

**FINAL
FISCAL NOTE**

Drafting Number: LLS 08-0137
Prime Sponsor(s): Rep. Vaad
 Sen. Johnson

Date: May 21, 2008
Bill Status: Postponed Indefinitely
Fiscal Analyst: Brad Denning (303-866-4777)

TITLE: CONCERNING AN ALTERNATIVE MEANS OF INITIATING THE FORMATION OF A REGIONAL TRANSPORTATION AUTHORITY.

| Fiscal Impact Summary | FY 2008-2009 | FY 2009-2010 |
|---|---------------------|---------------------|
| State Revenue | | |
| State Expenditures | | |
| FTE Position Change | 0.0 FTE | 0.0 FTE |
| Effective Date: The bill was postponed indefinitely by the House Transportation and Energy Committee on February 12, 2008. | | |
| Appropriation Summary for FY 2008-2009: None required. | | |
| Local Government Impact: See Local Government Impact. | | |

Summary of Legislation

The bill allows a regional transportation authority (RTA) to be formed by filing a petition with each county clerk and recorder located in the proposed RTA. It establishes the process for petitioning county clerks and proposes specific ballot language. Ballot language proposing tax and debt questions to provide a transportation service is subject to voter approval.

Background. Current law allows for the formation of an RTA by contract. An authority is established to provide regional transportation systems. To fund its transportation system, the authority may impose tolls, fees, or a tax. Voter approval is required for an RTA to propose taxes or incur debt. The Division of Local Government in the Department of Local Affairs is required to issue a certificate upon the filing of a contract establishing an authority. To establish an RTA by contract, a municipality or county must first hold public hearings and seek voter approval.

State Revenue

The bill is assessed as having a state conditional fiscal impact as it allows electors in the proposed RTAs to decide whether or not to impose taxes. Should the electors decide to impose a sales tax, the Department of Revenue (DOR) may incur costs for the administration and collection of the tax. It is assumed that local governments will reimburse the DOR for these costs, and that the reimbursement will be credited to either the Highway Users Trust Fund, the General Fund, or both, depending on the type of expenditure incurred. However, it is not known whether RTAs will be created by petition or if they will decide to impose taxes. Thus, there is no estimate of a state fiscal impact at this time.

State Expenditures

The costs are conditional, predicated on whether or not an RTA is created and how it decides to function. The bill could affect the DOR, depending upon the number of RTAs established, and the revenue sources they decide to use.

Department of Revenue. If voters approve a sales tax for an RTA, the DOR would be responsible for implementing, administering, and collecting the tax, and remitting the proceeds to the authority. This responsibility would require the department to reprogram the existing sales tax systems, both for vehicles and for all other taxable items. It is not certain if an RTA will decide to impose a sales tax, thus, there is no estimate of state expenditures at this time.

Local Government Impact

Upon voter approval of an RTA, the authority's revenue and expenditures will increase. Revenue will increase based on each RTA's method to fund itself (i.e., tax - property, sales) and its tax rate. An authority will incur expenditures depending upon the type of transportation services it provides.

Elections. Municipalities and counties affected by the proposed RTA will incur election costs, whether a special or general election is used to create the authority. Election costs include fixed and variable costs that depend upon the number of voters. These costs cannot be determined because it is unknown if these authorities will be created by petition.

State Appropriations

None required.

Departments Contacted

Local Affairs
State

Revenue
Transportation

Regional Transportation District