A BILL FOR AN ACT

CONCERNING THE ACCELERATION OF FUNDING FOR STATE HIGHWAY TRANSPORTATION PROJECTS THAT RESULT IN NEW COMMERCIAL DEVELOPMENT IN URBAN INFILL AREAS THROUGH ALLOCATION OF A PORTION OF NEW STATE SALES TAX REVENUE ATTRIBUTABLE TO THE TRANSPORTATION PROJECTS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://www.leg.state.co.us/billsummaries.)

Section 1 of the bill provides funding for state highway system...
transportation projects through the allocation of state sales tax revenue to local governments that can demonstrate that a new project will result in greater commercial development and generate new state sales tax revenue. Specifically, the bill:

! Makes legislative findings and declarations regarding the economic development and environmental benefits of targeted transportation infrastructure financing and the need for urban infill.

! Authorizes a county or municipality or a group of contiguous counties or municipalities (local government) to apply to the Colorado office of economic development (office) and the Colorado economic development commission (commission) for approval of:

! A transportation project that is located within a metropolitan planning organization, is adjacent to undeveloped or underdeveloped commercial property, is designated as an approved project awaiting funding in the statewide transportation improvement program, is eligible to receive federal highway matching funds, and does not require the exercise of eminent domain to be completed; and

! Designation of a transportation project infill zone within which the local government will be allocated 50% of new state sales tax revenues directly attributable to an approved transportation project upon completion of the project until either the local government recoups the amount of funding it provided for the project or 15 years have passed, whichever is sooner.

! Specifies the information required to be included in an application and the application review and approval process and deadlines for the office and the commission. The bill requires the commission to approve an application if all application criteria are met.

! Requires the department of revenue to allocate a portion of the state sales tax revenue generated within a transportation project infill zone to a local government and to suballocate the revenues if the local government is comprised of more than one county or municipality as required by the commission.

! Requires the department of transportation to commence work on a transportation project approved by the commission immediately after the local government, federal, and any other project funding required for the completion of the project is committed to the project.
Clarifies that pursuant to applicable existing laws and constitutional provisions a local government may issue bonds or otherwise borrow moneys for the purpose of raising all or a portion of its share of the funding for a transportation project and may pledge new state sales tax revenues to the repayment of the bonds or other borrowing. **Section 2** of the bill make a conforming amendment to ensure that the department of revenue has sufficient legal authority to allocate state sales tax revenue to a local government as required by **section 1** of the bill.

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

**SECTION 1.** Article 46 of title 24, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PART to read:

PART 4

ACCELERATION OF STATE HIGHWAY SYSTEM TRANSPORTATION PROJECTS

24-46-401. Legislative declaration. (1) The General Assembly hereby finds and declares that:

(a) Targeted investment in transportation infrastructure can benefit the state economy and create jobs for Coloradans by encouraging businesses to locate their business operations in the state;

(b) As motor vehicles have become more fuel efficient and highway construction costs have consistently increased, the purchasing power of the transportation-dedicated revenues generated by the state and federal motor fuel taxes has decreased and the state has struggled to fund state highway system transportation projects;

(c) The lack of adequate funding for state highway system transportation projects hinders the growth of the state
ECONOMY AND REDUCES THE NUMBER OF JOBS AVAILABLE FOR COLORADANS BY DISCOURAGING BUSINESSES FROM LOCATING THEIR BUSINESS OPERATIONS IN THE STATE;

(d) THERE ARE CERTAIN COMMERCIAL ZONES IN URBAN AREAS THAT ARE UNDEVELOPED OR UNDERDEVELOPED DUE TO A LACK OF ADEQUATE TRANSPORTATION ACCESS, AND THE CITIZENS OF THE STATE ARE BEST SERVED BY PROMOTING THE INFILL OF THESE AREAS RATHER THAN FURTHER URBAN SPRAWL;

