

**First Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 11-0505.01 Jason Gelender

HOUSE BILL 11-1220

HOUSE SPONSORSHIP

Beezley, Todd, Barker, Conti, Fields, Holbert, McNulty, Priola, Ramirez, Szabo, Vaad,
Williams A.

SENATE SPONSORSHIP

Foster and Williams S.,

House Committees

Economic and Business Development

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE ACCELERATION OF FUNDING FOR STATE HIGHWAY**
102 **TRANSPORTATION PROJECTS THAT RESULT IN NEW**
103 **COMMERCIAL DEVELOPMENT IN URBAN INFILL AREAS THROUGH**
104 **ALLOCATION OF A PORTION OF NEW STATE SALES TAX REVENUE**
105 **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

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

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.

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

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

4 **PART 4**

5 **ACCELERATION OF STATE HIGHWAY SYSTEM**

6 **TRANSPORTATION PROJECTS**

7 **24-46-401. Legislative declaration.** (1) THE GENERAL
8 ASSEMBLY HEREBY FINDS AND DECLARES THAT:

9 (a) TARGETED INVESTMENT IN TRANSPORTATION INFRASTRUCTURE
10 CAN BENEFIT THE STATE ECONOMY AND CREATE JOBS FOR COLORADANS
11 BY ENCOURAGING BUSINESSES TO LOCATE THEIR BUSINESS OPERATIONS IN
12 THE STATE;

13 (b) AS MOTOR VEHICLES HAVE BECOME MORE FUEL EFFICIENT AND
14 HIGHWAY CONSTRUCTION COSTS HAVE CONSISTENTLY INCREASED, THE
15 PURCHASING POWER OF THE TRANSPORTATION-DEDICATED REVENUES
16 GENERATED BY THE STATE AND FEDERAL MOTOR FUEL TAXES HAS
17 DECREASED AND THE STATE HAS STRUGGLED TO FUND STATE HIGHWAY
18 SYSTEM TRANSPORTATION PROJECTS;

19 (c) THE LACK OF ADEQUATE FUNDING FOR STATE HIGHWAY
20 SYSTEM TRANSPORTATION PROJECTS HINDERS THE GROWTH OF THE STATE

1 ECONOMY AND REDUCES THE NUMBER OF JOBS AVAILABLE FOR
2 COLORADANS BY DISCOURAGING BUSINESSES FROM LOCATING THEIR
3 BUSINESS OPERATIONS IN THE STATE;

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

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

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

25 **24-46-402. Definitions.** AS USED IN THIS PART 4, UNLESS THE
26 CONTEXT OTHERWISE REQUIRES:

27 (1) "BASE YEAR REVENUE" MEANS THE STATE SALES TAX REVENUE

1 COLLECTED WITHIN THE TERRITORY OF A PROPOSED TRANSPORTATION
2 PROJECT INFILL ZONE DURING THE TWELVE-MONTH PERIOD IMMEDIATELY
3 PRIOR TO THE MONTH IN WHICH THE TRANSPORTATION PROJECT THAT WILL
4 RESULT IN INFILL IN THE ZONE IS AUTHORIZED, AS DETERMINED BY THE
5 DEPARTMENT OF REVENUE.

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

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

11 (4) "METROPOLITAN PLANNING ORGANIZATION" MEANS ANY ONE
12 OF THE [REDACTED] MAJOR URBAN AREAS OF THE STATE AS DEFINED BY THE
13 "FEDERAL TRANSIT ACT OF 1998", 49 U.S.C. SEC. 5301 ET SEQ., AS
14 AMENDED.

