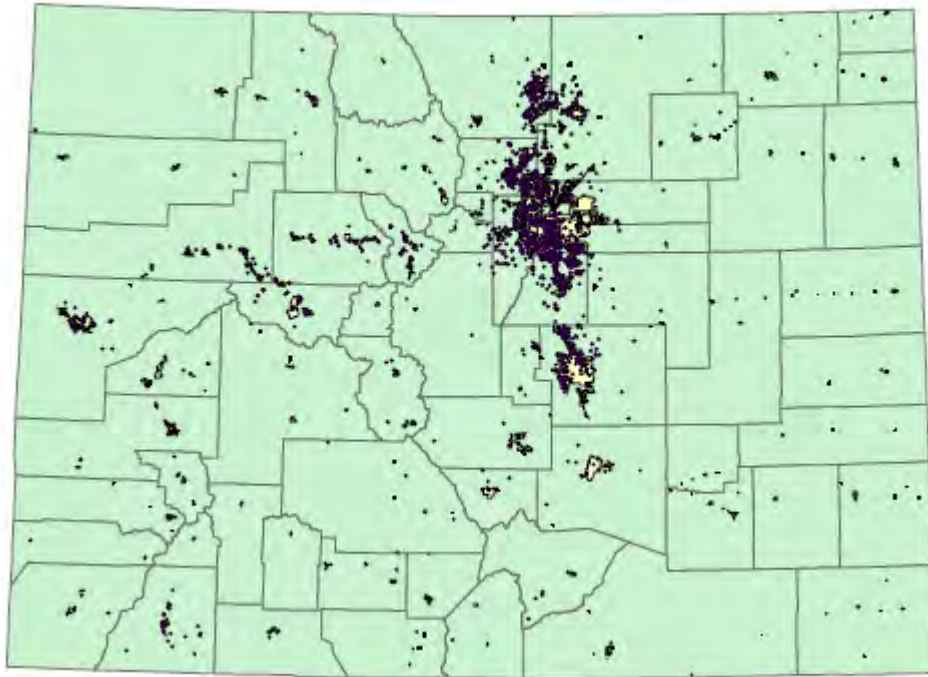


Figure 2. Volkswagen 3.0 Liter Distribution

c. Ozone Nonattainment Area

Ground level ozone is a pollutant that causes health concerns, particularly for sensitive people such as the elderly, young children and those with asthma or other respiratory problems. Ozone can cause chest pains, breathing difficulties, coughing, and stinging in the eyes or throat. Ozone forms in the atmosphere through a chemical reaction between NO_x, volatile organic compounds, and to a lesser extent carbon monoxide.

In March 2008, EPA established an 8-hour National Ambient Air Quality Standard for ozone of 75 parts per billion (ppb). Ozone concentrations in the Denver Metro/North Front Range (DMNFR) exceeded 75 ppb so EPA designated the DMNFR as a “marginal” ozone nonattainment area, effective July 20, 2012. The NAA includes all of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas and Jefferson Counties and portions of Weld and Larimer Counties, as shown in Figure 3. The area missed its July 20, 2015 deadline to attain the 75 ppb standard so EPA reclassified it as a “moderate” nonattainment area on May 4, 2016. In response to the reclassification, on October 26, 2016 the Colorado Air Quality Control Commission revised the State Implementation Plan for attaining the ozone standard.

The DMNFR faces numerous requirements as a moderate ozone nonattainment area and may be subjected to additional requirements if it misses the next attainment deadline for the 75 ppb standard. The DMNFR must also attain the 70 ppb ozone standard that EPA adopted in October 2015. The Air Quality Control Commission recommended designating the DMNFR as a nonattainment area under the new standard. EPA has indicated it will designate nonattainment areas by April 2018.

The illegal software used by Volkswagen and certain affiliated companies to cheat on federal emission tests caused the affected vehicles to emit excess NOx. As noted above, approximately 65% of the affected vehicles in Colorado were registered in the ozone nonattainment area. Their excess NOx emissions contributed to ozone formation.

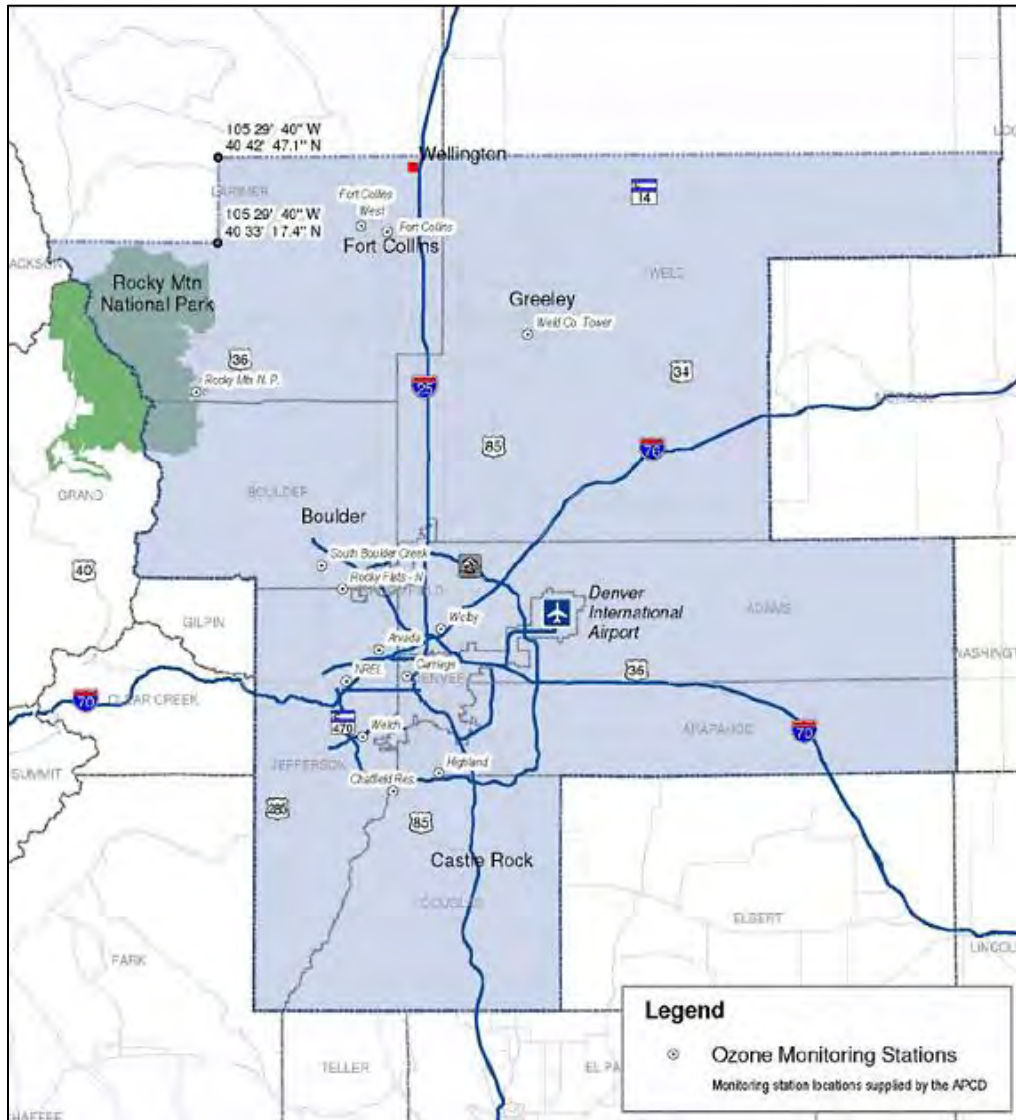


Figure 3. DMNFR Ozone Nonattainment Area

IV. Colorado's Overall Goals and Principles for Using Trust Funds

Colorado's overall goal for the use of the funds is to achieve the maximum air quality benefit for the state of Colorado. CDPHE and its partner agencies have considered the public comments received to date and have developed the following principles for administering the trust funds:

- Maximize the trust’s air quality benefits in Colorado, including reductions of NOx, greenhouse gases, and other pollutants;
- Use trust funds to catalyze the adoption of zero emission and alternative fuel vehicles;
- Distribute settlement funds quickly, within approximately five years;
- Award funds through a transparent public process;
- Fully account for all funds and comply with legal requirements;
- Set incentives at an appropriate level that attracts a high level of participation to increase the number of projects funded through this BMP;
- Devote 15% of trust funds (the maximum allowable amount) to light duty zero emission vehicle infrastructure and align these funds with the Colorado Electric Vehicle Plan⁸;
- Provide appropriate funding for:
 - Mass transit projects including transit electrification;
 - Eligible projects within areas disproportionately impacted by the VW diesel vehicle emissions, including the Denver/North Front Range ozone nonattainment area and the Pikes Peak region;
 - Emission reductions in communities that have historically borne a disproportionate share of the adverse impacts of such emissions;
 - Projects involving eligible public and private fleets, with greater incentives for fleets owned by government agencies;
 - Non-road diesel engines, including engines eligible for DERA funding;
- Appropriately balance the cost of the project and emission reduction benefits;
- Improve air quality in areas that have historically borne a disproportionate share of the air pollution burden within Colorado;
- Enhance efficiency by utilizing or building on existing processes and programs to select projects and distribute trust funds;
- Minimize and reimburse implementation costs as allowed; and
- Complement any investments in ZEV infrastructure, access or education that Volkswagen makes in Colorado through its nationwide \$2 billion Zero Emissions Vehicle Investment Commitment.

Colorado proposes to distribute the trust funds to both public and private fleets using several programs that are already in place. The existing programs will be modified as necessary to fulfill the goals and requirements of the trust. This approach will streamline and expedite the implementation of the trust and allow the state to build on existing expertise. This approach will also reduce the burden on applicants because they will not have to learn a completely new process to apply for funds. Colorado intends to distribute trust funds quickly, within approximately five years after receiving the first application for funds, but is not setting a minimum or maximum period of time to distribute funds. Funds will be allocated as summarized below and shown in Figure 4.

1. Colorado will distribute approximately \$18 million, or 26% of its initial allocation of trust funds, to replace approximately 400 - 450 medium and heavy duty trucks, school and shuttle buses, railroad freight switchers, airport ground support equipment, and heavy forklifts with alternative fuel (e.g., CNG, propane, hybrid) or electric vehicles. Older medium duty diesel trucks from businesses with fleet vehicles model year 1992-2001 may be replaced with new

⁸ Colorado Energy Office, *Colorado Electric Vehicle Plan* (January 24, 2018), https://www.colorado.gov/governor/sites/default/files/colorado_electric_vehicle_plan_january2018.pdf.

diesel fuel vehicles. These funds will be distributed through the existing ALT Fuels Colorado program administered by the Regional Air Quality Council (RAQC), with appropriate modifications for the VW program. RAQC will implement this program under a contract with CDPHE, in partnership with the Colorado Energy Office (CEO) and the Colorado Department of Transportation (CDOT).

2. Colorado will distribute approximately \$18 million, or 26% of its initial allocation of trust funds, to replace Class 4-8 transit buses with alternative fuel (e.g., CNG, propane, hybrid) or electric vehicles and to install charging infrastructure associated with new electric transit buses. These funds will be distributed by the CDOT Division of Transit and Rail through its existing Consolidated Call for Capital Projects.
3. Colorado will distribute approximately \$10.3 million, or 15% of its initial allocation of trust funds, to fund the costs necessary for, and directly connected to, the acquisition, installation, operation and maintenance of new light duty zero emission vehicle (ZEV) supply equipment located in public places, workplaces or multi-unit dwellings. The Colorado Energy Office and the Regional Air Quality Council will implement this program through the existing ALT Fuels Colorado and Charge Ahead Colorado programs.
4. Colorado is setting aside \$5 million to reduce emissions from diesel engines eligible for funding through the Diesel Emissions Reduction Act (DERA) option. The Volkswagen settlement's DERA option allows Colorado to match or over-match federal DERA grants with private (non-federal) trust funds. A number of projects to reduce emissions from diesel vehicles and non-road diesel engines are eligible under DERA, including but not limited to emission control retrofits, idle reduction technologies, and engine or vehicle upgrades and replacements. The DERA option makes a wider range of emission reduction actions eligible for funding. CDPHE will coordinate with interested stakeholders to select and fund appropriate DERA projects.
5. Colorado estimates that implementation costs for the Alternative Fuel Vehicle, Transit Bus, light duty ZEV equipment and DERA programs will total approximately \$5.7 million if settlement funds are distributed within five years. The project costs for these mitigation actions, plus \$5.7 million in administrative costs (e.g., all of Colorado's allocation except the flexible funds) total \$57.0 million. The \$5.7 million administrative costs are 10% of this amount, which is less than the 15% allowed. Administrative costs associated with the flexible funds will be addressed separately. The administrative costs are shown in Table 1. Colorado is keeping implementation costs low by distributing funds through existing CDOT, CEO, and RAQC programs. These funds will cover the costs of program outreach, soliciting and reviewing project applications, verifying project completion, accounting, audits, legal compliance, recordkeeping, reporting and related costs. Colorado anticipates that some of these functions, such as verifying the destruction of engines and chassis of the vehicles being replaced, may be outsourced to private contractors. This cost estimate is based on the historical costs of administering Alt Fuels Colorado, Charge Ahead Colorado and the Consolidated Call for Capital Projects, and projections for the unique aspects of the Volkswagen settlement. Colorado will report its actual administrative expenditures associated with implementing each Eligible Mitigation Action as part of its regular reports to the Trustee and the public.
6. The remaining \$11.7 million, or approximately 17% of Colorado's initial trust allocation, will be allocated among the eligible mitigation actions in response to market demand and the uptake of trust funds. Colorado is retaining the flexibility to distribute these funds in the same

proportion as the other fund allocations or to adjust the distribution after gaining experience with the administration of the trust. These flexible funds will be spent after the initial allocations to other programs. Colorado expects to submit a revised BMP regarding these funds in a future year and will estimate the administrative costs for these funds at that time.

