

Colorado Legislative Council Staff Fiscal Note
STATE and LOCAL
REVISED FISCAL IMPACT
 (replaces fiscal note dated January 26, 2009)

Drafting Number: LLS 09-0497	Date: February 19, 2009
Prime Sponsor(s): Sen. Gibbs Rep. Rice	Bill Status: House Appropriations Fiscal Analyst: Chris Ward (303-866-5834)

TITLE: 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.

Fiscal Impact Summary	FY 2009-2010	FY 2010-2011
State Revenue		
Cash Funds		
Multiple Sources - Fees, Fines, and Surcharges	at least \$200 million	at least \$250 million
State Expenditures		
General Fund*	\$48,288	
Cash Funds		
Highway Users Tax Fund	at least \$150 million	at least \$150 million
Bridge Special Fund	at least \$50 million	at least \$100 million
State Highway Fund	75,000	
Highway Users Tax Fund/CSTARS Account*	54,082	
FTE Position Change	0.5 FTE	0.0 FTE
Effective Date: Section 5 takes effect January 1, 2010; all other sections take effect upon signature of the Governor or upon becoming law without his signature.		
Appropriation Summary for FY 2009-2010: None required.		
Local Government Impact: Increased HUTF allocations to counties and municipalities		

* No separate appropriation of these moneys is required because the annual Long Bill includes funding for computer programming costs in the Department of Revenue associated with special legislation.

Summary of Legislation

As amended by the House Transportation Committee on February 17, 2009, the reengrossed bill makes several changes to the financing and administration of transportation improvements. It also creates several new functional units within the Colorado Department of Transportation (CDO,T) all of which are established as government-owned business enterprises with the authority to issue revenue bonds. Specifically, the bill:

- increases fees, fines, and surcharges to provide an estimated \$250 million in new annual funding for statewide transportation improvements;

- creates the Statewide Bridge Enterprise with the authority to finance, repair and maintain certain designated bridges in the state highway system, and to impose a bridge safety surcharge to repay bonds;
- creates the High-Performance Transportation Enterprise to enter into public-private partnerships and assess user fees on existing highways to repay bonds issued for transportation infrastructure projects;
- requires CDOT to create a standing efficiency and accountability committee charged with seeking ways to maximize the efficiency of the department.

State Revenue

The bill is expected to increase state revenue by **at least \$200 million in FY 2009-10** and at least \$250 million per year thereafter. This includes revenue from fees, fines, and surcharges which would all be assessed at the time a vehicle is registered. This estimate does not include revenue from any user fees that might be assessed for traveling on existing highways. Table 1 outlines the new revenue, consistent with Section 2-2-322, C.R.S., which requires legislative service agency review of measures which create or increase any fee collected by a state agency.

Type of Fee	Current Fee	New Fee *	Fee Change	Number Affected	Total Fee Impact
Road Safety Surcharge *	\$0.00	\$22.74	\$22.74	5,539,613	\$125,944,295
Bridge Safety Surcharge *	\$0.00	\$9.10	\$9.10	5,539,613	\$50,406,850
Daily Fee on Rental Cars **	\$0.00	\$2.00	\$2.00	12,138,750	\$24,277,500
Oversize Vehicle Surcharge *	\$79.63	\$159.26	\$79.63	54,750	\$4,360,000
Permit Fee for Divisible Loads *	\$0.00	\$100.00	\$100.00	10,000	\$1,000,000
Late Registration Fee ***	\$10.00	\$25.00	\$15.00	n/a	n/a
TOTAL					\$205,988,645

* This represents an average proposed fee for all vehicles in FY 2009-10. Road and Bridge Safety Surcharges will increase in FY 2010-11. The permit fee for divisible loads starts January 1, 2010.
 ** Assumes 62,250 vehicles rented for 195 days each.
 *** No information is available on the number of vehicles subject to the late registration fee.

Allocation of Revenue. With the exception of the bridge safety surcharge, all revenue from fees, fines, and surcharges imposed by this bill (about \$155 million in FY 2009-10) will be credited to the Highway Users Tax Fund (HUTF). Revenue from the bridge safety surcharge (\$50 million in FY 2009-10) will be credited to the newly-created Bridge Special Fund. The amount for bridges will double to at least \$100 million in FY 2010-11, because the bill limits the amount of the surcharge in FY 2009-10 to one-half the statutory level.

Additional Charges. In addition to the fees and surcharges shown in Table 1, the bill allows the High-Performance Transportation Enterprise to impose user fees on existing highways. Any amount of state revenue that might be raised through these charges is unknown at this time. The bill also increases the fine for failing to register a vehicle. Data on the impact of these provisions is not available at this time.

State Expenditures

The bill will increase state expenditures by at least \$200 million in FY 2009-10 and by at least \$250 million per year thereafter, as described below.

Department of Transportation. The bill provides new funding for transportation improvements totaling at least **\$200 million in FY 2009-10** and at least \$250 million per year thereafter. These moneys are credited to either the HUTF or the Bridge Special Fund and are continuously appropriated. To administer new functions, the bill establishes or requires the Transportation Commission to establish the following new entities:

- the Statewide Bridge Enterprise;
- the High-Performance Transportation Enterprise; and
- an efficiency and accountability committee.

The department will also need to reprogram its permitting systems to allocate the new revenue as required by the bill. These one-time costs are expected to total **\$75,000 in FY 2009-10** and would be paid from the State Highway Fund. Since the fund is continuously appropriated, no further appropriation is required.

The bill abolishes the Statewide Tolling Enterprise. Staff and financial support for these newly-created entities will require reassignment of existing personnel, but will not require additional appropriations.

Department of Revenue. Implementing new fees, fines, and surcharges will require computer programming changes to several systems administered by the Department of Revenue. In total, these changes are expected to cost **\$102,370** for 2,650 hours of work. Of this amount, \$48,288 will be paid from the General Fund and \$54,082 will be paid from the Colorado State Titling and Registration Account of the HUTF. Computer programming costs are paid at a rate of \$38.63 per hour. Since the department has traditionally received moneys in the Long Bill to cover the cost of computer programming required to implement new legislation, no further appropriation is required.

Department of Personnel and Administration. The State Controller must approve all lease purchase agreements and certain waivers related to lease purchase agreements and the issuance of certificates of participation. Based on similar requirements in the past, these requirements are expected to cost **\$42,346**, including personal services and operating costs for 0.5 FTE. These or similar costs would be incurred each time certificates of participation are issued or a waiver is

sought. It is unclear whether such costs would be incurred in FY 2009-10, but if not, they would likely be incurred in FY 2010-11. Because this work is related to projects of the bridge enterprise, it is assumed that these costs would be paid from the Bridge Special Fund through a separate appropriation from the fund to the Department of Personnel and Administration. If not, the costs would be paid from the General Fund.

Local Government Impact

The bill will increase HUTF allocations to counties and municipalities.

State Appropriations

For FY 2009-10, this fiscal note implies that the Department of Personnel and Administration should be appropriated \$42,346 from the Bridge Special Fund and 0.5 FTE, but only if the Bridge Enterprise elects to issue certificates of participation in FY 2009-10.

Departments Contacted

Judicial	Personnel and Administration	Revenue
Transportation	Treasury	