COMMON SENSE INSTITUTE

MARCH 2025

HIGHWAY DETOURS: THE ONGOING SHIFT OF TRANSPORTATION DOLLARS

AUTHOR: BEN STEIN

ABOUT THE AUTHOR

Ben Stein, Transportation Fellow

Ben Stein is the Common Sense Institute's (CSI) transportation fellow. With decades of experience in transportation finance, public policy, and infrastructure development, he brings unparalleled expertise to the CSI team. Stein previously served as the Colorado Department of Transportation's chief financial officer. As someone who also has led major transportation projects across Colorado, Stein's insight is invaluable in shaping innovative research for the state's infrastructure challenges.

ABOUT COMMON SENSE INSTITUTE

Common Sense Institute is a non-partisan research organization dedicated to the protection and promotion of Colorado's economy. CSI is at the forefront of important discussions concerning the future of free enterprise and aims to have an impact on the issues that matter most to Coloradans. CSI's mission is to examine the fiscal impacts of policies, initiatives, and proposed laws so that Coloradans are educated and informed about issues impacting their lives. CSI employs rigorous research techniques and dynamic modeling to evaluate the potential impact of these measures on the economy and individual opportunity.

TEAMS & FELLOWS STATEMENT

CSI is committed to independent, in-depth research that examines the impacts of policies, initiatives, and proposed laws so that Coloradans are educated and informed on issues impacting their lives. CSI's commitment to institutional independence is rooted in the individual independence of our researchers, economists, and fellows. At the core of CSI's mission is a belief in the power of the free enterprise system. Our work explores ideas that protect and promote jobs and the economy, and the CSI team and fellows take part in this pursuit with academic freedom. Our team's work is informed by data-driven research and evidence. The views and opinions of fellows do not reflect the institutional views of CSI. CSI operates independently of any political party and does not take advocacy positions.

TABLE OF CONTENTS

INTRODUCTION

A famous figure from Greek myth, Sisyphus, was fated by the gods to spend eternity rolling a boulder up a hill. Whenever he had pushed the boulder to the apex of the hill, it rolled back down the incline and Sisyphus had to start all over again. Colorado lawmakers can relate. They have tried for years to adequately fund Colorado's surface transportation system so that it effectively and efficiently serves the state's citizens, but the outcome remains the same.

Despite these repeated attempts, the state's transportation system does not meet citizens' needs and Colorado's roadways continue to deteriorate. **The fact is that legislators keep making changes at the margin to "kick the can down the road" rather than fundamentally meeting the challenge.** Four issues contribute to the state's difficulties: geography and demography, a focus on environmental impacts, inflation, and revenues and funding. Additionally, in the past, ballot initiatives have had limited success.

This report explores these problems and offers a path forward that will help meet the transportation needs of state residents in a fiscally responsible way.

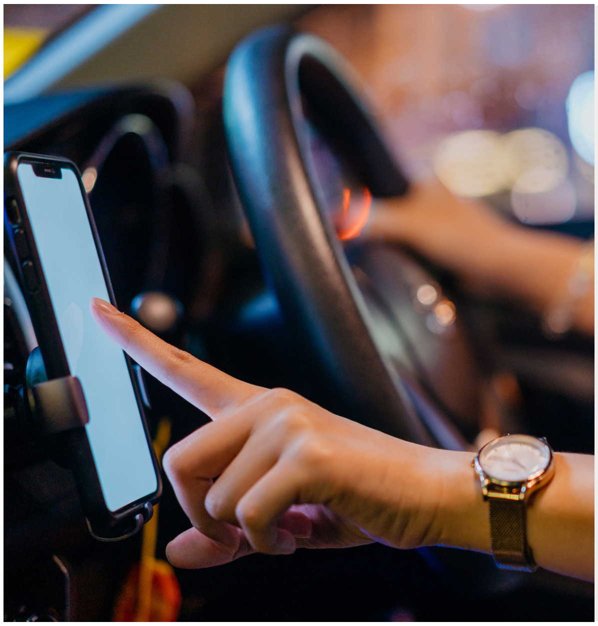
KEY FINDINGS

A review of the legislative history surrounding transportation funding in Colorado shows:

Transportation fees are not going to roads. Since 2017 the state has created or increased a number of transportation related fees. The statutes authorizing them have directed the bulk of the dollars collected toward environmental mitigation, mass transit, and demand management efforts rather than roads, further exacerbating the state's infrastructure problems.