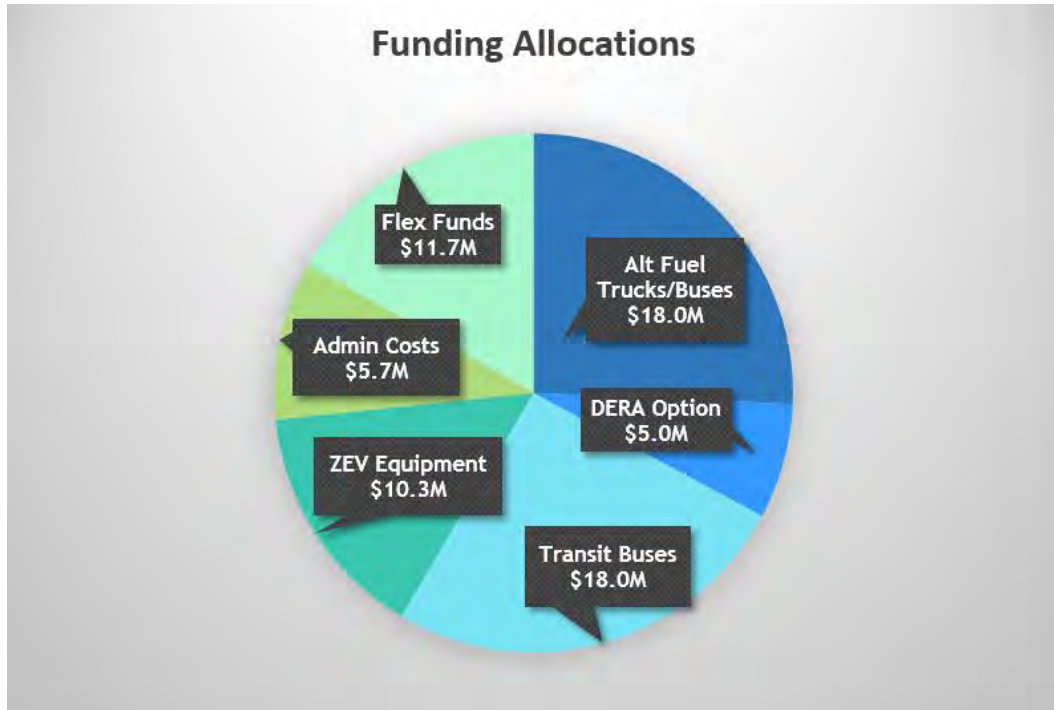


Figure 4. Allocation of Trust Funds

Table 1. Administrative Costs

Program	Recipient	Administrative Cost
ZEV Equipment	CEO/RAQC	\$1,545,000
Alt Fuel Vehicle	RAQC	\$1,200,000
Transit Vehicles	CDOT	\$360,000
DERA	CDPHE	\$250,000
CDPHE direct administration, oversight, and audit	CDPHE	\$875,000
CDPHE Indirect Costs	CDPHE	\$815,000
Outreach	CEO	\$657,000
	Total	\$5,702,000

The costs shown in Table 1 are the state agency estimates for implementing the Alternative Fuel Vehicle Replacement program, Transit Bus program, ZEV Equipment, and the DERA Option during the first five years. Additional implementation costs may be incurred if the funds for these programs are not spent within five years. The cost estimates in Table 1 do not cover administration of the Flexible Funds.

V. Description of Eligible Mitigation Actions

This section of the BMP describes the categories of Eligible Mitigation Actions that Colorado anticipates will be appropriate to achieve its stated goals and Colorado's preliminary assessment of the funds anticipated to be used for each type of Eligible Mitigation Action.

a. Alternative Fuel Vehicle Replacement Program

Colorado proposes to budget \$18 million through Colorado fiscal year 2022 to replace and scrap 1992-2009 model year Class 8 Local Freight Trucks (Heavy-Duty), Class 4-7 Local Freight Trucks (Medium-Duty), and model year 2009 and older Class 4-8 School and Shuttle Buses. Any applications to replace railroad freight switchers, airport ground support equipment, and heavy forklifts would be addressed under this program on a case by case basis. The Alternative Fuel Vehicle Replacement Program would be modeled on the existing ALT Fuels Colorado (AFC) program. The Regional Air Quality Council will implement this program under a contract with CDPHE, in partnership with the Colorado Energy Office and the Colorado Department of Transportation.

AFC began in May 2014 as a partnership between CEO, CDOT and RAQC. The program was designed to provide statewide incentives for CNG, propane and electric fueling stations and incentivize the purchase of vehicles fueled on compressed natural gas (CNG), electricity or propane within an 11 county area spanning Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, Jefferson, Larimer, Weld, El Paso and Teller counties. More information about AFC is available at <http://cleanairfleets.org/programs/alt-fuels-colorado>. The current AFC program, which utilizes federal Congestion Mitigation/Air Quality (CMAQ) funds, will continue to operate in parallel with the VW program.

The \$18 million Alternative Fuel Vehicle Replacement Program will operate statewide in Colorado during approximately FY 2019 - 2023. Unlike AFC, this program will require existing vehicles to be replaced and scrapped as required by the VW trust agreement. The program goals for the VW trust Alternative Fuels Program are to:

- Provide statewide incentives to scrap and replace up to 400 - 450 medium- and heavy-duty trucks, school and shuttle buses, railroad freight switchers, airport ground support equipment, and heavy forklifts with alternative fuel (e.g., CNG, propane, hybrid) or electric vehicles;
- Reduce NOx and other criteria air pollutants and greenhouse gases (GHG);
- Increase demand for original equipment manufacturer (OEM) alternative fuel and zero emission vehicles;
- Improve public safety;
- Older medium duty diesel trucks from businesses with fleet vehicles model year 1992-2001 may be replaced with new diesel fuel vehicles;
- Expand the use of domestic energy sources;
- Gather data and promote fleet sustainability; and
- Promote the replacement of vehicles that operate in communities that have historically borne a disproportionate share of the adverse impacts from air pollution and communities where social, economic and environmental inequities may present risks of adverse health outcomes by conducting outreach to the communities, fleets, and potential partners.

Program criteria include:

- Model year 1992-2009 Class 8 Local Freight Trucks (Heavy-Duty) and model year 2009 and older Class 4-8 School and Shuttle Buses, as defined by Appendix D-2 of the October 2, 2017 final State Trust Agreement, may be replaced with new original equipment manufacturer (OEM) alternative fuel or electric vehicles.
- Model year 1992-2009 Class 4-7 Local Freight Trucks (Medium-Duty), as defined by Appendix D-2 of the October 2, 2017 final State Trust Agreement, may be replaced with new OEM alternative fuel or electric vehicles.
- Model year 1992-2001 Medium-Duty trucks owned by private fleets may be replaced with new OEM alternative fuel, electric, or diesel fuel vehicles.
- Airport Ground Support Equipment (Tier 0, Tier 1, or Tier 2 diesel powered airport ground support equipment; and Uncertified, or certified to 3 g/bhp-hr or higher emissions, spark ignition engine powered airport ground support equipment), as defined by Appendix D-2 of the October 2, 2017 Trust Agreement, may be replaced with all-Electric Airport Ground Support Equipment.
- Railroad Freight Switchers (pre-Tier 4 switcher locomotives that operate 1000 or more hours per year) as defined by Appendix D-1 of the October 2, 2017 Trust Agreement, may be replaced with any new diesel or Alternate Fueled or All-Electric (including Generator Sets) Railroad Freight Switcher, that is certified to meet the applicable EPA emissions standards (or other more stringent equivalent State standard) as published in the CFR for the engine model year in which the Eligible Railroad Freight Switcher Mitigation Action occurs.
- One qualifying comparable vehicle must be scrapped (cut the vehicle's frame rails completely in half and cut a 3-inch hole in the engine block) for each new vehicle that is funded.
- Replaced vehicles must be drivable and must have been registered, operated and insured in Colorado for the previous two years.⁹ This will help to ensure the program achieves real emission reductions and prevent abuse.
- Public and private fleets are eligible, including federal government fleets.
- The Alternative Fuel Vehicle Replacement Program is limited to vehicle replacements and will not fund engine repowers or non-OEM conversion kits. Repowers and non-OEM conversions can lead to warranty and maintenance concerns. Requiring new vehicle purchases will enhance vehicle safety and invest trust funds in projects with longer service lives.
- The mitigation trust cannot fund CNG or propane fueling infrastructure but Colorado's AFC program currently provides funding for publicly-accessible commercial CNG or propane facilities.¹⁰
- If mitigation trust funds are awarded for a new electric vehicle, airport ground support equipment, or railroad freight switchers charging equipment associated with that vehicle may also receive trust funds.
- If mitigation trust funds are awarded for new hybrid vehicles, they will be eligible for 50% of the maximum electric vehicle incentive cap due to their lower emissions benefits.

RAQC's implementation of the Alternative Fuel Vehicle Replacement Program will include public outreach, solicitation and evaluation of grant applications, verifying project completion by grant

⁹ Government-owned vehicles are eligible for funding if the owner certifies that the vehicle being replaced is operable and the availability of trust funding played no role in the decision to acquire the vehicle or bring it into Colorado.

¹⁰ Since 2014, AFC has awarded \$5.7M for 11 CNG stations (one station has co-located electric and propane fueling facilities). AFC funds remain available to incentivize additional CNG or propane fueling stations.

recipients, distributing funds to grant recipients after project completion, recordkeeping and reporting.

RAQC will conduct 3-4 rounds of funding each year and issue a call for applications in each round. Funds will be distributed after the vehicle owner provides proof that the old vehicle has been scrapped and a qualifying new vehicle has been purchased, proof of costs, and other necessary documentation.

The program will provide incentives for public and private fleets designed to cover the incremental cost of the new vehicle plus the lost potential resale price of the old vehicle. For public fleets, the total incentive will be limited to a maximum of 40% of the total cost of the new vehicle and associated electric charging infrastructure (if any) or the cap included in Table 2, whichever is lower. For private fleets, the total incentive will be limited to a maximum of 25% of the total cost of the new vehicle and associated electric charging infrastructure (if any) or the cap included in Table 2, whichever is lower. Project applicants must submit vehicle bids to determine base vehicle pricing and the incremental cost for the new replacement vehicle.

Incentive payments to public fleets are higher in order to partially offset the barriers to public fleet adoption of alternative fuel vehicles and to compensate for the fact that public fleets do not benefit from tax incentives for alternative fuel vehicles. In addition, the VW trust agreement generally limits the funding for non-government owned alternate fuel vehicles to 25% of the cost of a new vehicle while allowing higher percentages for government fleets.

Project applicants are responsible for all project costs not covered by the incentive payment. Project applicants are free to pursue additional cost shares, grants, tax credits, or other incentive payments in accordance with applicable law.

Table 2. Alternative Fuel Vehicle Replacement Program Incentive Caps

	Class 4 8 School/Shuttle Bus**			Class 4 7 Local Freight***				Class 8 Local Freight****		
	Electric	CNG	Propane	Electric	CNG	Propane	Diesel (Pre-2002)	Electric	CNG	Propane
Public Fleet*	\$200,000	\$50,000	\$30,000	\$100,000	\$45,000	\$35,000	NA	\$200,000	\$80,000	\$50,000
Private Fleet*	\$100,000	\$30,000	\$10,000	\$50,000	\$30,000	\$20,000	\$25,000	\$100,000	\$55,000	\$36,000

*Public fleets are incentivized at 40% of total vehicle cost or the cap, whichever is lower. Private fleets are incentivized at 25% of total vehicle cost or the cap, whichever is lower.

**Class 4-8 school buses shall mean vehicles with a GVWR greater than 14,001 pounds.

***Class 4-7 Local Freight shall mean vehicles with a GVWR between 14,001-33,000 pounds.

****Class 8 Local Freight/Eligible Large Trucks shall mean truck tractors with a GVWR of 33,000+ pounds (including waste haulers, dump trucks and concrete mixers)

*****Colorado tax incentives for private fleets are \$20,000 2017-19; \$16,000 in 2020 and \$10,000 in 2021

During the comment period there was interest expressed in funding airport ground support equipment (GSE) and railroad freight switchers with Volkswagen trust funds. Many vehicles operated at airports

are eligible for funding such as heavy duty trucks, medium duty trucks, or shuttle buses and such vehicles will be subject to the same criteria as other vehicles in those categories. For airport ground support equipment and railroad freight switchers, CDPHE and RAQC will fund these projects through the Alternative Fuel Vehicle Replacement Program described above. Applications for funding would be handled by the RAQC on a case by case basis. Consistent with the general funding approach under this category, for these eligible mitigation activities, the plan will provide a maximum of 110% of the incremental cost plus the lost resale value of the unit up to a maximum incentive of 40% of the total cost for the new vehicle for public fleets and 25% of the total cost of the new vehicle for private fleets, whichever is lower.

b. Transit Bus Replacement Program

Colorado proposes to budget \$18 million to replace Class 4-8 transit buses with alternative fuel and electric vehicles and to install necessary charging infrastructure associated with new electric transit buses. The Transit Bus Replacement program will operate in conjunction with CDOT's existing process for transit capital project grants. The Transit Bus Replacement Program will operate statewide in Colorado during approximately FY 2019-2023. This program will require existing vehicles to be replaced and scrapped.

The CDOT Division of Transit and Rail (DTR) will implement this program under an intergovernmental agreement with CDPHE. DTR currently conducts an annual competitive process known as the Consolidated Capital Call for Projects (CCCP) as a means to identify, evaluate, and select transit capital projects for grant assistance. Eligible capital projects include the acquisition or construction of transit vehicles, equipment, and facilities. Funding programs include FTA Sections 5310, 5311, 5339 and state FASTER Transit funds. Instead of conducting a separate application process for each source of funds it administers, CDOT consolidates the capital funds into a single competitive application process that occurs annually in the fall. DTR staff evaluate projects and, if the project is selected for funding, determines the most appropriate funding program. In 2017, DTR provided \$16.6 million in grants to nearly 40 agencies to purchase buses, equipment, and other capital improvements.

The program goals for the VW trust Transit Bus Replacement program are to:

- Provide statewide incentives to scrap and replace diesel transit buses around the state with zero emission (e.g., All-Electric or hydrogen fuel cell vehicles) or alternative fuel vehicles (e.g., CNG, propane, hybrid).
- Accelerate the future adoption of zero emission or alternative fuel vehicles by demonstrating to transit fleet operators and the public that these vehicles are viable and by allowing transit fleet operators to gain familiarity and expertise with them.
- Remove barriers to the adoption of zero emission transit vehicles.
- Promote the development of zero emission vehicle technologies by expanding the market for large electric buses.
- Allow local transit agencies and members of the general public who use mass transit to benefit directly from Volkswagen trust funds.
- Promote the replacement of vehicles that operate in communities that have historically borne a disproportionate share of the adverse impacts from air pollution and communities where social, economic and environmental inequities may present risks of adverse health outcomes by conducting outreach to the communities, fleets, and potential partners.

Program criteria include:

- Engine model year 2009 or older class 4-8 transit buses may be replaced with new zero emission or OEM alternative fuel vehicles.
- An identified vehicle must be scrapped (cut the vehicle's frame rails completely in half and cut a 3-inch hole in the engine block) for each new vehicle that is funded.
- Vehicles identified for replacement must be drivable and must have been registered, operated and insured in Colorado for the previous two years.¹¹ This will help to ensure the program achieves real emission reductions and prevent abuse.
- Public, private, for-profit and non-profit fleets used only for the delivery of public transit services that meet all other applicable eligibility requirements.
- The Transit Bus Replacement Program is limited to vehicle replacements and will not fund engine repowers or non-OEM conversion kits. Repowers and non-OEM conversions can lead to warranty and maintenance concerns. Requiring new vehicle purchases will enhance vehicle safety and invest trust funds in projects with longer service lives.
- The mitigation trust cannot fund CNG or propane fueling infrastructure but Colorado's AFC program currently provides funding for publically-accessible commercial CNG or propane facilities.
- If mitigation trust funds are awarded for a new electric vehicle, charging equipment associated with that vehicle may also receive trust funds.