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

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

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

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

26 (b) INVOLVES THE CONSTRUCTION, RECONSTRUCTION, EXPANSION,
27 OR REPAIR TO ALLOW GREATER UTILIZATION OF ANY COMPONENT OF THE

1 STATE HIGHWAY SYSTEM, AS DESCRIBED IN SECTION 43-2-101, C.R.S.;

2 (c) WILL RESULT IN GREATER COMMERCIAL DEVELOPMENT WITHIN
3 A TRANSPORTATION PROJECT INFILL ZONE THAN WOULD OTHERWISE
4 OCCUR BUT FOR THE COMPLETION OF THE PROJECT;

5 (d) HAS, AT THE TIME OF THE FILING OF AN APPLICATION
6 PURSUANT TO SECTION 24-46-403, BEEN DESIGNATED AS AN APPROVED
7 PROJECT IN THE STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM
8 OR WAS IN THE STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM
9 WITHIN THE TWO YEARS PRIOR TO THE FILING OF THE APPLICATION, HAS
10 NOT BEEN COMPLETED, AND IS IN A DESIGN-BUILD PHASE;

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

13 (f) DOES NOT REQUIRE, AND HAS NOT IN THE PAST REQUIRED, THE
14 EXERCISE OF THE POWER OF EMINENT DOMAIN BY THE LOCAL
15 GOVERNMENT.

16 (8) "TRANSPORTATION PROJECT INFILL ZONE" OR "ZONE" MEANS
17 THE GEOGRAPHIC AREA DEFINED BY THE COMMISSION AS PART OF AN
18 APPROVED TRANSPORTATION PROJECT IN WHICH STATE SALES TAX
19 INCREMENT REVENUE WILL BE ALLOCATED IN ACCORDANCE WITH THIS
20 PART 4. A TRANSPORTATION PROJECT INFILL ZONE SHALL NOT EXTEND
21 INTO THE TERRITORIAL BOUNDARIES OF ANY LOCAL GOVERNMENT
22 BEYOND THE LOCAL GOVERNMENT THAT IS REQUESTING THE DESIGNATION
23 OF THE TRANSPORTATION PROJECT INFILL ZONE UNLESS THE
24 NONAPPLICANT LOCAL GOVERNMENT HAS GIVEN ITS EXPRESS WRITTEN
25 CONSENT TO BE INCLUDED IN THE ZONE. A TRANSPORTATION PROJECT
26 INFILL ZONE MAY BE LIMITED TO PORTIONS OF A LOCAL GOVERNMENT AND
27 MAY INCLUDE NONCONTIGUOUS TRACTS OR PARCELS OF PROPERTY.

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

7 **24-46-403. Transportation project - application -**
8 **requirements - review and approval.** (1) A LOCAL GOVERNMENT MAY
9 APPLY FOR APPROVAL OF A TRANSPORTATION PROJECT, INCLUDING
10 DESIGNATION OF A TRANSPORTATION PROJECT INFILL ZONE. A LOCAL
11 GOVERNMENT SHALL APPLY FOR SUCH APPROVAL BY SUBMITTING AN
12 APPLICATION FOR A TRANSPORTATION PROJECT TO THE OFFICE IN A FORM
13 AND MANNER TO BE DETERMINED BY THE OFFICE. THE OFFICE SHALL
14 PROVIDE THE COMMISSION WITH EACH APPLICATION RECEIVED AFTER THE
15 DIRECTOR'S REVIEW PURSUANT TO SUBSECTION (2) OF THIS SECTION. THE
16 APPLICATION SHALL INCLUDE:

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

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

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

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

27 (III) THAT BUT FOR THE PROJECT, FULL COMMERCIAL

1 DEVELOPMENT WOULD NOT OCCUR WITHIN THE TRANSPORTATION PROJECT
2 INFILL ZONE WITHIN A REASONABLE AND FORESEEABLE PERIOD OF TIME;

3 (IV) THE NUMBER AND TYPE OF NEW JOBS TO BE CREATED AS A
4 RESULT OF THE PROJECT;

5 (V) THE ADDITIONAL AMOUNT OF FUTURE STATE SALES TAX
6 REVENUE ANTICIPATED TO BE GENERATED IN THE PROPOSED
7 TRANSPORTATION PROJECT INFILL ZONE AS A RESULT OF THE PROJECT;

8 AND

9 (VI) THE AMOUNT OF LOCAL SALES TAX, PROPERTY TAX, AND ANY
10 OTHER LOCAL TAX REVENUE TO BE GENERATED AS A RESULT OF THE
11 PROJECT;