CDOT resources do not meet demand. Over the long term, the resources available simply are insufficient to operate, maintain, and expand the state's highway system to maintain appropriate service levels.

General Fund Transfers are inconsistent and often not directed to roadway improvements. Supplementing the constitutionally dedicated transportation funds with General Fund dollars, while helpful, is not a panacea. Recently the legislature has transferred significant sums of money for transportation. These transfers have made a difference but are tapering off and may disappear completely as budgetary conditions tighten.



Over $200 million in transportation fees are impacting Coloradans on a daily basis: However, the majority of these fees do not fund roads. Instead, they are directed to environmental mitigation.

- **Retail Delivery Fees** – Amazon deliveries or DoorDash - 29 cents/delivery
- **Per Ride Fees** – Uber or Lyft- 32 cents/ride

THE PROBLEM

Four factors contribute to Colorado's inability to adequately fund its surface transportation system. Each of these factors is discussed in upcoming sections, but to summarize, they are:

Geography and Demography: Colorado is a large state that is growing consistently. Its physical location and topography lend itself to extreme weather conditions, including a high rate of freeze and thaw cycles. These cycles mean that, over time, the wear on roadways, tunnels, and bridges is substantial. Snow and ice also require frequent plowing and the distribution of chemicals to keep roads safe for driving. These chemicals also contribute to road wear. A growing population adds to the problem as more trucks and cars make for increased congestion and more wear on roadways.

Environmental Impacts: Vehicles emit significant amounts of carbon dioxide and other pollutants. Although the various emissions each vehicle produces have decreased over time due to pollution controls, unleaded fuel, and increased fuel efficiency, the level of emissions remains material. As such, policymakers are focused on reducing emissions and have attempted to address this concern as part of the overall transportation funding matrix.

Inflation: Rising prices increase the cost of maintaining and improving transportation infrastructure. In particular, between 2019 and 2024, construction prices increased an estimated 45% while inflation overall was only 23%.[i]

Revenues/Funding: Most of the revenues available for surface transportation do not adjust with inflation. Consequently, they are not adequate to meet the three factors outlined above: geography and demography, environmental impact, and inflation.

GEOGRAPHY AND DEMOGRAPHY

By land mass, Colorado is the eighth largest U.S. state. By population, it is the 21st largest. The population of Colorado continues to grow at an annual growth rate of a little over 3% per year and will soon exceed 6 million people.[ii] About 85% Coloradans live on the Front Range.

To serve residents and meet demand for transcontinental shipments, large freight movements, mostly by truck, must move to and from the Front Range and across the state. In 2022, for example, 344 million tons of freight traveled on Colorado's roads. As the state's population grows, the volume of freight will continue to increase. In fact, by 2050, volumes will increase by another 200 million tons with the size and weight of full truck loads not increasing during those years.[iii]

Freight movement is essential for the economy and for Coloradans' survival, but trucks impose a burden on roads and bridges. A fully loaded semi tractor trailer hauling an 80,000 load is estimated by the Government Accountability Office to cause as much damage as 5,000 passenger cars. Accordingly, roads and bridges frequented by freight must be designed to absorb these heavy impacts — a fact that makes them much more expensive to build and maintain.[iv]

Passenger vehicles result in less wear and tear on roads, but volume and density is a problem. When many vehicles want to get to the same place at the same time — to a ski resort or to a job in downtown Denver, for example — the result is severe congestion and long, slow drive times.[v] These factors contribute to time delays and increased idling. At present, there are more than 7 million total vehicles registered in Colorado, including 3.7 million passenger vehicles. As Figure 1 demonstrates, the state's road system is not keeping up with driver demand.[vi]