DTR will use a combination of existing funds and Volkswagen funds to incentivize the purchase of electric and CNG transit vehicles. As the CCCP awards typically cover 80% of capital purchases, DTR would fund the equivalent of 80% of a new diesel replacement bus from existing funding streams. DTR's existing funds would be supplemented by funds from the Volkswagen trust in an amount equivalent to 110% of the incremental cost of a new electric or alternatively fueled bus and its associated charging infrastructure, subject to the funding caps established in the trust. Vehicle replacement requests that are not awarded funding with existing federal or state funds are still eligible to receive Trust fund awards for 110% of the incremental cost. Appendix D-2, paragraph 2 of the State Trust Agreement limits reimbursement for non-government owned buses to 25% of the cost of a new alternate fueled vehicle or 75% of the cost of a new electric vehicle. After combining these funds the transit fleet owner's cost for a new electric or alternatively fueled transit bus would be less than the fleet owner would pay for a new diesel transit bus. Tables 3a and 3b provide examples of potential costs and incentive amounts for CNG and electric transit vehicles, with and without associated Federal or State awards. Actual costs depend on a number of factors and will vary.

¹¹ Government-owned vehicles are eligible for funding if the owner certifies that the vehicle being replaced is operable and the availability of trust funding played no role in the decision to acquire the vehicle or bring it into Colorado.

Table 3a. Funding Examples *with* State or Federal Award

	CNG Bus Funding		Electric Bus and Charging Equipment	
Total Vehicle Cost	\$600,000 CNG Bus	\$600,000	\$800,000 Electric Bus + \$100,000 Charging	\$900,000
Federal/State Award	\$450,000 (Diesel equivalent)*80%	(\$360,000)	\$450,000 (Diesel equivalent)*80%	(\$360,000)
VW Award	\$150,000 Incremental Cost*110% <i>(\$600,000 CNG minus \$450,000 Diesel equivalent)</i>	(\$165,000)	\$450,000 Incremental Cost*110% <i>(\$900,000 EV minus \$450,000 Diesel equivalent)</i>	(\$495,000)
Total Awards	\$360,000 Fed/State + \$165,000 VW	(\$525,000)	\$360,000 Fed/State + \$495,000 VW	(\$855,000)
Applicant Pays	\$600,000 - \$525,000	\$75,000	\$900,000 - \$855,000	\$45,000

Table 3b. Funding Examples *without* State or Federal Award

	CNG Bus Funding		Electric Bus and Charging Equipment	
Total Vehicle Cost	\$600,000 CNG Bus	\$600,000	\$800,000 Electric Bus + \$100,000 Charging	\$900,000
VW Award	\$150,000 Incremental Cost*110%	(\$165,000)	\$450,000 Incremental Cost*110%	(\$495,000)
Applicant Pays	\$600,000 - \$165,000	\$435,000	\$900,000 - \$495,000	\$405,000

With estimated vehicle prices, an \$18 million program budget used exclusively for electric transit could fund approximately 36 electric buses and associated charging infrastructure. If half of the trust funding is used for electric transit vehicles and associated charging infrastructure and half is used for CNG vehicles, the program would fund approximately 18 new electric buses with associated charging infrastructure and approximately 54 new CNG buses.

c. ZEV Supply Equipment Program

Colorado intends to allocate the maximum allowable portion of trust monies to zero emission vehicle (ZEV) supply equipment, primarily electric vehicle (EV) charging stations. Doing so is consistent with Executive Order D 2017-015, Supporting Colorado’s Clean Energy Transition, and the Colorado Electric Vehicle Plan, which directs state agencies to develop a grant program to develop EV fast-charging stations across Colorado’s transportation corridor. Public comments submitted to CDPHE strongly supported using trust funds to accelerate the adoption of ZEVs. The settlements provide for setting aside 15% of the state’s allocation for light duty ZEV supply equipment, or approximately \$10.3 million in Colorado.

Funding for the ZEV Supply Equipment Program will be distributed through the existing Charge Ahead Colorado and ALT Fuels Colorado programs managed in partnership between the Colorado Energy Office and Regional Air Quality Council. CDPHE will enter contracts or intergovernmental agreements with

CEO and RAQC to implement the ZEV Supply Equipment Program. Funds for ZEV supply equipment will be available statewide. Colorado will also monitor developments in the hydrogen fuel cell vehicle industry and as appropriate, review and modify program incentives where needed to accommodate applications for fueling infrastructure in this sector.

Colorado and its partner agencies have substantial data about the electric vehicle market and EV policy. CEO prepared the Colorado Electric Vehicle Market Implementation Study in 2015. RAQC, CEO and the City and County of Denver have completed a study investigating the barriers to charging infrastructure in multi-family housing, the business case for different direct current fast-charging models, desired fast-charging corridor site characteristics and the air quality benefits of EVs. The National Renewable Energy Laboratory, in partnership with RAQC, CDOT and CEO, has conducted a study to determine appropriate locations for charging stations and anticipated consumer demand for fast-charging corridor stations based on a number of scenarios and EV battery ranges. These studies will help to guide the administration of the ZEV Supply Equipment Program.

The Colorado Energy Office will manage fast-charging highway corridor investments through ALT Fuels Colorado with the support of RAQC. Fast-charging stations will be installed along Tier 1 and Tier 2 corridors identified in Colorado’s 2016 Statewide Network Plan. As proposed in the plan, EV charging stations may be installed on average every 50 miles. The installation of highway corridor charging stations will reduce the “range anxiety” that accompanies ZEVs and should promote a more rapid transition to ZEV technologies across Colorado.

Fast-charging corridor incentives will range from \$220,000 for 2-dispenser station to \$380,000 for 4-dispenser stations. In addition to funding allocated through the Trust funds, ALT Fuels Colorado is funded through Congestion Mitigation and Air Quality (CMAQ) funds. CEO anticipates that between these two funding sources grants will be made for a total of 30-35 EV fast-charging stations.

CEO and the RAQC will co-manage community-based charging investments through the Charge Ahead Colorado program. Funding will be used to incentivize EV charging stations in cities and towns and at popular destination points such as ski resorts or national and state parks. Among other locations, EV charging stations will be installed in public parking garages, parking lots, multi-unit dwellings and workplaces. Funding may also be used by owners of multi-unit dwellings, parking garages, and public parking lots to offset the costs of service upgrades necessary to accommodate electric vehicle charging. The program is expected to fund between 260-270 Level II community charging stations and 15-20 community DC fast charging stations. Community charging station incentives are shown in Table 4 below:

Table 4. Community Charging Station Incentives

EVSE Type	Maximum Funding
Level II Dual Port Station	\$9,000
DC Fast Dual Protocol Station	\$30,000

d. DERA Option

The Diesel Emissions Reduction Act is part of the Energy Policy Act of 2005. DERA allows EPA to distribute State Clean Diesel Grants. The states use this money to incentivize certain eligible diesel emission reduction projects. While some projects are eligible under both DERA and the Volkswagen trust, DERA program criteria allow states to fund a number of projects that are not otherwise eligible under the trust. For example, DERA State Clean Diesel Grant funds may be used to reduce vehicle emissions through exhaust control retrofits, idle reduction projects, and other measures that do not require replacing the vehicle or engine. Certain projects that do not involve vehicles are also eligible. DERA funds may be spent on non-road diesel engines such as construction equipment and engines used in agriculture, mining, or oil and natural gas production. Eligible non-road engines may be replaced with a new diesel, alternative fuel, or electric engine; retrofit with verified exhaust control technologies; or may receive a verified engine upgrade. Depending on horsepower, engines as old as 1985 may be eligible under DERA. Non-road engines are estimated to produce approximately 33% of the man-made NOx emissions in the DMNFR ozone nonattainment area,¹² yet the state's authority to require emission reductions from these engines after they are manufactured and placed in service is quite limited. Colorado views the trust's DERA option as a useful way to address such emissions.

The DERA option allows states to use trust funds to voluntarily match or over-match DERA State Clean Diesel Grants. Matching funds must be spent in accordance with DERA requirements.¹³ In recent years Colorado has received DERA grants in the range of \$100,000 - \$200,000 each year. However, the state's voluntary match may be larger than the DERA grant. Colorado plans to set aside \$5 million of trust funds for DERA projects, and may adjust this number as the state gains more experience with the DERA option. Projects that qualify for incentives under both DERA and one of the trust's other eligible mitigation actions will not be funded through the DERA option, and should apply for funds through the Alternate Fuel Vehicle Replacement Program or Transit Bus Replacement Program described in the Beneficiary Mitigation Plan.

Colorado is evaluating DERA-eligible engines to identify cost-effective emission reduction opportunities and establish appropriate incentives. Diesel engines used to drill oil and natural gas wells or to pump hydraulic fracturing fluids appear to be promising candidates. These are large engines that may produce 1,300 to 1,500 or more horsepower, depending on the make and model, and often see heavy use. Natural gas and electric engines are available but are more expensive. Construction equipment and engines used in agriculture also appear to be promising DERA candidates. Colorado would take steps to ensure that engines receiving funds remain in Colorado long enough for the state to realize the benefits of the emission reductions. DERA establishes certain caps on the available incentives. Colorado may choose to offer less than the maximum allowable incentives. CDPHE will implement the DERA option. CDPHE will solicit, evaluate, select and fund project applications based on the projected emission reductions and costs.

¹² Moderate Area Ozone SIP for the Denver Metro and North Front Range Non-attainment Area, Appendix 4-A. This figure includes estimated 2017 NOx emissions from agricultural equipment, construction and mining equipment, and engines used in the oil and gas sector of all fuel types, divided by total anthropogenic emissions.

¹³ A detailed comparison of the trust's eligible mitigation actions and the DERA option can be found in EPA's comparison document, <https://www.epa.gov/sites/production/files/2017-01/documents/vw-dera-option-eligible-mitig-compar-2017-01.pdf>.

e. Geographic Distribution of Funds

The trust makes all areas of the state eligible to receive funding. The trust also requires the Beneficiary Mitigation Plan to describe how the projects will benefit air quality in “areas that bear a disproportionate share of the air pollution burden.”¹⁴ In addition, trust funds are intended to reduce emissions where the non-compliant vehicles were, are, or will be operated.¹⁵

In Colorado, the Denver Metro/North Front Range (DMNFR) 8-hour ozone nonattainment area bears a disproportionate share of the air pollution burden. The DMNFR, which includes all or parts of Denver, Jefferson, Adams, Arapahoe, Douglas, Boulder, Broomfield, Larimer and Weld Counties, is currently the only part of Colorado that is designated as a nonattainment area for any of the National Ambient Air Quality Standards (NAAQS) under the federal Clean Air Act.¹⁶ NOx is an ozone precursor, meaning that NOx reacts with other pollutants in the atmosphere to form ozone. A large number of affected vehicles covered by the trust are registered in the ozone nonattainment area and their excess NOx emissions made the ozone problem worse. Accordingly, this area has experienced a disproportionate share of air pollution from these affected vehicles as well as from other sources of emissions. It is appropriate to spend trust funds in the ozone nonattainment area.

The vehicles affected by the emissions cheating scandal are clustered in the Denver metro area, Pikes Peak region, and North Front Range. See section III and Figures 1 and 2. The areas with high numbers of registered vehicles coincide with the DMNFR, with the addition of the Pikes Peak region. Spending trust funds in the DMNFR and Pikes Peak region will fulfill two key purposes of the trust by reducing emissions where the non-compliant vehicles were, are or will be operated, and benefiting areas that bear a disproportionate share of air pollution.

Colorado is committed to health equity and environmental justice. While the trust does not speak in terms of health equity or environmental justice, Colorado will conduct outreach to ensure that all communities are aware of the settlement and have sufficient information to provide an equal opportunity to apply for trust funds. The CDPHE Air Pollution Control Division, in conjunction with the CDPHE Office of Health Equity, will coordinate with program partners to conduct outreach to communities where social, economic and environmental inequities may present risks of adverse health outcomes. This includes communities that may experience high concentrations of vehicle traffic, industrial facilities, or other sources of air pollution. CDPHE and its project partners will provide outreach to affected communities and the public and private vehicle fleets operating there.

Additional considerations apply to the geographic distribution of funds for zero emission vehicle infrastructure projects such as electric vehicle charging stations. Charging stations are needed both in an electric vehicle’s local operating area and along transportation corridors throughout the state.

¹⁴ Appendix D, Paragraph 4.1.

¹⁵ Appendix D, Purpose and Recitals.

¹⁶ Parts of Colorado have previously been designated as nonattainment areas for carbon monoxide, particulate matter smaller than 10 microns (PM-10), the 1-hour ozone standard, and an earlier version of the 8-hour ozone standard. However, those areas have been redesignated as attainment/maintenance areas or the relevant NAAQS has been revoked. See the EPA’s Green Book at www.epa.gov/green-book for more information.

“Range anxiety” and a lack of charging stations are significant barriers to the adoption of zero emission vehicles.¹⁷ Spending trust funds on statewide ZEV infrastructure will help to reduce range anxiety, support Colorado’s statewide electric vehicle plan, and promote the adoption of zero emission vehicles.

Because of the geographic distribution of Colorado’s population, vehicle fleets, and vehicle miles travelled (VMT), CDPHE and its partner agencies anticipate receiving a substantially higher number of applications for funding in the DMNFR ozone nonattainment area and Pikes Peak region. This dynamic is expected to channel trust funds toward the areas of disproportionate NOx impact and the areas with non-compliant vehicles without the need to establish formal geographic restrictions. Colorado is not limiting the geographic distribution of funds at this time. Colorado will fund projects in all parts of the state, including but not limited to ZEV infrastructure and projects that promote health equity and environmental justice. If Colorado does not receive enough applications for projects that would benefit areas of disproportionate air quality impacts or areas with non-compliant vehicles, Colorado may develop criteria to rebalance the distribution of trust funds.

f. Estimated Emission Benefits

Colorado estimated the emission reduction benefits that could be achieved from the Alternative Fuel Vehicle Replacement Program, Transit Bus Replacement Program, and ZEV Supply Equipment Program at the proposed funding levels. The estimates were prepared using a hypothetical mix of vehicle categories, model years, fuel types, and charging station capacities. Emission factors were sourced from the Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation (GREET) Model from Argonne National Laboratory. Annual VMT were sourced from the Alternative Fuel Life-Cycle Environmental and Economic Transportation (AFLEET) Tool from Argonne National Laboratory and current Alt Fuels Colorado reporting data. The estimated emission reductions do not include the benefits of DERA projects because DERA allows a wider range of actions and the projects have not yet been selected. For all eligible mitigation actions, actual emission benefits will vary depending on the specifics of the projects approved for trust funding.

Table 5: Estimated Emissions Benefits

Program	VOC (tons/year)	NO _x (tons/year)	PM10 (tons/year)	PM2.5 (tons/year)	GHG (tons/year)
1. Vehicle Replacement	10-12	100-121	6-7	5-6	3,450-3,570
2. Electric Vehicle Charging Stations	19-20	15-20	1	1	35,000-50,000
3. Transit Vehicle Replacement	1-4	18-34	1-2	1-2	2,870-4,000
Total	30-36	133-175	8-10	7-9	41,320-57,600

¹⁷ Hanley, Steve (January 1, 2017), *60% of Americans Unaware Electric Cars Exist*, <http://gas2.org/2017/01/01/60-americans-unaware-battery-cars-exist/>.