(e) IT IS THEREFORE IN THE BEST INTERESTS OF THE PEOPLE OF THE STATE TO PROVIDE AN INCENTIVE TO LOCAL GOVERNMENTS TO FINANCE STATE HIGHWAY SYSTEM TRANSPORTATION PROJECTS THAT WILL ATTRACT BUSINESSES TO URBAN INFILL AREAS BY ALLOCATING A PORTION OF THE NEW INCREMENTAL STATE SALES TAX REVENUES COLLECTED BY SUCH BUSINESSES TO THOSE LOCAL GOVERNMENTS THAT ARE WILLING TO PROVIDE IMMEDIATE FUNDING FOR SUCH PROJECTS THAT WOULD OTHERWISE BE DELAYED; AND

(f) THE ECONOMIC BENEFITS OF INCREASED COMMERCIAL DEVELOPMENT CAN BE NEGATED BY ENVIRONMENTAL IMPACTS AND COSTS, INCLUDING BUT NOT LIMITED TO DESTRUCTION OF NATURAL HABITAT AND INCREASED POLLUTION, IF THE DEVELOPMENT USES LAND WASTEFULLY OR ADDS TO URBAN SPRAWL, AND IT IS THEREFORE NECESSARY AND APPROPRIATE TO ENCOURAGE URBAN INFILL DEVELOPMENT BY LIMITING THE APPLICATION OF THIS PART 4 TO AREAS WITHIN THE TERRITORY OF METROPOLITAN PLANNING ORGANIZATIONS.

24-46-402. Definitions. As used in this Part 4, unless the context otherwise requires:

(1) "Base year revenue" means the state sales tax revenue
COLLECTED WITHIN THE TERRITORY OF A PROPOSED TRANSPORTATION PROJECT INFILL ZONE DURING THE TWELVE-MONTH PERIOD IMMEDIATELY PRIOR TO THE MONTH IN WHICH THE TRANSPORTATION PROJECT THAT WILL RESULT IN INFILL IN THE ZONE IS AUTHORIZED, AS DETERMINED BY THE DEPARTMENT OF REVENUE.

(2) "DIRECTOR" MEANS THE DIRECTOR OF THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT CREATED IN SECTION 24-48.5-101.

(3) "LOCAL GOVERNMENT" MEANS A CITY, COUNTY, CITY AND COUNTY, OR TOWN OR A GROUP OF CONTIGUOUS CITIES, COUNTIES, CITY AND COUNTIES, OR TOWNS.


(5) "OFFICE" MEANS THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT CREATED IN SECTION 24-48.5-101.

(6) "STATE SALES TAX INCREMENT REVENUE" MEANS THE PORTION OF THE REVENUE DERIVED FROM STATE SALES TAXES COLLECTED WITHIN A DESIGNATED TRANSPORTATION PROJECT INFILL ZONE IN EXCESS OF THE AMOUNT OF BASE YEAR REVENUE, AS DETERMINED BY THE DEPARTMENT OF REVENUE IN CONSULTATION WITH THE COMMISSION.

(7) "TRANSPORTATION PROJECT" OR "PROJECT" MEANS A PROJECT LOCATED WITHIN A METROPOLITAN PLANNING ORGANIZATION THAT:

(a) IS ADJACENT TO OR WITHIN THE IMMEDIATE VICINITY OF UNDEVELOPED OR UNDERDEVELOPED COMMERCIAL PROPERTY;

(b) INVOLVES THE CONSTRUCTION, RECONSTRUCTION, EXPANSION, OR REPAIR TO ALLOW GREATER UTILIZATION OF ANY COMPONENT OF THE
STATE HIGHWAY SYSTEM, AS DESCRIBED IN SECTION 43-2-101, C.R.S.;

(c) WILL RESULT IN GREATER COMMERCIAL DEVELOPMENT WITHIN

A TRANSPORTATION PROJECT INFILL ZONE THAN WOULD OTHERWISE

OCURR BUT FOR THE COMPLETION OF THE PROJECT;

(d) HAS, AT THE TIME OF THE FILING OF AN APPLICATION

PURSUANT TO SECTION 24-46-403, BEEN DESIGNATED AS AN APPROVED

PROJECT IN THE STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM

OR WAS IN THE STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM

WITHIN THE TWO YEARS PRIOR TO THE FILING OF THE APPLICATION, HAS

NOT BEEN COMPLETED, AND IS IN A DESIGN-BUILD PHASE;

(e) IS ELIGIBLE TO RECEIVE FEDERAL HIGHWAY MATCHING FUNDS;

AND

(f) SHALL NOT EXERCISE THE POWER OF EMINENT DOMAIN ON OR

AFTER THE EFFECTIVE DATE OF THIS ACT.