12 (c) A MAP SHOWING THE BOUNDARIES OF THE PROPOSED
13 TRANSPORTATION PROJECT INFILL ZONE;

14 (d) A DESCRIPTION OF THE LOCAL GOVERNMENT'S PLAN FOR
15 FUNDING THE COMPLETION OF THE PROJECT, INCLUDING, BUT NOT LIMITED
16 TO:

17 (I) A STATEMENT OF THE ANTICIPATED COSTS OF COMPLETING THE
18 PROJECT AND THE AMOUNT AND PERCENTAGE OF THE TOTAL FUNDING OF
19 THE PROJECT TO BE PROVIDED BY:

20 (A) THE LOCAL GOVERNMENT;

21 (B) IF THE LOCAL GOVERNMENT COMPRISES MORE THAN ONE
22 POLITICAL SUBDIVISION OF THE STATE, EACH POLITICAL SUBDIVISION;

23 (C) THE FEDERAL GOVERNMENT; AND

24 (D) ANY OTHER FUNDING SOURCES; AND

25 (II) A DESCRIPTION OF ANY BORROWING MECHANISM, INCLUDING
26 BUT NOT LIMITED TO REVENUE BONDS OR LOANS, THAT THE LOCAL
27 GOVERNMENT INTENDS TO USE TO RAISE SOME OR ALL OF ITS SHARE OF

1 THE FUNDING FOR THE PROJECT AND THE SOURCES OF REVENUE THAT WILL
2 BE USED TO REPAY THE BORROWING.

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

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

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

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

4 (3) FOLLOWING THE COMMISSION'S APPROVAL OF AN APPLICATION,
5 THE COMMISSION SHALL PROMPTLY TRANSMIT WRITTEN NOTICE AND A
6 COPY OF THE APPROVAL TO THE EXECUTIVE DIRECTOR OF THE
7 DEPARTMENT OF REVENUE. THE TRANSMITTAL SHALL INCLUDE ANY
8 INFORMATION REQUESTED BY THE DEPARTMENT OF REVENUE TO FULFILL
9 ITS OBLIGATIONS PURSUANT TO THIS PART 4.

10 **24-46-404. Conditional approval.** A LOCAL GOVERNMENT MAY
11 APPLY TO THE COMMISSION FOR CONDITIONAL APPROVAL OF A
12 TRANSPORTATION PROJECT THAT HAS NOT YET BEEN INCLUDED IN A
13 TRANSPORTATION IMPROVEMENT PROGRAM OR IN THE STATEWIDE
14 TRANSPORTATION IMPROVEMENT PROGRAM. THE APPROVAL SHALL BE
15 CONDITIONED UPON THE PROJECT BEING INCLUDED IN THE PROGRAMS
16 WITHIN FOUR YEARS FROM THE CONDITIONAL APPROVAL DATE. THE
17 COMMISSION MAY NOT REVOKE A CONDITIONAL APPROVAL, BUT FAILURE
18 OF A TRANSPORTATION PROJECT TO BE INCLUDED IN THE PROGRAMS
19 WITHIN FOUR YEARS SHALL DEEM THE APPLICATION DENIED WITHOUT
20 FURTHER COMMISSION ACTION AND NO STATE SALES TAX REVENUE SHALL
21 BE DEDICATED TO THE LOCAL GOVERNMENT UNDER THIS PART 4.

22 **24-46-405. State sales tax increment revenue.** (1) IN ORDER TO
23 IMPLEMENT THE COLLECTION AND DISTRIBUTION OF STATE SALES TAX
24 INCREMENT REVENUES TO THE LOCAL GOVERNMENT FOR WHICH THE
25 COMMISSION HAS APPROVED A TRANSPORTATION PROJECT, THE
26 DEPARTMENT OF REVENUE SHALL ALLOCATE STATE SALES TAX REVENUE
27 GENERATED WITHIN THE APPROVED TRANSPORTATION PROJECT INFILL