VI. Project Application, Evaluation and Funding Process

The final State Trust Agreement describes how states may apply for funds¹⁸ and provides initial information about the trustee's process for distributing funds. The trustee has provided some additional information, including example forms that states may use when submitting funding requests. This process may affect the timing of any incentive payments. This section of the BMP summarizes Colorado's current understanding of the funding process. Colorado anticipates that the trustee will provide additional guidance.

Colorado may submit funding requests to the trustee thirty days after submitting this Beneficiary Mitigation Plan. Colorado may not request payout of more than (i) one-third of its initial allocation during the first year after the Settling Defendants make their Initial Deposit into the trust or (ii) two-thirds of its initial allocation during the first two years after the Settling Defendants make their Initial Deposit. The trustee must approve, deny, or request modifications of funding requests within 60 days of receipt. The trustee shall respond to any modified or supplemental submission within 30 days of receipt. The trustee shall begin disbursing funds within 15 days of approval of a funding request "according to the written instructions and schedule provided by the Beneficiary." Appendix D, paragraph 5.2.15.1.

Colorado has established a state account called the "Volkswagen Settlement Fund" to receive and hold disbursements from the trustee until an eligible mitigation action is completed. Colorado will fully track and account for all trust funds in its possession using established accounting mechanisms. Colorado will use program codes and appropriation codes to track the expenditures for each Eligible Mitigation Action and facilitate reporting. Funds must be spent in accordance with state fiscal and contracting laws and regulations.

CDPHE will enter contracts or interagency agreements with partner agencies to administer specific programs. As described above, RAQC will administer the Alternative Fuel Vehicle Replacement Program, CDOT will administer the Transit Bus Replacement Program, and the Colorado Energy Office and RAQC will jointly administer the ZEV Supply Equipment Program. CDPHE will administer DERA projects, publish Requests for Application, and award grants directly to funding recipients.

RAQC, CDOT or CEO will oversee the execution of individual projects, such as the replacement of one or more trucks or buses, or the installation of an electric vehicle charging station. These partner agencies will announce the availability of funds, publish criteria and applicable requirements for receiving funds, solicit applications, determine eligibility, and approve applications for funds.

Alternative Fuel Vehicle Replacement projects and ZEV Supply Equipment projects will be evaluated and awarded through the current Charge Ahead Colorado and ALT Fuels Colorado evaluation and award process. Currently there are seven public organizations represented on the evaluation committee.

They include:

- Regional Air Quality Council
- Colorado Energy Office
- Colorado Department of Transportation

¹⁸October 2, 2017 Environmental Mitigation Trust Agreement For State Beneficiaries, Appendix D, para. 5.2.

- Colorado Department of Public Health and Environment
- Colorado Department of Labor and Employment
- Colorado Department of Local Affairs
- National Renewable Energy Laboratory

Additional evaluation team members will be considered as necessary. Once projects are approved for funding, staff will provide mandatory awardee training before any projects are authorized to proceed.

For Transit Bus Replacement projects, DTR will use their existing CCCP evaluation and award process. CDOT staff evaluates applications and eligibility to determine funding levels and the allocation of federal or state funds for awarded projects.

After a project is completed, the grant applicant will submit receipts and any other necessary documents to the RAQC, CDOT or CEO, who will submit a payment request to CDPHE. If the request satisfies the terms of the trust and the contract or intergovernmental agreement, CDPHE will make a payment to the RAQC, CDOT or CEO, who will then pay the grant applicant.

It is not yet clear whether the trustee will disburse funds to Colorado for the programs described in Section V before grant applicants complete their projects. If so, CDPHE would have funds on hand and could make payments fairly quickly after the projects are completed. If the trustee requires Colorado to submit documentation of the completion of individual projects before the state receives money from the trustee, it would take longer to reimburse grant applicants.

The funding requests CDPHE submits to the trustee will include allowable implementation costs. CDPHE, the RAQC, CDOT and CEO will be periodically reimbursed for implementation costs. All expenditures will be reported to the trustee and audited as required. Reports will be made available to the public.



COLORADO
Department of Transportation

DIVISION OF TRANSIT AND RAIL STATE MANAGEMENT PLAN

APPENDIX B | NON-FEDERAL TRANSIT FUNDS

B.4 Senate Bill 1

Draft August 2019

Contents

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Attachments

Senate Bill 18-001

Senate Bill 1: Multimodal Options Fund

B5 SENATE BILL 18-001 (SB 1) MULTIMODAL OPTIONS FUND

SB 18-001, passed by the Colorado General Assembly in May 2018, authorized two years of General Fund transfers (\$495.0 + \$150.0 million = \$645 million) to the state (70%), local governments highway (15%), and a new Multimodal Options Fund (15%). The local money is split evenly between cities and counties and will be distributed via the local government Highway Users Tax Fund (HUTF) distribution formula.

All the multimodal funding is administered through the Colorado Department of Transportation (CDOT). Fifteen percent of \$645 million is \$96.75 million. After \$2.5 million allocated to the Southwest Chief & Front Range Passenger Rail Commission, local governments receive 85% of it (\$80.11 million) and CDOT receives 15% for statewide multimodal projects (\$14.13 million).

Documents that govern how CDOT administers SB 1 funds for transit projects include:

- Senate Bill 18-001 (SB1)
https://leg.colorado.gov/sites/default/files/2018a_001_signed.pdf
- CDOT Transportation Commission Resolution #TC-19-06-05
<https://www.codot.gov/about/transportation-commission/approved-resolutions/2019ApprovedResolutions/june-2019/tc-res-2019-06-05-sb-18-2013-001-multimodal.pdf/view>

B5.1 Program Goals

The multimodal funds may be used for bicycle, pedestrian, fixed-route and on-demand transit projects, transportation demand management (TDM), and mobility projects enabled by new technology. The projects may be capital or operating projects.

B5.2 Roles and Responsibilities

All the multimodal funding is administered through CDOT. The Transportation Commission established the allocation formula and local match requirements for local funds.

The Division of Transit and Rail (DTR) is developing recommendations for the use of SB 1 multimodal funds.

B5.3 Eligible Subrecipients

The eligible recipient of the state portion of the funds is CDOT for statewide multimodal projects, and eligible recipients for the local government portion are local governments for multimodal projects.

B5.4 Eligible Projects

Eligible projects include:

- Capital or operating costs for fixed route and on-demand transit.
- Transportation demand management programs.
- Multimodal mobility projects enabled by new technology.
- Multimodal transportation studies.
- Bicycle or pedestrian projects.

B5.5 Funds Allocation

The legislation directed the Transportation Commission to establish a distribution formula for the local portion. The distribution formula must be based on population and ridership. The legislation also stated that recipients shall provide a match equal to the amount of the award. However, the Transportation Commission, per legislation, may create a formula for reducing or exempting the match requirement for local governments or agencies due to their size or any other special circumstance.

The legislation mandates the distribution formula for the local portion be developed in consultation with the Transit and Rail Advisory Committee (TRAC), the Statewide Transportation Advisory Committee (STAC), transit advocacy organizations, and bicycle and pedestrian organizations. In addition to these groups, the legislation also states that the Multimodal Options Fund should promote a complete and integrated multimodal system that benefits seniors by making aging in place more feasible; benefits residents of rural areas by providing them with flexible public transportation services; provides enhanced mobility for persons with disabilities; and provides safe routes to school for children. Based on these tenets, there are recommendations for a committee structure to meet these consultation requirements.

B5.6 Match

According to the legislation, recipients must provide a match equal to the amount of the award. However, the Transportation Commission may elect to create a different formula or exempt the requirement.

As approved by resolution, the Transportation Commission, allows Metropolitan Planning Organizations (MPO) and Transportation Planning Regions (TPR) to consider match relief for counties under 50,000 population, or individual cities/towns under 20,000 population, and for which poverty is 12% (median) or higher; OR meeting those population criteria, some other extraordinary need/disadvantage can be clearly shown, AND all such match relief recommendations are ultimately approved by the Transportation Commission.

B5.7 Reporting Requirements

CDOT reports annually to the state legislature on the status of projects funded in the prior fiscal year. The report includes the expenditures by projects and types of projects.

The distribution of \$80.12 million is guided by a formula reserving approximately 5% (\$4 million) for administration, oversight, and reporting purposes.

ATTACHMENTS

Senate Bill 18-001

An Act

SENATE BILL 18-001

BY SENATOR(S) Baumgardner and Cooke, Coram, Crowder, Gardner, Grantham, Hill, Holbert, Lambert, Lundberg, Marble, Scott, Sonnenberg, Tate, Aguilar, Court, Fenberg, Fields, Garcia, Guzman, Jahn, Kagan, Kefalas, Martinez Humenik, Merrifield, Moreno, Priola, Todd, Williams A., Zenzinger;

also REPRESENTATIVE(S) Buck and Winter, Arndt, Bridges, Buckner, Coleman, Danielson, Esgar, Exum, Ginal, Gray, Hamner, Hansen, Herod, Jackson, Kennedy, Kraft-Tharp, Lee, Lontine, McLachlan, Melton, Michaelson Jenet, Pabon, Pettersen, Roberts, Rosenthal, Salazar, Valdez, Weissman, Young, Duran.

CONCERNING TRANSPORTATION INFRASTRUCTURE FUNDING, AND, IN CONNECTION THEREWITH, REQUIRING SPECIFIED AMOUNTS TO BE TRANSFERRED FROM THE GENERAL FUND TO THE STATE HIGHWAY FUND, THE HIGHWAY USERS TAX FUND, AND A NEW MULTIMODAL TRANSPORTATION OPTIONS FUND DURING STATE FISCAL YEARS 2018-19 AND 2019-20 FOR THE PURPOSE OF FUNDING TRANSPORTATION PROJECTS AND TO THE STATE HIGHWAY FUND DURING ANY STATE FISCAL YEAR FROM 2019-20 THROUGH 2038-39 FOR STATE HIGHWAY PURPOSES AND TO REPAY ANY TRANSPORTATION REVENUE ANTICIPATION NOTES THAT MAY BE ISSUED AS SPECIFIED IN THE BILL AND, IF NO CITIZEN-INITIATED BALLOT MEASURE THAT REQUIRES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS APPROVED BY

Capital letters or bold & italic numbers indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

THE VOTERS OF THE STATE AT THE NOVEMBER 2018 GENERAL ELECTION, REQUIRING THE SECRETARY OF STATE TO SUBMIT A BALLOT QUESTION TO THE VOTERS OF THE STATE AT THE NOVEMBER 2019 STATEWIDE ELECTION, WHICH, IF APPROVED, WOULD REQUIRE THE STATE, WITH NO INCREASE IN ANY TAXES, TO ISSUE ADDITIONAL TRANSPORTATION REVENUE ANTICIPATION NOTES FOR THE PURPOSE OF ADDRESSING CRITICAL PRIORITY TRANSPORTATION NEEDS IN THE STATE BY FUNDING TRANSPORTATION PROJECTS; WOULD EXCLUDE NOTE PROCEEDS AND INVESTMENT EARNINGS ON NOTE PROCEEDS FROM STATE FISCAL YEAR SPENDING LIMITS; AND WOULD REDUCE THE AMOUNT OF LEASE-PURCHASE AGREEMENTS REQUIRED BY CURRENT LAW TO BE ISSUED FOR THE PURPOSE OF FUNDING TRANSPORTATION PROJECTS.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. Legislative declaration. (1) The general assembly hereby finds and declares that:

(a) Colorado's population is expected to increase to over six million nine hundred thousand by 2030;

(b) Population growth has significantly increased traffic and congestion and will continue to do so in the future, causing longer travel times, increasing air pollution, decreasing Coloradans' access to recreational opportunities, and accelerating the deterioration of Colorado's transportation infrastructure;

(c) The growth of the economy of the state has prompted new and ever-increasing uses of public highways, roads, and other transportation infrastructure, and the existing transportation infrastructure of the state cannot accommodate such greatly increased uses;

(d) In order to preserve and improve Colorado's economic prosperity and quality of life, it is necessary to develop and maintain a modern, efficient, and cost-effective multimodal transportation system that can move people, goods, and information without undue delays or environmental consequences;

(e) One of the major concerns of the citizens of the state is the ability of the state and local governments to address the long-term transportation infrastructure needs of the state that are critical to the continued growth of the state's economy and the maintenance of citizens' quality of life;

(f) The state has significantly decreased its contribution of general state revenue available in recent years to fund critical priority transportation infrastructure needs, and current transportation funding mechanisms do not provide adequate revenue to keep pace with the increasing demands on transportation infrastructure statewide;

(g) Needed transportation projects remain unfunded or underfunded while construction costs escalate and congestion worsens;

(h) With the combination of changes to tax policy and a forecasted growing economy, the state has an opportunity in the upcoming two or three state fiscal years to commit revenue for prioritized state government expenses, including the backlog of transportation needs and the foregone state share of total program funding of K-12 public schools;

(i) In 1999, the general assembly and the voters of the state approved Referendum A, which authorized the state to issue transportation revenue anticipation notes to accelerate the funding and completion of twenty-eight strategic transportation projects in significant corridors, including the T-REX project, the highly successful expansion and congestion mitigation project for the Interstate 25 corridor in the Denver metropolitan area;

(j) The success of the 1999 transportation revenue anticipation notes program shows that leveraging existing revenue is a prudent and cost-effective means to accelerate and deliver transportation projects throughout the state;

(k) In 2017, the general assembly enacted Senate Bill 17-267, which:

(I) Requires the state to enter into lease-purchase agreements for state facilities in the amount of three hundred eighty million dollars during the 2018-19 state fiscal year and five hundred million dollars during each

of the 2019-20, 2020-21, and 2021-22 state fiscal years in order to accelerate the funding of high-priority transportation projects throughout the state; and

(II) Significantly increases the amount of money that the state may retain and spend under its fiscal year spending limit;

(I) While the lease-purchase agreements required by Senate Bill 17-267 will provide some increased funding for transportation, such agreements leverage state capital assets, rather than state revenue, and, to the extent currently authorized, provide less total funding than transportation revenue anticipation notes can;

(m) If the state enters into all of the lease-purchase agreements required by Senate Bill 17-267, the state will be required to spend approximately one hundred fifty million dollars per year, including one hundred million dollars per year from the state general fund and fifty million dollars per year from money under the control of the transportation commission, to repay the lease-purchase agreements;

(n) It is necessary, in order to avoid delaying critical transportation projects that are expected to be funded in part with proceeds of lease-purchase agreements to be issued during the 2018-19 state fiscal year, for the state to enter into lease-purchase agreements as required by Senate Bill 17-267 during the 2018-19 state fiscal year;

(o) It is also necessary, appropriate, and in the best interest of the state to:

(I) Repeal the requirement that the state enter into additional lease-purchase agreements during the 2019-20, 2020-21, and 2021-22 state fiscal years;

(II) If required statewide voter approval can be obtained for a ballot issue submitted by the state that authorizes the state to issue transportation revenue anticipation notes as specified in this act, use transportation revenue anticipation notes instead of lease-purchase agreements to finance transportation projects because doing so will generate a larger amount of up-front revenue for the projects and will enable the state to design and construct the projects more efficiently; and

(III) Use the money that will no longer be needed to repay lease-purchase agreements, as well as a portion of the additional general fund money that the state may retain and spend under its fiscal year spending limit due to the enactment of Senate Bill 17-267, to repay the transportation revenue anticipation notes; and

(p) The issuance of new transportation revenue anticipation notes in lieu of the execution of lease-purchase agreements will accelerate the funding and efficient completion of specific and designated projects, including multimodal transportation projects, throughout the state that the Colorado department of transportation and the transportation planning regions of the state have determined to be of highest priority and economically significant to the state and the regions in which they will be built.