(8) "TRANSPORTATION PROJECT INFILL ZONE" OR "ZONE" MEANS

THE GEOGRAPHIC AREA DEFINED BY THE COMMISSION AS PART OF AN

APPROVED TRANSPORTATION PROJECT IN WHICH STATE SALES TAX

INCREMENT REVENUE WILL BE ALLOCATED IN ACCORDANCE WITH THIS

PART 4. A TRANSPORTATION PROJECT INFILL ZONE SHALL NOT EXTEND

INTO THE TERRITORIAL BOUNDARIES OF ANY LOCAL GOVERNMENT

BEYOND THE LOCAL GOVERNMENT THAT IS REQUESTING THE DESIGNATION

OF THE TRANSPORTATION PROJECT INFILL ZONE UNLESS THE

NONAPPLICANT LOCAL GOVERNMENT HAS GIVEN ITS EXPRESS WRITTEN

CONSENT TO BE INCLUDED IN THE ZONE. A TRANSPORTATION PROJECT

INFILL ZONE MAY BE LIMITED TO PORTIONS OF A LOCAL GOVERNMENT AND

MAY INCLUDE NONCONTIGUOUS TRACTS OR PARCELS OF PROPERTY.

(9) "UNDEVELOPED OR UNDERDEVELOPED COMMERCIAL
PROPERTY" MEANS COMMERCIAL PROPERTY THAT HAS BEEN
DEMONSTRATED TO BE CAPABLE OF SUPPORTING GREATER COMMERCIAL
DEVELOPMENT BUT WHERE SUCH DEVELOPMENT HAS NOT OCCURRED DUE
TO A LACK OF ADEQUATE STATE HIGHWAY INFRASTRUCTURE IN THE
IMMEDIATE AREA OF THE PROPERTY.

24-46-403. Transportation project - application - requirements - review and approval. (1) A LOCAL GOVERNMENT MAY
APPLY FOR APPROVAL OF A TRANSPORTATION PROJECT, INCLUDING
DESIGNATION OF A TRANSPORTATION PROJECT INFILL ZONE. A LOCAL
GOVERNMENT SHALL APPLY FOR SUCH APPROVAL BY SUBMITTING AN
APPLICATION FOR A TRANSPORTATION PROJECT TO THE OFFICE IN A FORM
AND MANNER TO BE DETERMINED BY THE OFFICE. THE OFFICE SHALL
PROVIDE THE COMMISSION WITH EACH APPLICATION RECEIVED AFTER THE
DIRECTOR'S REVIEW PURSUANT TO SUBSECTION (2) OF THIS SECTION. THE
APPLICATION SHALL INCLUDE:

(a) A NARRATIVE DESCRIPTION OF THE PROPOSED
TRANSPORTATION PROJECT AND A MAP OF THE PROPOSED PROJECT AREA;

(b) DOCUMENTATION ESTABLISHING THAT THE PROPOSED PROJECT
MEETS THE PROJECT CRITERIA SPECIFIED IN SECTION 24-46-402 (7),
INCLUDING AN ECONOMIC ANALYSIS DEMONSTRATING:

(I) THE ANTICIPATED COSTS AND BENEFITS OF THE PROJECT;

(II) THAT THE TRANSPORTATION PROJECT INFILL ZONE IS
UNDEVELOPED OR UNDERDEVELOPED DUE TO A LACK OF ADEQUATE
TRANSPORTATION INFRASTRUCTURE TO SUPPORT FULL COMMERCIAL
DEVELOPMENT;

(III) THAT BUT FOR THE PROJECT, FULL COMMERCIAL
DEVELOPMENT WOULD NOT OCCUR WITHIN THE TRANSPORTATION PROJECT
INFILL ZONE WITHIN A REASONABLE AND FORESEEABLE PERIOD OF TIME;