1 ZONE AS FOLLOWS:

2 (a) AN AMOUNT OF STATE SALES TAX REVENUES COLLECTED
3 WITHIN THE TRANSPORTATION PROJECT INFILL ZONE EQUAL TO THE BASE
4 YEAR REVENUE WITHIN THE ZONE PLUS FIFTY PERCENT OF THE AMOUNT
5 COLLECTED WITHIN THE ZONE ABOVE THE BASE YEAR REVENUE SHALL BE
6 PAID INTO THE STATE TREASURY AS SUCH STATE SALES TAXES ARE
7 NORMALLY COLLECTED AND PAID; EXCEPT THAT, ONCE ALLOCATIONS TO
8 A LOCAL GOVERNMENT REQUIRED BY PARAGRAPH (b) OF THIS SUBSECTION
9 (1) END, ALL STATE SALES TAX REVENUE COLLECTED WITHIN THE ZONE
10 SHALL BE PAID INTO THE STATE TREASURY AS SUCH STATE SALES TAXES
11 ARE NORMALLY COLLECTED AND PAID; AND

12 (b) THE REMAINING FIFTY PERCENT OF THE SALES TAX INCREMENT
13 REVENUE COLLECTED WITHIN THE ZONE ABOVE THE BASE YEAR REVENUE
14 SHALL BE ALLOCATED TO THE LOCAL GOVERNMENT UNTIL EITHER THE
15 LOCAL GOVERNMENT HAS FULLY RECOUPED THE AMOUNT OF FUNDING IT
16 PROVIDED FOR THE PROJECT OR FIFTEEN YEARS HAVE PASSED SINCE THE
17 LAST DAY OF THE MONTH IN WHICH THE PROJECT WAS COMPLETED,
18 WHICHEVER OCCURS FIRST. IF THE LOCAL GOVERNMENT CONSISTS OF
19 MULTIPLE POLITICAL SUBDIVISIONS OF THE STATE, THE STATE SALES TAX
20 REVENUES ALLOCATED TO THE LOCAL GOVERNMENT SHALL BE
21 SUBALLOCATED TO EACH POLITICAL SUBDIVISION AS REQUESTED IN THE
22 LOCAL GOVERNMENT'S APPLICATION FOR APPROVAL OF A
23 TRANSPORTATION PROJECT. UPON COMPLETION OF A TRANSPORTATION
24 PROJECT, A LOCAL GOVERNMENT SHALL DISCLOSE TO THE DEPARTMENT
25 THE AMOUNT OF FUNDING IT PROVIDED FOR THE PROJECT SO THAT THE
26 DEPARTMENT CAN END THE ALLOCATION OF STATE SALES TAX INCREMENT
27 REVENUE TO THE LOCAL GOVERNMENT AT THE TIME REQUIRED BY THIS

1 PARAGRAPH (b).

2 (2) IN ORDER TO REDUCE THE ADMINISTRATIVE BURDEN OF
3 ACCURATELY IDENTIFYING AND ALLOCATING THE STATE SALES TAX
4 REVENUE COLLECTED WITHIN THE TRANSPORTATION PROJECT INFILL ZONE,
5 THE DEPARTMENT OF REVENUE MAY REQUIRE A LOCAL GOVERNMENT TO
6 PROVIDE A LISTING BY ADDRESS OF THE BUSINESSES LOCATED WITHIN THE
7 ZONE AND ANY OTHER INFORMATION NEEDED TO DETERMINE THE
8 CORRECT ALLOCATION TO THE DEPARTMENT. THE DEPARTMENT MAY
9 ALSO REQUIRE ANY BUSINESS LOCATED WITHIN THE ZONE THAT COLLECTS
10 SALES TAX TO FILE SALES TAX FORMS ELECTRONICALLY IF:

11 (a) THE AMOUNT OF INFORMATION THAT THE BUSINESS IS
12 REQUIRED TO INCLUDE ON THE SALES TAX FORMS EXCEEDS THE SPACE
13 AVAILABLE ON THE HARD COPY SALES TAX FORMS;

14 (b) INCREASING THE AMOUNT OF SPACE AVAILABLE ON THE HARD
15 COPY SALES TAX FORMS WOULD BE ADMINISTRATIVELY BURDENSOME OR
16 EXPENSIVE TO THE DEPARTMENT OF REVENUE; AND

17 (c) MANDATORY ELECTRONIC FILING WOULD NOT IMPOSE A
18 SIGNIFICANT ADMINISTRATIVE BURDEN OR EXPENSE ON THE BUSINESS.