(2) The general assembly further finds and declares that:

(a) This act does not increase taxes or refer a ballot issue to the voters of the state seeking their approval to raise taxes;

(b) Private citizens have proposed certain transportation funding ballot measures by initiative, one or more of which may be placed on the ballot for the November 2018 general election;

(c) All of the citizen-initiated ballot measures, if approved by the voters of the state, will authorize the state to issue transportation revenue anticipation notes to provide additional funding for transportation infrastructure projects, but only some of the measures will also authorize the state to collect additional taxes to provide a source of money to repay the notes;

(d) It is necessary and appropriate for the state to refer a ballot issue that authorizes the state to issue transportation revenue anticipation notes to the voters of the state at the November 2019 statewide election as specified in this act if:

(I) No citizen-initiated transportation funding ballot measure is placed on the ballot for the November 2018 general election; or

(II) The voters reject every citizen-initiated transportation funding

ballot measure that is placed on that ballot; and

(e) Because the state must fund many high priority needs and has limited resources with which to do so, if the voters of the state approve a citizen-initiated ballot measure at the November 2018 general election that authorizes the state to issue transportation revenue anticipation notes but does not authorize the state to collect additional taxes to provide a source of money to repay the notes and therefore requires the state to divert money from other high priority needs to repay the notes, it will be neither necessary nor appropriate for the state to refer a ballot issue that authorizes the state to issue additional transportation revenue anticipation notes to the voters of the state at the November 2019 statewide election.

SECTION 2. In Colorado Revised Statutes, 24-75-219, **add** (1)(g), (1)(h), and (5) as follows:

24-75-219. Transfers - transportation - capital construction - definitions - repeal. (1) As used in this section, unless the context otherwise requires:

(g) "MULTIMODAL TRANSPORTATION OPTIONS FUND" MEANS THE MULTIMODAL TRANSPORTATION OPTIONS FUND CREATED IN SECTION 43-4-1103 (1).

(h) "STATE HIGHWAY FUND" MEANS THE STATE HIGHWAY FUND CREATED IN SECTION 43-1-219.

(5) (a) ON JULY 1, 2018, THE STATE TREASURER SHALL TRANSFER A TOTAL AMOUNT OF FOUR HUNDRED NINETY-FIVE MILLION DOLLARS FROM THE GENERAL FUND FOR THE PURPOSES OF FUNDING STATE AND LOCAL TRANSPORTATION NEEDS AS FOLLOWS:

(I) THREE HUNDRED FORTY-SIX MILLION FIVE HUNDRED THOUSAND DOLLARS TO THE STATE HIGHWAY FUND;

(II) SEVENTY-FOUR MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS TO THE HIGHWAY USERS TAX FUND FOR ALLOCATION TO COUNTIES AND MUNICIPALITIES AS SPECIFIED IN SECTION 43-4-205 (6.4); AND

(III) SEVENTY-FOUR MILLION TWO HUNDRED FIFTY THOUSAND

DOLLARS TO THE MULTIMODAL TRANSPORTATION OPTIONS FUND.

(b) ON JULY 1, 2019, THE STATE TREASURER SHALL TRANSFER A TOTAL AMOUNT OF ONE HUNDRED FIFTY MILLION DOLLARS FROM THE GENERAL FUND FOR THE PURPOSES OF FUNDING STATE AND LOCAL TRANSPORTATION NEEDS AS FOLLOWS:

(I) ONE HUNDRED FIVE MILLION DOLLARS TO THE STATE HIGHWAY FUND;

(II) TWENTY-TWO MILLION FIVE HUNDRED THOUSAND DOLLARS TO THE HIGHWAY USERS TAX FUND FOR ALLOCATION TO COUNTIES AND MUNICIPALITIES AS SPECIFIED IN SECTION 43-4-205 (6.4); AND

(III) TWENTY-TWO MILLION FIVE HUNDRED THOUSAND DOLLARS TO THE MULTIMODAL TRANSPORTATION OPTIONS FUND.

(c) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (5)(d) OF THIS SECTION AND SECTION 43-4-714 (2)(a), ON JUNE 30, 2020, AND ON EACH SUCCEEDING JUNE 30 THROUGH JUNE 30, 2039, THE STATE TREASURER SHALL TRANSFER MONEY FROM THE GENERAL FUND TO THE STATE HIGHWAY FUND AS FOLLOWS:

(I) (A) IF A CITIZEN-INITIATED BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES BUT DOES NOT AUTHORIZE THE STATE TO COLLECT ADDITIONAL TAX REVENUE FOR THE PURPOSE OF PROVIDING A REVENUE SOURCE FOR REPAYMENT OF THE NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2018 GENERAL ELECTION AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "YES/FOR", THEN, EVEN IF ANOTHER CITIZEN-INITIATED BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES AND ALSO AUTHORIZES THE STATE TO COLLECT ADDITIONAL TAX REVENUE FOR THE PURPOSE OF PROVIDING A REVENUE SOURCE FOR REPAYMENT OF THE NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2018 GENERAL ELECTION AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "YES/FOR", ZERO DOLLARS;

(B) THIS SUBSECTION (5)(c)(I) IS REPEALED, EFFECTIVE JANUARY 1,

2019, IF A CITIZEN-INITIATED BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES BUT DOES NOT AUTHORIZE THE STATE TO COLLECT ADDITIONAL TAX REVENUE FOR THE PURPOSE OF PROVIDING A REVENUE SOURCE FOR REPAYMENT OF THE NOTES IS NOT SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2018 GENERAL ELECTION OR IF SUCH A BALLOT ISSUE IS SUBMITTED AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "No/AGAINST";

(C) THIS SUBSECTION (5)(c)(I)(C) AND SUBSECTION (5)(c)(I)(B) OF THIS SECTION ARE REPEALED, EFFECTIVE JANUARY 1, 2019, IF A CITIZEN-INITIATED BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES BUT DOES NOT AUTHORIZE THE STATE TO COLLECT ADDITIONAL TAX REVENUE FOR THE PURPOSE OF PROVIDING A REVENUE SOURCE FOR REPAYMENT OF THE NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2018 GENERAL ELECTION AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "Yes/For";

(II) (A) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (5)(c)(I)(A) OF THIS SECTION, IF A CITIZEN-INITIATED BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES AND ALSO AUTHORIZES THE STATE TO COLLECT ADDITIONAL TAX REVENUE FOR THE PURPOSE OF PROVIDING A REVENUE SOURCE FOR REPAYMENT OF THE NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2018 GENERAL ELECTION AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "Yes/For", FIFTY MILLION DOLLARS;

(B) THIS SUBSECTION (5)(c)(II) IS REPEALED, EFFECTIVE JANUARY 1, 2019, IF A CITIZEN-INITIATED BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES AND ALSO AUTHORIZES THE STATE TO COLLECT ADDITIONAL TAX REVENUE FOR THE PURPOSE OF PROVIDING A REVENUE SOURCE FOR REPAYMENT OF THE NOTES IS NOT SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2018 GENERAL ELECTION, IF SUCH A BALLOT ISSUE IS SUBMITTED AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "No/AGAINST", OR IF A CITIZEN-INITIATED BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE

TRANSPORTATION REVENUE ANTICIPATION NOTES BUT DOES NOT AUTHORIZE THE STATE TO COLLECT ADDITIONAL TAX REVENUE FOR THE PURPOSE OF PROVIDING A REVENUE SOURCE FOR REPAYMENT OF THE NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2018 GENERAL ELECTION AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "YES/FOR";

(C) THIS SUBSECTION (5)(c)(II)(C) AND SUBSECTION (5)(c)(II)(B) OF THIS SECTION ARE REPEALED, EFFECTIVE JANUARY 1, 2019, IF A CITIZEN-INITIATED BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES AND ALSO AUTHORIZES THE STATE TO COLLECT ADDITIONAL TAX REVENUE FOR THE PURPOSE OF PROVIDING A REVENUE SOURCE FOR REPAYMENT OF THE NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2018 GENERAL ELECTION AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "YES/FOR" AND EITHER A CITIZEN-INITIATED BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES BUT DOES NOT AUTHORIZE THE STATE TO COLLECT ADDITIONAL TAX REVENUE FOR THE PURPOSE OF PROVIDING A REVENUE SOURCE FOR REPAYMENT OF THE NOTES IS NOT SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2018 GENERAL ELECTION OR, IF SUCH A BALLOT ISSUE IS SUBMITTED, A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "NO/AGAINST";

(III) (A) IF A BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2019 STATEWIDE ELECTION PURSUANT TO SECTION 43-4-705 (13)(b) AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "NO/AGAINST", FIFTY MILLION DOLLARS;

(B) THIS SUBSECTION (5)(c)(III) IS REPEALED, EFFECTIVE JANUARY 1, 2019, IF ANY CITIZEN-INITIATED BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2018 GENERAL ELECTION OR AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "YES/FOR";

(C) THIS SUBSECTION (5)(c)(III) IS REPEALED, EFFECTIVE JANUARY 1, 2020, IF A BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2019 STATEWIDE ELECTION PURSUANT TO SECTION 43-4-705 (13)(b) AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "YES/FOR";

(D) THIS SUBSECTION (5)(c)(III)(D) AND SUBSECTIONS (5)(c)(III)(B) AND (5)(c)(III)(C) OF THIS SECTION ARE REPEALED, EFFECTIVE JANUARY 1, 2020, IF A BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2019 STATEWIDE ELECTION PURSUANT TO SECTION 43-4-705 (13)(b) AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "NO/AGAINST"; OR

(IV) (A) IF A BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2019 STATEWIDE ELECTION PURSUANT TO SECTION 43-4-705 (13)(b) AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "YES/FOR", ONE HUNDRED TWENTY-TWO MILLION SIX HUNDRED THOUSAND DOLLARS;

(B) THIS SUBSECTION (5)(c)(IV) IS REPEALED, EFFECTIVE JANUARY 1, 2019, IF ANY CITIZEN-INITIATED BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2018 GENERAL ELECTION AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "YES/FOR";

(C) THIS SUBSECTION (5)(c)(IV) IS REPEALED, EFFECTIVE JANUARY 1, 2020, IF A BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2019 STATEWIDE ELECTION PURSUANT TO SECTION 43-4-705 (13)(b) AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "NO/AGAINST";

(D) THIS SUBSECTION (5)(c)(IV)(D) AND SUBSECTIONS (5)(c)(IV)(B) AND (5)(c)(IV)(C) OF THIS SECTION ARE REPEALED, EFFECTIVE JANUARY 1, 2020, IF A BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2019 STATEWIDE ELECTION PURSUANT TO SECTION 43-4-705 (13)(b) AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "YES/FOR"; OR

(d) (I) IF THE TRANSPORTATION COMMISSION ALLOCATES MONEY FROM THE TRANSPORTATION REVENUE ANTICIPATION NOTES RESERVE ACCOUNT OF THE STATE HIGHWAY FUND PURSUANT TO SECTION 43-4-714 (2) DURING ANY STATE FISCAL YEAR, THE AMOUNT OF ANY TRANSFER REQUIRED BY SUBSECTION (5)(c)(IV)(A) OF THIS SECTION IS REDUCED BY AN AMOUNT EQUAL TO THE AMOUNT OF THE ALLOCATION FROM THE ACCOUNT.

(II) THIS SUBSECTION (5)(d) IS REPEALED:

(A) EFFECTIVE JANUARY 1, 2019, IF A CITIZEN-INITIATED BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2018 GENERAL ELECTION AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "YES/FOR";

(B) EFFECTIVE JANUARY 1, 2020, IF A BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2019 STATEWIDE ELECTION PURSUANT TO SECTION 43-4-705 (13)(b) AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "NO/AGAINST".

(III) THIS SUBSECTION (5)(d)(III) AND SUBSECTION (5)(d)(II) OF THIS SECTION ARE REPEALED, EFFECTIVE JANUARY 1, 2020, IF A BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2019 STATEWIDE ELECTION PURSUANT TO SECTION 43-4-705 (13)(b) AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "YES/FOR".

SECTION 3. In Colorado Revised Statutes, 24-82-1303, amend (2)(a), (2)(b), and (2)(d)(II); and repeal (1) as follows:

24-82-1303. Lease-purchase agreements for capital construction and transportation projects. (1) ~~On or before December 31, 2017, the state architect, the director of the office of state planning and budgeting or his or her designee, and the state institutions of higher education shall identify and prepare a collaborative list of eligible state facilities that can be collateralized as part of the lease-purchase agreements for capital construction and transportation projects authorized in this part 13. The total current replacement value of the identified buildings must equal at least two billion dollars.~~

(2) (a) Notwithstanding the provisions of sections 24-82-102 (1)(b) and 24-82-801, and pursuant to section 24-36-121, no sooner than July 1, 2018, the state, acting by and through the state treasurer, shall execute lease-purchase agreements, each for no more than twenty years of annual payments, for the projects described in subsection (4) of this section. The state shall execute the lease-purchase agreements ~~only in accordance with the following schedule:~~ DURING THE 2018-19 STATE FISCAL YEAR IN AN AMOUNT UP TO FIVE HUNDRED MILLION DOLLARS.

~~(I) During the 2018-19 state fiscal year, the state shall execute lease-purchase agreements in an amount up to five hundred million dollars;~~

~~(II) During the 2019-20 state fiscal year, the state shall execute lease-purchase agreements in an amount up to five hundred million dollars;~~

~~(III) During the 2020-21 state fiscal year, the state shall execute lease-purchase agreements in an amount up to five hundred million dollars; and~~

~~(IV) During the 2021-22 fiscal year, the state shall execute lease-purchase agreements in an amount up to five hundred million dollars.~~

(b) The anticipated annual state-funded payments for the principal and interest components of the amount payable under all lease-purchase agreements entered into pursuant to subsection (2)(a) of this section shall not exceed ~~one hundred fifty~~ THIRTY-SEVEN million FIVE HUNDRED THOUSAND dollars.