(IV) The number and type of new jobs to be created as a result of the project;

(V) The additional amount of future state sales tax revenue anticipated to be generated in the proposed transportation project infill zone as a result of the project; and

(VI) The amount of local sales tax, property tax, and any other local tax revenue to be generated as a result of the project;

(c) A map showing the boundaries of the proposed transportation project infill zone;

(d) A description of the local government's plan for funding the completion of the project, including, but not limited to:

(I) A statement of the anticipated costs of completing the project and the amount and percentage of the total funding of the project to be provided by:

(A) The local government;

(B) If the local government comprises more than one political subdivision of the state, each political subdivision;

(C) The federal government; and

(D) Any other funding sources; and

(II) A description of any borrowing mechanism, including but not limited to revenue bonds or loans, that the local government intends to use to raise some or all of its share of the funding for the project and the sources of revenue that will
BE USED TO REPAY THE BORROWING.

(2) (a) UPON RECEIPT OF A LOCAL GOVERNMENT'S APPLICATION FOR A TRANSPORTATION PROJECT, THE DIRECTOR OR THE DIRECTOR'S DESIGNEE SHALL REVIEW THE APPLICATION AND SHALL MAKE AN INITIAL DETERMINATION REGARDING WHETHER THE APPLICATION HAS MET THE CRITERIA SPECIFIED IN SUBSECTION (1) OF THIS SECTION. AS PART OF THE REVIEW, THE DIRECTOR, FOLLOWING NOTICE TO THE LOCAL GOVERNMENT, MAY CONTRACT WITH AN INDEPENDENT THIRD PARTY TO REVIEW THE APPLICATION AND ANALYZE THE ACCURACY OF THE ECONOMIC INFORMATION CONTAINED THEREIN. THE DIRECTOR MAY REQUIRE THE APPLICANT TO PAY FOR ANY THIRD-PARTY ANALYSIS CONTRACTED FOR BY THE DIRECTOR. THE OFFICE MAY ALSO CHARGE A REASONABLE APPLICATION FEE TO OFFSET ANY COSTS REASONABLY ANTICIPATED TO BE DIRECTLY ASSOCIATED WITH ITS REVIEW OF THE APPLICATION.

(b) WITHIN SIXTY DAYS AFTER RECEIVING THE APPLICATION, THE DIRECTOR SHALL FORWARD THE APPLICATION TO THE COMMISSION WITH A RECOMMENDATION THAT THE COMMISSION APPROVE OR DENY THE APPLICATION OR APPROVE THE APPLICATION WITH CONDITIONS.

(c) NO LATER THAN NINETY DAYS AFTER THE SUBMITTAL OF AN APPLICATION TO THE OFFICE, THE COMMISSION SHALL HOLD A PUBLIC HEARING, SUBJECT TO THE PROVISIONS OF THE "COLORADO SUNSHINE ACT OF 1972", ARTICLE 6 OF THIS TITLE, TO REVIEW AND CONSIDER THE APPLICATION. AFTER THE HEARING HAS BEEN HELD, THE COMMISSION SHALL REVIEW EACH APPLICATION AND GIVE CONSIDERATION TO THE DIRECTOR'S RECOMMENDATIONS. THE COMMISSION SHALL TAKE ACTION ON THE APPLICATION NO LATER THAN THIRTY DAYS AFTER THE HEARING.

(d) THE COMMISSION SHALL APPROVE THE APPLICATION IF IT
DETERMINES THAT THE APPLICANT HAS MET ALL OF THE APPLICATION CRITERIA SET FORTH IN SUBSECTION (1) OF THIS SECTION.


24-46-404. Conditional approval. A local government may apply to the commission for conditional approval of a transportation project that has not yet been included in a transportation improvement program or in the statewide transportation improvement program. The approval shall be conditioned upon the project being included in the programs within four years from the conditional approval date. The commission may not revoke a conditional approval, but failure of a transportation project to be included in the programs within four years shall deem the application denied without further commission action and no state sales tax revenue shall be dedicated to the local government under this part 4.