19 (3) STATE SALES TAX INCREMENT REVENUE, AND ANY INTEREST
20 OR INCOME EARNED ON THE DEPOSIT AND INVESTMENT OF THE REVENUE,
21 SHALL BE CONSTRUED AND TREATED FOR ALL PURPOSES AS BEING
22 ASSIGNED TO, THE PROPERTY OF, AND THE REVENUE OF THE RECIPIENT
23 LOCAL GOVERNMENT AND SHALL NOT BE CONSTRUED FOR ANY PURPOSE
24 AS REVENUE OR PROPERTY OF THE STATE.

25 **24-46-406. Annual report - audit.** (1) WITHIN NINETY DAYS OF
26 THE END OF THE FIRST FULL STATE FISCAL YEAR AFTER THE COMMISSION
27 APPROVES A TRANSPORTATION PROJECT AND ON THE SAME DATE EACH

1 YEAR THEREAFTER, THE LOCAL GOVERNMENT FOR WHICH THE
2 COMMISSION APPROVED THE PROJECT SHALL PREPARE AND SUBMIT TO THE
3 OFFICE AN ANNUAL REPORT DETAILING THE TOTAL AMOUNT OF STATE
4 SALES TAX INCREMENT REVENUE THAT THE PROJECT HAS COLLECTED
5 OVER THE PAST YEAR, THE AMOUNT OF PROJECTED REVENUE FOR THE
6 REMAINDER OF THE PERIOD FOR WHICH REVENUE IS TO BE ALLOCATED TO
7 THE LOCAL GOVERNMENT, A SUMMARY OF THE STATUS OF CONSTRUCTION
8 OF THE PROJECT, AND ANY OTHER INFORMATION REASONABLY REQUIRED
9 BY THE OFFICE. IF ANY INFORMATION PROVIDED IN THE ANNUAL REPORT
10 IS A TRADE SECRET, PROPRIETARY, OR OTHERWISE ENTITLED TO
11 PROTECTION PURSUANT TO ARTICLE 72 OF THIS TITLE, IT SHALL BE SO
12 DESIGNATED AND SHALL BE KEPT CONFIDENTIAL BY THE STATE. THE
13 GOVERNING BODY OR BODIES OF THE LOCAL GOVERNMENT SHALL ATTEST
14 TO THE ACCURACY OF THE INFORMATION PROVIDED IN THE ANNUAL
15 REPORT.

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

25 **24-46-407. Transportation project - commencement of work.**
26 FOR ANY PROJECT APPROVED BY THE COMMISSION PURSUANT TO THIS
27 PART 4 THAT WILL BE CONSTRUCTED BY THE DEPARTMENT OF

1 TRANSPORTATION, THE DEPARTMENT SHALL BEGIN THE DESIGN AND
2 CONSTRUCTION OF THE PROJECT IMMEDIATELY AFTER THE LOCAL
3 GOVERNMENT, FEDERAL, AND ANY OTHER PROJECT FUNDING REQUIRED
4 FOR THE COMPLETION OF THE PROJECT IS COMMITTED.

5 **24-46-408. Borrowing by a local government.** (1) IN
6 ACCORDANCE WITH ALL APPLICABLE LAWS AND CONSTITUTIONAL
7 PROVISIONS, A LOCAL GOVERNMENT MAY ISSUE BONDS DIRECTLY OR
8 THROUGH A CONDUIT ISSUER OR OTHERWISE BORROW MONEYS FOR THE
9 PURPOSE OF RAISING ALL OR A PORTION OF ITS SHARE OF THE FUNDING FOR
10 A TRANSPORTATION PROJECT AND MAY PLEDGE STATE SALES TAX
11 INCREMENT REVENUES TO THE REPAYMENT OF THE BONDS OR OTHER
12 BORROWING.