(d) Any lease-purchase agreement executed as required by subsection (2)(a) of this section shall provide that all of the obligations of the state under the agreement are subject to the action of the general assembly in annually making money available for all payments thereunder. Payments under any lease-purchase agreement must be made, subject to annual allocation pursuant to section 43-1-113 by the transportation commission created in section 43-1-106 (1) or subject to annual appropriation by the general assembly, as applicable, from the following sources of money:

(II) (A) Next, ~~fifty~~ FOR STATE FISCAL YEAR 2018-19 ONLY, TWENTY-EIGHT million FIVE HUNDRED THOUSAND dollars, ~~annually~~, or any lesser amount that is sufficient to make each full payment due, shall be paid from any legally available money under the control of the transportation commission solely for the purpose of allowing the construction, supervision, and maintenance of state highways to be funded with the proceeds of lease-purchase agreements as specified in subsection (4)(b) of this section and section 43-4-206 (1)(b)(V); ~~and~~ OR

(B) NEXT, FOR EACH SUCCEEDING STATE FISCAL YEAR FOR WHICH A PAYMENT UNDER ANY LEASE-PURCHASE AGREEMENT MUST BE MADE, TEN MILLION ONE HUNDRED THOUSAND DOLLARS ANNUALLY, OR ANY LESSER AMOUNT THAT IS SUFFICIENT TO MAKE EACH FULL PAYMENT DUE, SHALL BE PAID FROM ANY LEGALLY AVAILABLE MONEY UNDER THE CONTROL OF THE TRANSPORTATION COMMISSION SOLELY FOR THE PURPOSE OF ALLOWING THE CONSTRUCTION, SUPERVISION, AND MAINTENANCE OF STATE HIGHWAYS TO BE FUNDED WITH THE PROCEEDS OF LEASE-PURCHASE AGREEMENTS AS SPECIFIED IN SUBSECTION (4)(b) OF THIS SECTION AND SECTION 43-4-206 (1)(b)(V); AND

SECTION 4. In Colorado Revised Statutes, add 43-2-151 as follows:

43-2-151. Managed lanes - study by department of transportation - repeal. (1) THE DEPARTMENT OF TRANSPORTATION SHALL CONDUCT OR CONTRACT WITH AN INDEPENDENT THIRD PARTY TO CONDUCT A DATA DRIVEN STUDY OF THE USE OF MANAGED LANES THROUGHOUT THE STATE. THE STUDY SHALL, AT A MINIMUM:

(a) REPORT ON THE NUMBER OF MANAGED LANES AND THE TOTAL

LANE MILES OF MANAGED LANES IN THE STATE;

(b) DESCRIBE HOW MANAGED LANES ARE BEING USED TO FINANCE HIGHWAY PROJECTS AND, WITH RESPECT TO ANY PROJECT FINANCED IN WHOLE OR IN PART THROUGH THE USE OF MANAGED LANES, WHETHER THE PROJECT WOULD OR COULD HAVE BEEN COMPLETED WITHOUT THE USE OF MANAGED LANES;

(c) IDENTIFY AND QUANTIFY THE STATEWIDE, REGIONAL AND TRANSPORTATION CORRIDOR-SPECIFIC IMPACTS OF MANAGED LANES ON TRAFFIC CONGESTION; AND

(d) QUANTIFY THE NUMBER OF TRIPS MADE ON MANAGED LANES BY DIFFERENT TYPES OF MOTOR VEHICLES INCLUDING BUT NOT LIMITED TO TRANSIT VEHICLES, COMMERCIAL VEHICLES, HIGH-OCCUPANCY VEHICLES, AND SINGLE OCCUPANT VEHICLES.

(2) THE DEPARTMENT SHALL REPORT THE RESULTS OF THE STUDY AS PART OF ITS 2018 PRESENTATION TO THE JOINT LEGISLATIVE COMMITTEE OF REFERENCE THAT IS ASSIGNED TO OVERSEE THE DEPARTMENT MADE PURSUANT TO SECTION 2-7-203 (2)(a).

(3) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2019.

SECTION 5. In Colorado Revised Statutes, 43-4-205, **add** (6.4) as follows:

43-4-205. Allocation of fund. (6.4) MONEY TRANSFERRED FROM THE GENERAL FUND TO THE HIGHWAY USERS TAX FUND PURSUANT TO SECTION 24-75-219 (5)(a)(II) AND (5)(b)(II) IS ALLOCATED AND EXPENDED AS FOLLOWS:

(a) FIFTY PERCENT OF THE MONEY IS PAID TO THE COUNTY TREASURERS OF THE RESPECTIVE COUNTIES, SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY, AND ALLOCATED AND EXPENDED AS PROVIDED IN SECTION 43-4-207; AND

(b) FIFTY PERCENT OF THE MONEY IS PAID TO THE CITIES AND INCORPORATED TOWNS, SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY, AND ALLOCATED AND EXPENDED AS PROVIDED IN

SECTIONS 43-4-208 (2) AND (6)(a).

SECTION 6. In Colorado Revised Statutes, 43-4-206, **amend** (1) introductory portion, (2)(b) introductory portion, (2)(b)(III), and (2)(b)(IV) as follows:

43-4-206. State allocation. (1) Except as otherwise provided in ~~subsections (1)(a)(V);~~ SUBSECTIONS (1)(b)(V), (2), and (3) of this section, after paying the costs of the Colorado state patrol and any other costs of the department, exclusive of highway construction, highway improvements, or highway maintenance, that are appropriated by the general assembly, money in the highway users tax fund shall be paid to the state highway fund and expended for the following purposes:

(2) (b) Beginning in 1998, the department of transportation shall report annually to the transportation committee of the senate and the transportation and energy committee of the house of representatives concerning the revenue expended by the department pursuant to subsection (2)(a) of this section and, beginning in ~~2018;~~ any 2019, ANY STATE GENERAL FUND MONEY THAT IS CREDITED TO THE STATE HIGHWAY FUND PURSUANT TO SECTION 24-75-219 (5), ANY NET proceeds of lease-purchase agreements executed as required by section 24-82-1303 (2)(a) that are credited to the state highway fund pursuant to section 24-82-1303 (4)(b) and expended by the department pursuant to subsection (1)(b)(V) of this section, AND ANY NET PROCEEDS OF TRANSPORTATION REVENUE ANTICIPATION NOTES ISSUED AS AUTHORIZED BY A BALLOT ISSUE SUBMITTED TO AND APPROVED BY THE REGISTERED ELECTORS OF THE STATE AT THE 2019 STATEWIDE ELECTION PURSUANT TO SECTION 43-4-705 (13)(b) THAT ARE CREDITED TO THE STATE HIGHWAY FUND PURSUANT TO THIS SECTION. The department shall present the report at the joint meeting required under section 43-1-113 (9)(a), and the report shall describe for each fiscal year, if applicable:

(III) The projected amounts of revenue and net proceeds that the department expects to receive under this subsection (2), ~~and subsection (1)(b)(V) of this section~~ SECTION 24-75-219 (5), SECTION 24-82-1303 (4)(b), AND SECTION 43-4-714 (1)(a) during the fiscal year;

(IV) The amount of revenue and net proceeds that the department has already received under this subsection (2), ~~and subsection (1)(b)(V) of this section~~ SECTION 24-75-219 (5), SECTION 24-82-1303 (4)(b), AND

SECTION 43-4-714 (1)(a) during the fiscal year; and

SECTION 7. In Colorado Revised Statutes, 43-4-207, **amend** (1), (2) introductory portion, and (2)(b) introductory portion as follows:

43-4-207. County allocation. (1) After paying the costs of the Colorado state patrol and ~~such~~ ANY other costs of the department, exclusive of highway construction, highway improvements, or highway maintenance, ~~as~~ THAT are appropriated by the general assembly, ~~twenty-six percent of the balance of the highway users tax fund~~ THE MONEY, INCLUDING MONEY TRANSFERRED FROM THE GENERAL FUND TO THE HIGHWAY USERS TAX FUND PURSUANT TO SECTION 24-75-219 (5)(a)(II) AND (5)(b)(II), THAT SECTION 43-4-205 REQUIRES TO BE PAID FROM THE HIGHWAY USERS TAX FUND TO THE COUNTY TREASURERS OF THE RESPECTIVE COUNTIES shall be paid to the county treasurers of the respective counties, subject to annual appropriation by the general assembly, and shall be allocated and expended as provided in this section. The ~~moneys thus~~ MONEY received ~~shall be~~ IS allocated to the counties as provided by law and shall be expended by the counties only on the construction, engineering, reconstruction, maintenance, repair, equipment, improvement, and administration of the county highway systems and any other public highways, including any state highways, together with acquisition of rights-of-way and access rights for the same, for the planning, designing, engineering, acquisition, installation, construction, repair, reconstruction, maintenance, operation, or administration of transit-related projects, including, but not limited to, designated bicycle or pedestrian lanes of highway and infrastructure needed to integrate different transportation modes within a multimodal transportation system, and for no other purpose; ~~except that a county may expend no more than fifteen percent of the total amount expended under this subsection (1) for transit-related operational purposes and except that moneys~~ MONEY received pursuant to section 43-4-205 (6.3) shall be expended by the counties only for road safety projects, as defined in section 43-4-803 (21). The amount ~~to be~~ expended for administrative purposes shall not exceed five percent of each county's share of the funds available.

(2) For the fiscal year commencing July 1, 1989, and each fiscal year thereafter, for the purpose of allocating ~~moneys~~ MONEY in the highway users tax fund to the various counties throughout the state, the following method is ~~hereby~~ adopted:

(b) All ~~moneys~~ MONEY credited to the fund in excess of eighty-six million seven hundred thousand dollars ~~shall be~~ AND ALL MONEY TRANSFERRED TO THE FUND PURSUANT TO SECTION 24-75-219 (5)(a)(II) AND (5)(b)(II) THAT IS REQUIRED BY SECTION 43-4-205 (6.4)(a) AND SUBSECTION (1) OF THIS SECTION TO BE PAID TO THE COUNTY TREASURERS OF THE RESPECTIVE COUNTIES IS allocated to the counties in the following manner:

SECTION 8. In Colorado Revised Statutes, 43-4-208, **amend** (1), (2) introductory portion, (2)(a), and (6)(a) as follows:

43-4-208. Municipal allocation. (1) After paying the costs of the Colorado state patrol and ~~such~~ ANY other costs of the department, exclusive of highway construction, highway improvements, or highway maintenance, as THAT are appropriated by the general assembly, ~~and making allocation as provided by sections 43-4-206 and 43-4-207, the remaining nine percent of the highway users tax fund~~ THE MONEY, INCLUDING MONEY TRANSFERRED FROM THE GENERAL FUND TO THE HIGHWAY USERS TAX FUND PURSUANT TO SECTION 24-75-219 (5)(a)(II) AND (5)(b)(II), THAT SECTION 43-4-205 REQUIRES TO BE PAID FROM THE HIGHWAY USERS TAX FUND TO CITIES AND INCORPORATED TOWNS shall be paid to the cities and incorporated towns within the limits of the respective counties, subject to annual appropriation by the general assembly, and shall be allocated and expended as provided in this section. Each city treasurer shall account for the ~~moneys thus~~ MONEY received as provided in this part 2. ~~Moneys~~ MONEY so allocated shall be expended by the cities and incorporated towns for the construction, engineering, reconstruction, maintenance, repair, equipment, improvement, and administration of the system of streets of such city or incorporated town or of any public highways located within such city or incorporated town, including any state highways, together with the acquisition of rights-of-way and access rights for the same, and for the planning, designing, engineering, acquisition, installation, construction, repair, reconstruction, maintenance, operation, or administration of transit-related projects, including, but not limited to, designated bicycle or pedestrian lanes of highway and infrastructure needed to integrate different transportation modes within a multimodal transportation system, and for no other purpose; ~~except that a city or an incorporated town may expend no more than fifteen percent of the total amount expended under this subsection (1) for transit-related operational purposes and except that moneys~~ MONEY paid to the cities and incorporated towns pursuant to section 43-4-205 (6.3) shall be expended by the cities and incorporated towns only for road safety projects, as defined

in section 43-4-803 (21). The amount to be expended for administrative purposes shall not exceed five percent of each city's share of the funds available.

(2) For the purpose of allocating moneys MONEY in the highway users tax fund to the various cities and incorporated towns throughout the state, the following method is adopted:

(a) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (6) OF THIS SECTION, eighty percent shall be allocated to the cities and incorporated towns in proportion to the adjusted urban motor vehicle registration in each city and incorporated town. The term "urban motor vehicle registration" includes all passenger, truck, truck-tractor, and motorcycle registrations. The number of registrations used in computing the percentage shall be those certified to the state treasurer by the department of revenue as constituting the urban motor vehicle registration for the last preceding year. The adjusted registration shall be computed by applying a factor to the actual number of such registrations to reflect the increased standards and costs of construction resulting from the concentration of vehicles in cities and incorporated places. For this purpose the following table of actual registration numbers and factors shall be employed:

Actual registrations	Factor
1 -- 500	1.0
501 -- 1,250	1.1
1,251 -- 2,500	1.2
2,501 -- 5,000	1.3
5,001 -- 12,500	1.4
12,501 -- 25,000	1.5
25,001 -- 50,000	1.6
50,001 -- 85,000	1.7
85,001 -- 130,000	1.8
130,001 -- 185,000	1.9
185,001 and over	2.0

(6) (a) In addition to the provisions of subsection (2)(a) of this section, on or after July 1, 1979, eighty percent of all additional funds MONEY becoming available to cities and incorporated towns from the highway users tax fund pursuant to sections 24-75-215 ~~C.R.S.~~, and 43-4-205 (6)(b)(III) shall be AND, ON AND AFTER JULY 1, 2018, EIGHTY

PERCENT OF THE GENERAL FUND MONEY TRANSFERRED FROM THE GENERAL FUND TO THE HIGHWAY USERS TAX FUND PURSUANT TO SECTION 24-75-219 (5)(a)(II) AND (5)(b)(II) THAT IS REQUIRED BY SECTION 43-4-205 (6.4)(b) AND SUBSECTION (1) OF THIS SECTION TO BE ALLOCATED TO THE CITIES AND INCORPORATED TOWNS IS allocated to the cities and incorporated towns in proportion to the adjusted urban motor vehicle registration in each city and incorporated town. The term "urban motor vehicle registration", as used in this section, includes all passenger, truck, truck-tractor, and motorcycle registrations. The number of registrations used in computing the percentage shall be those certified to the state treasurer by the department of revenue as constituting the urban motor vehicle registration for the last preceding year. The adjusted registration shall be computed by applying a factor to the actual number of such registrations to reflect the increased standards and costs of construction resulting from the concentration of vehicles in cities and incorporated places. For this purpose the following table of actual registration numbers and factors shall be employed:

Actual registrations	Factor
1 -- 500	1.0
501 -- 1,250	1.1
1,251 -- 2,500	1.2
2,501 -- 5,000	1.3
5,001 -- 12,500	1.4
12,501 -- 25,000	1.5
25,001 -- 50,000	1.6
50,001 -- 85,000	1.7
85,001 -- 125,000	1.8
125,001 -- 165,000	1.9
165,001 -- 205,000	2.0
205,001 -- 245,000	2.1
245,001 -- 285,000	2.2
285,001 -- 325,000	2.3
325,001 -- 365,000	2.4
365,001 -- 405,000	2.5
405,001 -- 445,000	2.6
445,001 -- 485,000	2.7
485,001 -- 525,000	2.8
525,001 -- 565,000	2.9
565,001 -- 605,000	3.0

SECTION 9. In Colorado Revised Statutes, 43-4-702, **repeal** (7); and **add** (9) as follows:

43-4-702. Definitions. As used in this part 7, unless the context otherwise requires:

(7) ~~"Revenue anticipation notes" or "notes" means revenue anticipation notes authorized by and issued in accordance with this part 7.~~

(9) "TRANSPORTATION REVENUE ANTICIPATION NOTES", "REVENUE ANTICIPATION NOTES", OR "NOTES" MEANS REVENUE ANTICIPATION NOTES AUTHORIZED BY AND ISSUED IN ACCORDANCE WITH THIS PART 7.

