

Colorado Legislative Council Staff Fiscal Note
STATE and LOCAL
CONDITIONAL FISCAL IMPACT

Drafting Number: LLS 11-0474
Prime Sponsor(s): Rep. Ramirez

Date: January 21, 2011
Bill Status: House Transportation
Fiscal Analyst: Jonathan Senft (303-866-3523)

TITLE: CONCERNING A REQUIREMENT THAT THE REGIONAL TRANSPORTATION DISTRICT CONTRACT A CERTAIN AMOUNT OF ITS VEHICULAR SERVICE TO PRIVATE BUSINESSES PURSUANT TO COMPETITIVELY NEGOTIATED CONTRACTS.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue General Fund Cash Funds	See State Revenue section	See State Revenue section
State Expenditures School Finance Act	See State Revenue section	See State Revenue section
FTE Position Change		
Effective Date: August 10, 2011, if the General Assembly adjourns on May 11, 2011, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2011-2012: None required.		
Local Government Impact: See Local Government Impact section.		

Summary of Legislation

Current law permits the Regional Transportation District (RTD) to contract with private companies for up to a maximum of 58 percent of its vehicle service; there is currently no minimum-level requirement for such services. This bill sets the minimum level at 50 percent and eliminates the previous maximum level of contracted vehicle services.

State Revenues

Currently, the RTD contracts with private companies for approximately 57 percent of vehicle services. This bill is discretionary, allowing RTD to contract at any level above 50 percent. It is unknown whether the RTD will choose to lower its contracting with private companies down to the 50 percent minimum, or increase it above the current maximum of up to 58 percent. It should be noted, however, that the RTD raised its vehicle private contracting from 54 percent to 57 percent when a ceiling of 58 percent was set in statute in 2007. There was no previous ceiling prior to 2007.

Private companies pay state taxes and fees from which the RTD is exempt. Therefore, should RTD choose to decrease its level of privatized service, state revenue would also decrease. Conversely, an increase above the current rate of privatized services would increase fee and tax revenue. The following fees and taxes would be impacted:

- state motor fuel taxes (credited to the Highway Users Tax Fund (HUTF));
- vehicle registration fees;
- state sales and use taxes on parts and equipment (credited mainly to the General Fund);
- specific ownership taxes on vehicles (credited to school districts and other local governments within a county in the same proportion as property taxes); and
- personal property taxes on equipment.

Since any change in operations is contingent upon the actions of the RTD board, the bill has a state conditional fiscal impact. The actual impact, if any, would depend on the degree of privatization determined by the board.

Local Government Impact

Should the bill result in decreased private contracting, local revenue for school districts and HUTF distributions to local governments may decrease. Conversely, should private contracting increase, local revenue for school districts and HUTF distributions to local government may increase.

Departments Contacted

Regional Transportation District