24-46-405. State sales tax increment revenue. (1) In order to implement the collection and distribution of state sales tax increment revenues to the local government for which the commission has approved a transportation project, the department of revenue shall allocate state sales tax revenue generated within the approved transportation project infill zone as follows:
(a) An amount of state sales tax revenues collected within the transportation project infill zone equal to the base year revenue within the zone plus fifty percent of the amount collected within the zone above the base year revenue shall be paid into the state treasury as such state sales taxes are normally collected and paid; except that, once allocations to a local government required by paragraph (b) of this subsection (1) end, all state sales tax revenue collected within the zone shall be paid into the state treasury as such state sales taxes are normally collected and paid; and

(b) The remaining fifty percent of the sales tax increment revenue collected within the zone above the base year revenue shall be allocated to the local government until either the local government has fully recouped the amount of funding it provided for the project or fifteen years have passed since the last day of the month in which the project was completed, whichever occurs first. If the local government consists of multiple political subdivisions of the state, the state sales tax revenues allocated to the local government shall be suballocated to each political subdivision as requested in the local government’s application for approval of a transportation project. Upon completion of a transportation project, a local government shall disclose to the department the amount of funding it provided for the project so that the department can end the allocation of state sales tax increment revenue to the local government at the time required by this paragraph (b).
(2) In order to reduce the administrative burden of accurately identifying and allocating the state sales tax revenue collected within the transportation project infill zone, the Department of Revenue may require a local government to provide a listing by address of the businesses located within the zone and any other information needed to determine the correct allocation to the department. The Department may also require any business located within the zone that collects sales tax to file sales tax forms electronically if:

(a) The amount of information that the business is required to include on the sales tax forms exceeds the space available on the hard copy sales tax forms;

(b) Increasing the amount of space available on the hard copy sales tax forms would be administratively burdensome or expensive to the Department of Revenue; and

(c) Mandatory electronic filing would not impose a significant administrative burden or expense on the business.

(3) State sales tax increment revenue, and any interest or income earned on the deposit and investment of the revenue, shall be construed and treated for all purposes as being assigned to, the property of, and the revenue of the recipient local government and shall not be construed for any purpose as revenue or property of the State.

24-46-406. Annual report - audit. (1) Within ninety days of the end of the first full state fiscal year after the Commission approves a transportation project and on the same date each year thereafter, the local government for which the
COMMISSION APPROVED THE PROJECT SHALL PREPARE AND SUBMIT TO THE OFFICE AN ANNUAL REPORT DETAILING THE TOTAL AMOUNT OF STATE SALES TAX INCREMENT REVENUE THAT THE PROJECT HAS COLLECTED OVER THE PAST YEAR, THE AMOUNT OF PROJECTED REVENUE FOR THE REMAINDER OF THE PERIOD FOR WHICH REVENUE IS TO BE ALLOCATED TO THE LOCAL GOVERNMENT, A SUMMARY OF THE STATUS OF CONSTRUCTION OF THE PROJECT, AND ANY OTHER INFORMATION REASONABLY REQUIRED BY THE OFFICE. IF ANY INFORMATION PROVIDED IN THE ANNUAL REPORT IS A TRADE SECRET, PROPRIETARY, OR OTHERWISE ENTITLED TO PROTECTION PURSUANT TO ARTICLE 72 OF THIS TITLE, IT SHALL BE SO DESIGNATED AND SHALL BE KEPT CONFIDENTIAL BY THE STATE. THE GOVERNING BODY OR BODIES OF THE LOCAL GOVERNMENT SHALL ATTEST TO THE ACCURACY OF THE INFORMATION PROVIDED IN THE ANNUAL REPORT.

(2) THE OFFICE AND THE DEPARTMENT OF REVENUE SHALL PREPARE A REPORT TO BE SUBMITTED BY THE OFFICE NO LATER THAN SEPTEMBER 1 OF EACH FISCAL YEAR TO THE FINANCE COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND SENATE, THE ECONOMIC AND BUSINESS DEVELOPMENT COMMITTEE OF THE HOUSE OF REPRESENTATIVES, AND THE BUSINESS, LABOR, AND TECHNOLOGY COMMITTEE OF THE SENATE, OR ANY SUCCESSOR COMMITTEES. THE REPORT SHALL PRESENT INFORMATION ON ALL STATE SALES TAX REVENUES ALLOCATED TO TRANSPORTATION PROJECTS PURSUANT TO THIS PART 4 DURING THE PRIOR FISCAL YEAR.