SECTION 10. In Colorado Revised Statutes, 43-4-705, **amend** (2)(a)(II) and (13); and **add** (2)(a)(II.5) as follows:

43-4-705. Revenue anticipation notes - repeal. (2) (a) Subject to the provisions of this subsection (2), the principal of and interest on revenue anticipation notes and any costs associated with the issuance and administration of such notes shall be payable solely from:

(II) Any proceeds of such notes and any earnings from the investment of such note proceeds pledged for such purpose; ~~and~~

(II.5) MONEY TRANSFERRED FROM THE GENERAL FUND TO THE STATE HIGHWAY FUND PURSUANT TO SECTION 24-75-219 (5)(c); AND

(13) (a) Notwithstanding any other provision of this part 7 to the contrary, the executive director shall have the authority to issue revenue anticipation notes pursuant to this part 7 only if voters statewide approve the ballot question submitted at the November 1999 statewide election pursuant to section 43-4-703 (1) and only then to the extent allowed under the maximum amounts of debt and repayment cost so approved.

(b) (I) SUBJECT TO VOTER APPROVAL OF THE BALLOT ISSUE SUBMITTED AT THE NOVEMBER 2019 STATEWIDE ELECTION PURSUANT TO SUBSECTION (13)(b)(III) OF THIS SECTION AND THE REPAYMENT FUNDING COMMITMENT REQUIREMENT SPECIFIED IN SUBSECTION (13)(b)(II) OF THIS SECTION, THE EXECUTIVE DIRECTOR SHALL ISSUE ADDITIONAL TRANSPORTATION REVENUE ANTICIPATION NOTES IN A MAXIMUM AMOUNT

OF TWO BILLION THREE HUNDRED THIRTY-SEVEN MILLION DOLLARS AND WITH A MAXIMUM REPAYMENT COST OF THREE BILLION TWO HUNDRED FIFTY MILLION DOLLARS. THE MAXIMUM REPAYMENT TERM FOR ANY NOTES ISSUED PURSUANT TO THIS SUBSECTION (13)(b) IS TWENTY YEARS, AND THE CERTIFICATE, TRUST INDENTURE, OR OTHER INSTRUMENT AUTHORIZING THEIR ISSUANCE SHALL PROVIDE THAT THE STATE MAY PAY THE NOTES IN FULL WITHOUT PENALTY NO LATER THAN TEN YEARS FOLLOWING THE DATE OF ISSUANCE.

(II) NOTWITHSTANDING SECTION 43-1-113 (19) AND SUBSECTION (12)(a) OF THIS SECTION, BEFORE ISSUING ANY REVENUE ANTICIPATION NOTES AS AUTHORIZED BY SUBSECTION (13)(b)(I) OF THIS SECTION, THE TRANSPORTATION COMMISSION SHALL ADOPT A RESOLUTION IN WHICH IT AGREES, SUBJECT TO THE REQUIREMENTS OF SECTION 43-4-706 (2), THAT IT INTENDS TO ANNUALLY ALLOCATE FROM LEGALLY AVAILABLE MONEY UNDER ITS CONTROL ANY AMOUNT NEEDED FOR PAYMENT OF THE NOTES UNTIL THE NOTES ARE FULLY REPAID. THE COMMISSION SHALL FIRST ALLOCATE FOR PAYMENT OF THE NOTES MONEY TRANSFERRED FROM THE GENERAL FUND TO THE STATE HIGHWAY FUND PURSUANT TO SECTION 24-75-219 (5)(b) AND ANY MONEY ALLOCATED BY THE COMMISSION FROM THE TRANSPORTATION REVENUE ANTICIPATION NOTES RESERVE ACCOUNT CREATED IN SECTION 43-4-714 (2) AND THEREAFTER SHALL ALLOCATE FOR PAYMENT OF THE NOTES ANY OTHER LEGALLY AVAILABLE MONEY UNDER ITS CONTROL.

(III) THE SECRETARY OF STATE SHALL SUBMIT TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2019 STATEWIDE ELECTION THE FOLLOWING BALLOT ISSUE: "SHALL STATE OF COLORADO DEBT BE INCREASED \$2,337,000,000, WITH A MAXIMUM REPAYMENT COST OF \$3,250,000,000, WITHOUT RAISING TAXES, THROUGH THE ISSUANCE OF TRANSPORTATION REVENUE ANTICIPATION NOTES FOR THE PURPOSE OF ADDRESSING CRITICAL PRIORITY TRANSPORTATION NEEDS IN THE STATE BY FINANCING TRANSPORTATION PROJECTS, SHALL NOTE PROCEEDS AND INVESTMENT EARNINGS ON NOTE PROCEEDS BE EXCLUDED FROM STATE FISCAL YEAR SPENDING LIMITS, AND SHALL THE AMOUNT OF LEASE-PURCHASE AGREEMENTS REQUIRED BY CURRENT LAW TO BE ISSUED FOR THE PURPOSE OF FINANCING TRANSPORTATION PROJECTS BE REDUCED?"

(IV) NO LATER THAN MAY 1, 2019, THE DEPARTMENT SHALL

PROVIDE TO THE DIRECTOR OF RESEARCH OF THE LEGISLATIVE COUNCIL THE MOST RECENT AVAILABLE LIST OF QUALIFIED FEDERAL AID TRANSPORTATION PROJECTS, INCLUDING MULTIMODAL CAPITAL PROJECTS, THAT ARE DESIGNATED FOR TIER 1 FUNDING AS TEN-YEAR DEVELOPMENT PROGRAM PROJECTS ON THE DEPARTMENT'S 2019 DEVELOPMENT PROGRAM PROJECT LIST AND THAT THE DEPARTMENT WILL FUND WITH PROCEEDS OF ANY TRANSPORTATION REVENUE ANTICIPATION NOTES ISSUED AS AUTHORIZED BY THIS SUBSECTION (13)(b). IN ORDER TO FULLY INFORM THE VOTERS OF THE STATE CONCERNING THE PROJECTS TO BE FUNDED WITH PROCEEDS OF ANY SUCH ADDITIONAL TRANSPORTATION REVENUE ANTICIPATION NOTES BEFORE THE VOTERS VOTE ON THE BALLOT QUESTION SPECIFIED IN SUBSECTION (13)(b)(III) OF THIS SECTION, THE DIRECTOR OF RESEARCH SHALL PUBLISH THE LIST, INCLUDING ANY SUBSEQUENT UPDATES TO THE LIST MADE BEFORE FINAL APPROVAL BY THE LEGISLATIVE COUNCIL OF THE 2019 BALLOT INFORMATION BOOKLET PREPARED PURSUANT TO SECTION 1-40-124.5, WHICH UPDATES THE DEPARTMENT SHALL EXPEDITIOUSLY PROVIDE TO THE DIRECTOR OF RESEARCH, IN THE BALLOT INFORMATION BOOKLET.

(V) (A) THIS SUBSECTION (13)(b) IS REPEALED, EFFECTIVE JANUARY 1, 2019, IF A CITIZEN-INITIATED BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2018 GENERAL ELECTION AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "YES/FOR".

(B) THIS SUBSECTION (13)(b) IS REPEALED, EFFECTIVE JANUARY 1, 2020, IF A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE IN SUBSECTION (13)(b)(III) OF THIS SECTION VOTE "NO/AGAINST".

(C) THIS SUBSECTION (13)(b)(V) IS REPEALED, EFFECTIVE JANUARY 1, 2020, IF A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE IN SUBSECTION (13)(b)(III) OF THIS SECTION VOTE "YES/FOR".

SECTION 11. In Colorado Revised Statutes, amend 43-4-714 as follows:

43-4-714. Use of note proceeds - repeal. (1) ~~If the executive director issues any revenue anticipation notes in accordance with the provisions of this part 7, the proceeds from the sale of such notes that are not otherwise pledged for the payment of such notes shall be used for the~~

~~qualified federal aid transportation projects included in the strategic transportation project investment program of the department of transportation.~~ NET PROCEEDS FROM THE SALE OF ANY TRANSPORTATION REVENUE ANTICIPATION NOTES THAT THE EXECUTIVE DIRECTOR ISSUES PURSUANT TO SECTION 43-4-705 (13)(b) THAT ARE NOT OTHERWISE PLEDGED FOR THE PAYMENT OF THE NOTES SHALL BE ALLOCATED AS FOLLOWS:

(a) EIGHTY-FIVE PERCENT OF THE NET PROCEEDS SHALL BE CREDITED TO THE STATE HIGHWAY FUND CREATED IN SECTION 43-1-219 AND EXPENDED BY THE DEPARTMENT ONLY FOR QUALIFIED FEDERAL AID TRANSPORTATION PROJECTS THAT ARE INCLUDED IN THE STRATEGIC TRANSPORTATION PROJECT INVESTMENT PROGRAM OF THE DEPARTMENT OF TRANSPORTATION AND THAT ARE DESIGNATED FOR TIER 1 FUNDING AS TEN-YEAR DEVELOPMENT PROGRAM PROJECTS ON THE DEPARTMENT'S DEVELOPMENT PROGRAM PROJECT LIST, WITH AT LEAST TWENTY-FIVE PERCENT OF THE NET PROCEEDS OF TRANSPORTATION REVENUE ANTICIPATION NOTES THAT ARE CREDITED TO THE STATE HIGHWAY FUND BEING USED FOR PROJECTS THAT ARE LOCATED IN COUNTIES WITH POPULATIONS OF FIFTY THOUSAND OR LESS AS OF JULY 2015 AS REPORTED BY THE STATE DEMOGRAPHY OFFICE OF THE DEPARTMENT OF LOCAL AFFAIRS.

(b) FIFTEEN PERCENT OF THE NET PROCEEDS SHALL BE CREDITED TO THE TRANSPORTATION REVENUE ANTICIPATION NOTES PROCEEDS ACCOUNT OF THE MULTIMODAL TRANSPORTATION OPTIONS FUND CREATED IN SECTION 43-4-1103 (1).

(2) (a) THE TRANSPORTATION REVENUE ANTICIPATION NOTES RESERVE ACCOUNT IS HEREBY CREATED IN THE STATE HIGHWAY FUND. THE STATE TREASURER SHALL CREDIT A PORTION OF THE MONEY TRANSFERRED FROM THE GENERAL FUND TO THE STATE HIGHWAY FUND PURSUANT TO SECTION 24-75-219 (5)(c)(IV)(A) TO THE RESERVE ACCOUNT AS FOLLOWS:

(I) ON JUNE 30, 2020, SEVENTY-FIVE MILLION NINE HUNDRED FIFTY-TWO THOUSAND FIVE HUNDRED DOLLARS; AND

(II) ON JUNE 30, 2021, SEVENTY-FIVE MILLION NINE HUNDRED FIFTY-TWO THOUSAND FIVE HUNDRED DOLLARS.

(b) DURING ANY STATE FISCAL YEAR FOR WHICH THERE IS A GENERAL

FUND REVENUE SHORTFALL AND THE GOVERNOR FORMULATES AND IMPLEMENTS A PLAN TO REDUCE GENERAL FUND EXPENDITURES AS REQUIRED BY SECTION 24-75-201.5, THE TRANSPORTATION COMMISSION, IN CONSULTATION WITH THE GOVERNOR, MAY ALLOCATE MONEY FROM THE ACCOUNT FOR THE SOLE PURPOSE OF PAYING ALL OR A PORTION OF ANY PAYMENT ON TRANSPORTATION REVENUE ANTICIPATION NOTES DUE DURING THE STATE FISCAL YEAR. IN ADDITION, THE COMMISSION MAY ALLOCATE MONEY FROM THE ACCOUNT AT ANY TIME IF DOING SO WILL ALLOW THE COMMISSION TO FULLY REPAY THE NOTES. ONCE ALL TRANSPORTATION REVENUE ANTICIPATION NOTES ARE REPAID IN FULL, THE STATE TREASURER SHALL TRANSFER ANY MONEY REMAINING IN THE ACCOUNT TO THE STATE HIGHWAY FUND.

(3) (a) THIS SECTION IS REPEALED:

(I) EFFECTIVE JANUARY 1, 2019, IF A BALLOT ISSUE INITIATED BY PRIVATE CITIZENS THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2018 GENERAL ELECTION AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "YES/FOR".

(II) EFFECTIVE JANUARY 1, 2020, IF A BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2019 STATEWIDE ELECTION PURSUANT TO SECTION 43-4-705 (13)(b) AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "NO/AGAINST".

(b) THIS SUBSECTION (3) IS REPEALED, EFFECTIVE JANUARY 1, 2020, IF A BALLOT ISSUE THAT AUTHORIZES THE STATE TO ISSUE TRANSPORTATION REVENUE ANTICIPATION NOTES IS SUBMITTED TO THE REGISTERED ELECTORS OF THE STATE FOR THEIR APPROVAL OR REJECTION AT THE NOVEMBER 2019 STATEWIDE ELECTION PURSUANT TO SECTION 43-4-705 (13)(b) AND A MAJORITY OF THE ELECTORS VOTING ON THE BALLOT ISSUE VOTE "YES/FOR".

SECTION 12. In Colorado Revised Statutes, **add** part 11 to article 4 of title 43 as follows:

PART 11
MULTIMODAL TRANSPORTATION OPTIONS FUNDING

43-4-1101. Legislative declaration. (1) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT IT IS NECESSARY, APPROPRIATE, AND IN THE BEST INTEREST OF THE STATE TO USE A PORTION OF THE GENERAL FUND MONEY THAT IS DEDICATED FOR TRANSPORTATION PURPOSES PURSUANT TO SECTION 24-75-219 (5) TO FUND MULTIMODAL TRANSPORTATION PROJECTS AND OPERATIONS THROUGHOUT THE STATE AS AUTHORIZED BY THIS PART 11 BECAUSE, IN ADDITION TO THE GENERAL BENEFITS THAT IT PROVIDES TO ALL COLORADANS, A COMPLETE AND INTEGRATED MULTIMODAL TRANSPORTATION SYSTEM:

(a) BENEFITS SENIORS BY MAKING AGING IN PLACE MORE FEASIBLE FOR THEM;

(b) BENEFITS RESIDENTS OF RURAL AREAS BY PROVIDING THEM WITH FLEXIBLE PUBLIC TRANSPORTATION SERVICES;

(c) PROVIDES ENHANCED MOBILITY FOR PERSONS WITH DISABILITIES;
AND

(d) PROVIDES SAFE ROUTES TO SCHOOLS FOR CHILDREN.

43-4-1102. Definitions. AS USED IN THIS PART 11, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(1) "ACCOUNT" MEANS THE TRANSPORTATION REVENUE ANTICIPATION NOTES PROCEEDS ACCOUNT OF THE MULTIMODAL TRANSPORTATION OPTIONS FUND CREATED IN SECTION 43-4-1103 (1)(b).