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

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

4 **24-35-118.5. Transportation projects - authority of director.**

5 (1) IN ADDITION TO THE OTHER FUNCTIONS AND POWERS OF THE
6 DEPARTMENT OF REVENUE AND THE EXECUTIVE DIRECTOR OF THE
7 DEPARTMENT PURSUANT TO THIS PART 1, THE DEPARTMENT SHALL
8 ESTABLISH AND DETERMINE THE BASE YEAR REVENUE, AS DEFINED IN
9 SECTION 24-46-402 (1), FOR EACH TRANSPORTATION PROJECT INFILL
10 ZONE, AS DEFINED IN SECTION 24-46-402 (8); SHALL COLLECT, ACCOUNT
11 FOR, AND REMIT TO THE APPLICABLE LOCAL GOVERNMENT, AS DEFINED IN
12 SECTION 24-46-402 (3), ALL STATE SALES TAX INCREMENT REVENUE, AS
13 DEFINED IN SECTION 24-46-402 (6), GENERATED WITHIN EACH
14 TRANSPORTATION PROJECT INFILL ZONE; AND SHALL OTHERWISE PERFORM
15 SUCH FUNCTIONS AS ARE REQUIRED OF THE DEPARTMENT WITH RESPECT
16 TO ANY LOCAL GOVERNMENT AND ANY TRANSPORTATION PROJECT INFILL
17 ZONE DESIGNATED IN THE WRITTEN NOTICE THEREOF TO BE PROVIDED TO
18 THE EXECUTIVE DIRECTOR PURSUANT TO SECTION 24-46-403.

19 (2) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE
20 SHALL HAVE THE AUTHORITY TO CREATE FORMS AND PROMULGATE RULES
21 AS DEEMED NECESSARY OR CONVENIENT TO IMPLEMENT THE
22 DEPARTMENT'S RESPONSIBILITIES WITH RESPECT TO THE DETERMINATION
23 OF BASE YEAR REVENUE, COLLECTION AND DISBURSEMENT OF STATE
24 SALES TAX INCREMENT REVENUE, AND OTHER FUNCTIONS OF THE
25 DEPARTMENT PURSUANT TO PART 4 OF ARTICLE 46 OF THIS TITLE. THE
26 EXECUTIVE DIRECTOR IS AUTHORIZED TO ENTER INTO CONTRACTS WITH
27 LOCAL GOVERNMENTS PURSUANT TO PART 4 OF ARTICLE 46 OF THIS TITLE

1 IN THE MANNER PROVIDED FOR IN SECTION 24-35-110 REGARDING THE
2 PERFORMANCE OF THE DEPARTMENT'S FUNCTIONS IN IMPLEMENTING PART
3 4 OF ARTICLE 46 OF THIS TITLE, AND TO ESTABLISH AN ADMINISTRATIVE
4 FEE FOR SUCH SERVICES IN THE MANNER PROVIDED FOR IN SECTION
5 24-35-111, WITH THE AMOUNT THEREOF TO BE REASONABLY CALCULATED
6 TO OFFSET THE DEPARTMENT'S ACTUAL DIRECT COSTS AND EXPENSES IN
7 PERFORMING SUCH COLLECTION AND DISBURSEMENT FUNCTIONS.

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

22 **SECTION 3. Act subject to petition - effective date.** This act
23 shall take effect at 12:01 a.m. on the day following the expiration of the
24 ninety-day period after final adjournment of the general assembly
25 (August 10, 2011, if adjournment sine die is on May 11, 2011); except
26 that, if a referendum petition is filed pursuant to section 1 (3) of article
27 V of the state constitution against this act or an item, section, or part of

1 this act within such period, then the act, item, section, or part shall not
2 take effect unless approved by the people at the general election to be
3 held in November 2012 and shall take effect on the date of the official
4 declaration of the vote thereon by the governor.