24-46-407. Transportation project - commencement of work. FOR ANY PROJECT APPROVED BY THE COMMISSION PURSUANT TO THIS PART 4 THAT WILL BE CONSTRUCTED BY THE DEPARTMENT OF TRANSPORTATION, THE DEPARTMENT SHALL BEGIN THE DESIGN AND
CONSTRUCTION OF THE PROJECT IMMEDIATELY AFTER THE LOCAL
GOVERNMENT, FEDERAL, AND ANY OTHER PROJECT FUNDING REQUIRED
FOR THE COMPLETION OF THE PROJECT IS COMMITTED. HOWEVER, THE
APPROVAL OF A TRANSPORTATION PROJECT BY THE COMMISSION
PURSUANT TO THIS PART 4 SHALL NOT GIVE THE PROJECT HIGHER PRIORITY
FOR DEPARTMENT FUNDING OR ALLOCATION OF OTHER DEPARTMENT
RESOURCES NEEDED TO COMPLETE THE PROJECT THAN OTHER
TRANSPORTATION PROJECTS INCLUDED IN THE STATEWIDE
TRANSPORTATION IMPROVEMENT PROGRAM. THE DEPARTMENT OF
TRANSPORTATION SHALL NOT EXERCISE THE POWER OF EMINENT DOMAIN
FOR THE PURPOSES OF INITIATING OR COMPLETING A TRANSPORTATION
PROJECT UNDER THE PROVISIONS OF THIS PART 4.

24-46-408. Borrowing by a local government. (1) In
ACCORDANCE WITH ALL APPLICABLE LAWS AND CONSTITUTIONAL
PROVISIONS, A LOCAL GOVERNMENT MAY ISSUE BONDS DIRECTLY OR
THROUGH A CONDUIT ISSUER OR OTHERWISE BORROW MONEYS FOR THE
PURPOSE OF RAISING ALL OR A PORTION OF ITS SHARE OF THE FUNDING FOR
A TRANSPORTATION PROJECT AND MAY PLEDGE STATE SALES TAX
INCREMENT REVENUES TO THE REPAYMENT OF THE BONDS OR OTHER
BORROWING.

(2) THE STATE HEREBY PLEDGES AND AGREES WITH THE HOLDERS
OF ANY BONDS ISSUED BY A LOCAL GOVERNMENT FOR THE PURPOSE OF
RAISING ALL OR A PORTION OF ITS SHARE OF THE FUNDING FOR A
TRANSPORTATION PROJECT APPROVED PURSUANT TO THIS PART 4 THAT
THE STATE WILL NOT LIMIT, ALTER, RESTRICT, OR IMPAIR THE RIGHT OF
THE LOCAL GOVERNMENT TO RECEIVE STATE SALES TAX INCREMENT
REVENUES AS PROVIDED IN THIS PART 4 AND IN THE RESOLUTION OF THE
COMMISSION APPROVING THE PROJECT OR THE ABILITY OF ANY PERSON
WITH WHICH THE LOCAL GOVERNMENT CONTRACTS TO FULFILL THE TERMS
OF ANY AGREEMENTS MADE PURSUANT TO THIS PART 4. THE STATE
FURTHER PLEDGES AND AGREES THAT IT WILL NOT IN ANY WAY IMPAIR
THE RIGHTS OR REMEDIES OF THE HOLDERS OF ANY SUCH BONDS UNTIL
THE BONDS HAVE BEEN PAID OR UNTIL ADEQUATE PROVISION FOR
PAYMENT HAS BEEN MADE. A LOCAL GOVERNMENT MAY INCLUDE THIS
PROVISION AND UNDERTAKING FOR THE STATE IN ITS BONDS.

SECTION 2. Part 1 of article 35 of title 24, Colorado Revised
Statutes, is amended BY THE ADDITION OF A NEW SECTION to
read:

24-35-118.5. Transportation projects - authority of director.