(2) "COMMISSION" MEANS THE TRANSPORTATION COMMISSION CREATED IN SECTION 43-1-106 (1).

(3) "DEPARTMENT" MEANS THE DEPARTMENT OF TRANSPORTATION.

(4) "FUND" MEANS THE MULTIMODAL TRANSPORTATION OPTIONS FUND CREATED IN SECTION 43-4-1103 (1)(a).

(5) "MULTIMODAL PROJECTS" MEANS CAPITAL OR OPERATING COSTS

FOR FIXED ROUTE AND ON-DEMAND TRANSIT, TRANSPORTATION DEMAND MANAGEMENT PROGRAMS, MULTIMODAL MOBILITY PROJECTS ENABLED BY NEW TECHNOLOGY, MULTIMODAL TRANSPORTATION STUDIES, AND BICYCLE OR PEDESTRIAN PROJECTS.

43-4-1103. Multimodal transportation options fund and transportation revenue anticipation notes proceeds account of fund - creation - revenue sources for fund - use of fund - limitations on use of tax-exempt note proceeds. (1) (a) THE MULTIMODAL TRANSPORTATION OPTIONS FUND IS HEREBY CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF MONEY TRANSFERRED FROM THE GENERAL FUND TO THE FUND PURSUANT TO SECTION 24-75-219 (5)(a)(III) AND (5)(b)(III) AND ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND. THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO THE FUND.

(b) THE TRANSPORTATION REVENUE ANTICIPATION NOTES PROCEEDS ACCOUNT IS HEREBY CREATED IN THE FUND. ANY NET PROCEEDS OF TRANSPORTATION REVENUE ANTICIPATION NOTES THAT THE STATE ISSUES SHALL BE CREDITED TO THE ACCOUNT. THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE ACCOUNT TO THE ACCOUNT.

(2) (a) (I) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (2)(a)(II) OF THIS SECTION, SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY, MONEY MUST BE EXPENDED FROM THE FUND AS FOLLOWS:

(A) EIGHTY-FIVE PERCENT TO THE COMMISSION FOR LOCAL MULTIMODAL PROJECTS; AND

(B) FIFTEEN PERCENT TO THE COMMISSION FOR STATE MULTIMODAL PROJECTS THAT ARE SELECTED BY THE COMMISSION.

(II) ON JULY 1, 2018, THE STATE TREASURER SHALL TRANSFER TWO MILLION FIVE HUNDRED THOUSAND DOLLARS FROM THE FUND TO THE FUND CREATED IN SECTION 43-4-1002 (1).

(b) (I) SUBJECT TO THE LIMITATIONS SET FORTH IN SUBSECTION (2)(b)(II) OF THIS SECTION, MONEY MUST BE EXPENDED FROM THE ACCOUNT

AS FOLLOWS:

(A) EIGHTY-FIVE PERCENT TO THE COMMISSION FOR LOCAL MULTIMODAL PROJECTS; AND

(B) FIFTEEN PERCENT TO THE COMMISSION FOR STATE MULTIMODAL PROJECTS THAT ARE SELECTED BY THE COMMISSION.

(II) THE COMMISSION SHALL ENSURE, IN COOPERATION WITH EACH RECIPIENT OF SUCH MONEY FROM THE ACCOUNT, THAT ANY NET PROCEEDS OF TAX-EXEMPT TRANSPORTATION REVENUE ANTICIPATION NOTES CREDITED TO THE ACCOUNT AND ANY INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF ANY SUCH PROCEEDS ARE EXPENDED ONLY IN COMPLIANCE WITH ALL APPLICABLE FEDERAL LAWS AND REGULATIONS GOVERNING THE USE OF TAX-EXEMPT NOTE PROCEEDS.

(c) WITH RESPECT TO THE DISTRIBUTION OF MONEY FOR LOCAL MULTIMODAL PROJECTS REQUIRED BY SUBSECTION (2)(a)(I)(A) OF THIS SECTION AND, FOR NET PROCEEDS OF TAXABLE TRANSPORTATION REVENUE ANTICIPATION NOTES AND INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF SUCH PROCEEDS ONLY, THE DISTRIBUTION OF MONEY FOR LOCAL MULTIMODAL PROJECTS REQUIRED BY SUBSECTION (2)(b)(I)(A) OF THIS SECTION, THE COMMISSION SHALL ESTABLISH A FORMULA FOR DISBURSEMENT OF THE AMOUNT ALLOCATED FOR LOCAL MULTIMODAL PROJECTS, BASED ON POPULATION AND TRANSIT RIDERSHIP, IN CONSULTATION WITH THE TRANSPORTATION ADVISORY COMMITTEE CREATED IN SECTION 43-1-1104, THE TRANSIT AND RAIL ADVISORY COMMITTEE OF THE DEPARTMENT, TRANSIT ADVOCACY ORGANIZATIONS, AND BICYCLE AND PEDESTRIAN ADVOCACY ORGANIZATIONS. RECIPIENTS SHALL PROVIDE A MATCH EQUAL TO THE AMOUNT OF THE AWARD; EXCEPT THAT THE COMMISSION MAY CREATE A FORMULA FOR REDUCING OR EXEMPTING THE MATCH REQUIREMENT FOR LOCAL GOVERNMENTS OR AGENCIES DUE TO THEIR SIZE OR ANY OTHER SPECIAL CIRCUMSTANCES.

(3) (a) THE DEPARTMENT SHALL ANNUALLY REPORT TO THE TRANSPORTATION LEGISLATION REVIEW COMMITTEE OF THE GENERAL ASSEMBLY CREATED IN SECTION 43-2-145 (1) REGARDING ITS EXPENDITURES FROM THE FUND AND THE ACCOUNT INCLUDING, AT A MINIMUM:

(I) AN AGGREGATE ACCOUNTING OF ALL MONEY EXPENDED FROM

THE FUND AND THE ACCOUNT DURING THE PRIOR FISCAL YEAR; AND

(II) A LISTING OF ALL PROJECTS RECEIVING FUNDING FROM THE FUND AND THE ACCOUNT DURING THE PRIOR FISCAL YEAR THAT INCLUDES FOR EACH PROJECT:

(A) IDENTIFICATION OF THE ENTITY RECEIVING FUNDING FOR THE PROJECT;

(B) THE AMOUNT OF FUNDING PROVIDED FOR THE PROJECT; AND

(C) THE AMOUNT OF LOCAL MATCHING MONEY PROVIDED FOR THE PROJECT.

(b) NOTWITHSTANDING SECTION 24-1-136 (11)(a), THE REPORTING REQUIREMENT SPECIFIED IN SUBSECTION (3)(a) OF THIS SECTION CONTINUES INDEFINITELY.

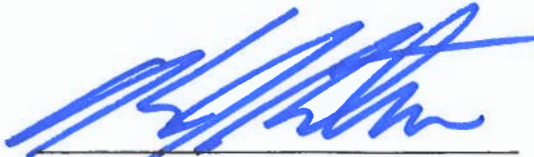
SECTION 13. Effective date. (1) Except as otherwise provided in subsection (2) of this section, this act takes effect upon passage.

(2) Section 3 of this act takes effect only if either:

(a) A citizen-initiated ballot issue that authorizes the state to issue transportation revenue anticipation notes but does not authorize the state to collect additional tax revenue for the purpose of providing a revenue source for repayment of the notes is submitted to the registered electors of the state for their approval or rejection at the November 2018 general election and a majority of the electors voting on the ballot issue vote "Yes/For", and, in such case, section 3 of this act takes effect on the date of the official declaration of the vote thereon by the governor; or

(b) A ballot issue that authorizes the state to issue transportation revenue anticipation notes is submitted to the registered electors of the state for their approval or rejection at the November 2019 statewide election pursuant to section 43-4-705 (13)(b), Colorado Revised Statutes, enacted in section 10 of this act, and a majority of the electors voting on the ballot issue vote "Yes/For", and, in such case, section 3 of this act takes effect on the date of the official declaration of the vote thereon by the governor.

SECTION 14. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.



Kevin J. Grantham
PRESIDENT OF
THE SENATE



Crisanta Duran
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

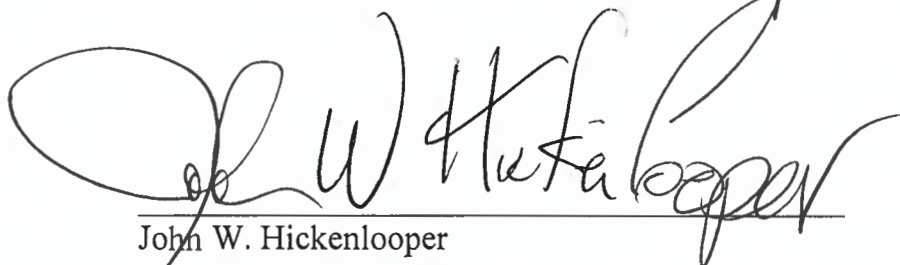


Effie Ameen
SECRETARY OF
THE SENATE



Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED 11:52 AM 5/31/18



John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO

Senate Bill 1: Multimodal Options Fund

Resolution #TC-19-06-05

Approving the distribution of local pass-through SB 18-001 Multi-Modal Transportation Options Fund monies to be administered by CDOT Staff.

Approved by the Transportation Commission on June 20, 2019.

WHEREAS, SB 18-001 includes a provision that establishes a Multimodal Options Fund with \$80.12 Million of that fund specified as pass-through monies for projects selected by local governments; and

WHEREAS, SB 18-001 required consultation with consultation with the Transit and Rail Advisory Committee (TRAC), the Statewide Transportation Advisory Committee (STAC), transit advocacy organizations, and bicycle and pedestrian organizations in developing a distribution; and

WHEREAS, SB 18-001 requires a local match equal to the amount of the award, excepting that Transportation Commission may create a formula for reducing or exempting the match requirement for local governments or agencies due to their size or any other special circumstances; and

WHEREAS, the Transportation Commission agreed to a MMOF Committee comprised of the consultative representatives; and

WHEREAS, the MMOF Committee did work to recommend, by consensus, a distribution methodology for the local portion, as required by law to be based on population and ridership; and

WHEREAS, the STAC and TRAC members did further review the work of the MMOF Committee and agree that the MMOF Committee's recommendation was sound; and

WHEREAS, Transit & Intermodal Committee (T&I) of the Transportation Commission did also have a brief opportunity to review the recommendations at the May 2019 meeting; and

WHEREAS, Transportation Commission did also review this information further at a workshop of the whole on June 19th 2019 meeting;

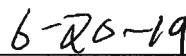
NOW THEREFORE BE IT RESOLVED, that the distribution of \$80.12 Million is guided by a formula reserving approximately 5% (\$4 Million) for administration, oversight, and reporting purposes, and 81% (\$61.65 M) is thereafter is allocated to the five urbanized metropolitan planning organizations (MPOs), and 19% (\$14.46 M) is also thereafter allocated to the ten rural transportation planning regions (TPRs).

NOW THEREFORE BE IT FURTHER RESOLVED, that the Transportation Commission approved sub-allocation formulas among MPOs to MPOs, and among TPRs to TPRs, attached;

NOW THEREFORE BE IT FURTHER RESOLVED, that the Transportation Commission, allows MPOs and TPRs to consider match relief for counties under 50,000 population, or individual cities/towns under 20,000 population, and for which poverty is 12% (median) or higher; OR meeting those population criteria, some other extraordinary need/disadvantage can be clearly shown, AND all such match relief recommendations are ultimately approved by the Transportation Commission.



Herman Stockinger, Secretary
Transportation Commission of Colorado



Date

Allocation by Transportation Planning Region

TPR Name	Pop 2016	Jobs	Disadv Pop	Zero vehicles	Revenue Miles	Unlinked Trips	Bike Crash	Pedestrian Crash	School Aged Children	Household Affordability "Population-Burden" (pop adjusted by relative % housing & trans costs)	Alloc%	Allocations\$
Pikes Peak Area	12.3%	10.0%	11.8%	9.9%	4.4%	2.6%	7.4%	7.5%	13.5%	12.2%	9.5%	\$6,865,226
Denver Area	57.7%	64.3%	52.9%	62.5%	69.6%	80.5%	65.6%	75.1%	56.8%	54.4%	62.4%	\$45,292,984
North Front Range	8.9%	8.0%	9.2%	7.3%	4.7%	3.9%	12.9%	5.0%	9.4%	8.8%	7.7%	\$5,591,491
Pueblo Area	3.0%	2.3%	4.4%	4.8%	1.2%	0.7%	2.6%	3.1%	3.0%	3.6%	2.9%	\$2,128,884
Grand Valley	2.7%	2.6%	3.6%	2.8%	1.1%	0.6%	3.3%	2.0%	2.8%	3.1%	2.4%	\$1,773,755
Eastern	1.5%	1.0%	1.7%	1.5%	0.1%	0.0%	0.2%	0.4%	1.4%	1.9%	1.1%	\$1,031,838
Southeast	0.8%	0.6%	1.3%	1.0%	0.1%	0.0%	0.1%	0.2%	0.8%	1.1%	0.7%	\$664,017
San Luis Valley	1.2%	0.9%	1.9%	1.6%	0.1%	0.0%	0.5%	0.4%	1.2%	1.6%	1.0%	\$961,989
Gunnison Valley	1.8%	1.4%	2.6%	1.9%	5.0%	2.7%	1.0%	0.7%	1.7%	2.3%	2.5%	\$2,355,869
Southwest	1.8%	1.6%	2.1%	0.9%	1.2%	0.4%	0.2%	0.4%	0.9%	2.1%	1.3%	\$1,247,368
Intermountain	3.1%	3.5%	2.5%	1.7%	7.9%	6.4%	2.7%	2.6%	3.5%	3.3%	3.9%	\$3,751,566
Northwest	1.1%	1.1%	1.0%	0.8%	1.2%	1.3%	0.7%	0.5%	1.1%	1.2%	1.0%	\$993,003
Upper Front Range	1.9%	1.4%	2.1%	1.4%	1.0%	0.1%	1.9%	1.0%	2.1%	2.0%	1.6%	\$1,492,904
Central Front Range	1.8%	1.0%	2.3%	1.3%	2.3%	0.8%	0.7%	0.8%	1.5%	2.1%	1.7%	\$1,617,326
South Central	0.4%	0.3%	0.6%	0.7%	0.2%	0.0%	0.1%	0.2%	0.3%	0.5%	0.4%	\$345,780
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	\$76,114,000
Urban Formula wt	20.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	
Rural Formula wt	20.0%		15.0%	10.0%	15.0%	10.0%	5.0%	5.0%	10.0%	10.0%	10.0%	
									CDOT Region 1		53.0%	\$ 40,347,649
									CDOT Region 2		15.3%	\$ 11,621,234
									CDOT Region 3		10.9%	\$ 8,285,226
									CDOT Region 4		17.2%	\$ 13,061,567
									CDOT Region 5		3.7%	\$ 2,798,324
									Administrative		N/A	\$ 4,006,000