(1) In addition to the other functions and powers of the
department of revenue and the executive director of the
department pursuant to this part 1, the department shall
establish and determine the base year revenue, as defined in
section 24-46-402 (1), for each transportation project infill
zone, as defined in section 24-46-402 (8); shall collect, account
for, and remit to the applicable local government, as defined in
section 24-46-402 (3), all state sales tax increment revenue, as
defined in section 24-46-402 (6), generated within each
transportation project infill zone; and shall otherwise perform
such functions as are required of the department with respect
to any local government and any transportation project infill
zone designated in the written notice thereof to be provided to
the executive director pursuant to section 24-46-403.

(2) The executive director of the department of revenue
SHALL HAVE THE AUTHORITY TO CREATE FORMS AND PROMULGATE RULES AS DEEMED NECESSARY OR CONVENIENT TO IMPLEMENT THE DEPARTMENT'S RESPONSIBILITIES WITH RESPECT TO THE DETERMINATION OF BASE YEAR REVENUE, COLLECTION AND DISBURSEMENT OF STATE SALES TAX INCREMENT REVENUE, AND OTHER FUNCTIONS OF THE DEPARTMENT PURSUANT TO PART 4 OF ARTICLE 46 OF THIS TITLE. THE EXECUTIVE DIRECTOR IS AUTHORIZED TO ENTER INTO CONTRACTS WITH LOCAL GOVERNMENTS PURSUANT TO PART 4 OF ARTICLE 46 OF THIS TITLE IN THE MANNER PROVIDED FOR IN SECTION 24-35-110 REGARDING THE PERFORMANCE OF THE DEPARTMENT'S FUNCTIONS IN IMPLEMENTING PART 4 OF ARTICLE 46 OF THIS TITLE, AND TO ESTABLISH AN ADMINISTRATIVE FEE FOR SUCH SERVICES IN THE MANNER PROVIDED FOR IN SECTION 24-35-111, WITH THE AMOUNT THEREOF TO BE REASONABLY CALCULATED TO OFFSET THE DEPARTMENT'S ACTUAL DIRECT COSTS AND EXPENSES IN PERFORMING SUCH COLLECTION AND DISBURSEMENT FUNCTIONS.

(3) ALL STATE SALES TAX INCREMENT REVENUE COLLECTED BY THE DEPARTMENT OF REVENUE ON BEHALF OF A LOCAL GOVERNMENT SHALL BE CONSTRUED AND TREATED FOR ALL PURPOSES AS BEING ASSIGNED TO, THE PROPERTY OF, AND THE REVENUE OF THE APPLICABLE FINANCING ENTITY AND SHALL NOT BE CONSTRUED OR TREATED FOR ANY PURPOSE AS REVENUE OR PROPERTY OF THE STATE. IN COLLECTING AND DISBURSING STATE SALES TAX INCREMENT REVENUE AS PROVIDED IN THIS SECTION AND OTHERWISE PERFORMING ITS RESPONSIBILITIES PURSUANT TO PART 4 OF ARTICLE 46 OF THIS TITLE, THE DEPARTMENT SHALL ACT SOLELY AS A COLLECTING AGENT FOR THE FINANCING ENTITY AND SHALL SEGREGATE IN A SEPARATE FUND ANY PORTION OF STATE SALES TAX INCREMENT REVENUE THAT IS DEDICATED TO THE FINANCING ENTITY BUT
WILL NOT BE REMITTED TO THE FINANCING ENTITY IN THE IMMEDIATE FUTURE.

SECTION 3. Accountability. Five years after this act becomes law and in accordance with section 2-2-1201, Colorado Revised Statutes, the legislative service agencies of the Colorado General Assembly shall conduct a post-enactment review of the implementation of this act utilizing the information contained in the legislative declaration set forth in section 1 of this act.

SECTION 4. Act subject to petition - effective date. This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 10, 2011, if adjournment sine die is on May 11, 2011); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part shall not take effect unless approved by the people at the general election to be held in November 2012 and shall take effect on the date of the official declaration of the vote thereon by the governor.