FIGURE 1

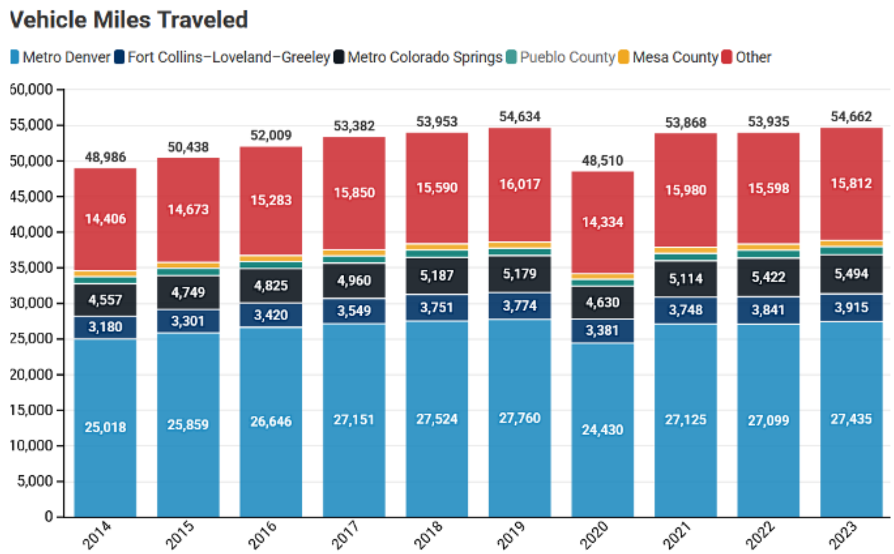
Percentage Change in Vehicle Miles Traveled and Lane Miles

2001 to 2017

When much of the state was shut down by the COVID-19 pandemic, Colorado saw a substantial decrease in vehicles miles traveled (VMT). With the advent of remote work, some experts predicted the days of congestion were over. As Figure 2 reveals, this hypothesis was wrong. According to CDOT's latest figures, gross VMT in 2023 exceeded VMT in 2019. As noted by CDOT, "This overall increase in VMT suggests a growing demand for road infrastructure and increased mobility options, though regional variations highlight differing transportation dynamics across the state."[vii]

The problem is not just too many drivers for the system's capacity. The actual condition of the state system's pavement is also deteriorating due to heavy usage, weather, and limited funding to make timely repairs. The Reason Foundation's latest report on the nation's highway conditions dated 13 March 2025 listed the following results for Colorado: a rank of 47th on the condition of rural highway pavement and 45th for urban highway pavement. It ranked 40th in urban fatality rates and 36th in traffic congestion. The study found drivers in Colorado on average spend 36 hours a year stuck in traffic. Overall, between 2019 and 2025 Colorado's ranking has gone from 36th overall to 43rd.[viii]

FIGURE 2



Source: CODOT

ENVIRONMENTAL IMPACTS

Colorado policymakers are committed to identifying and offering residents alternatives to the use of passenger vehicles. Historically, this commitment was motivated by a desire to mitigate congestion and to provide mobility to those unable to afford a personal vehicle.

Despite heavy investments, this effort has been largely unsuccessful. Statistics clearly show mass transit is facing an unprecedented crisis. While mass transit should be most successful in areas with dense populations where congestion is most likely to occur, data shows that, even with the massive investments the Denver metro area has made in mass transit, the payoff has been low.

Most tellingly, prior to the COVID-19 pandemic, Denver's Regional Transportation District (RTD) ridership was declining. In 2000 4.8% of commutes were on RTD. By 2017, that number had declined to 4.6%.[ix] When COVID struck, mass transit usage declined dramatically due to social distancing concerns. Ridership still has not recovered. In fact, it remains well below pre-pandemic levels. In 2019, there were 134 million rides. In 2022, there were only 94 million. In the Denver metro area, only about 3% of all commuters now use transit.[x]

What makes this problem particularly worrisome is the sheer volume of resources RTD consumes in return for this low level of ridership. RTD is funded by a Denver metro area sales tax of 1% to the tune of $888 million for 2024, and its total budget is nearly $1.35 billion.[xi] To put these numbers in perspective, the standard fare per ride is $2.75, but the actual cost to RTD to provide that ride is about $18. These numbers work out to a per resident annual subsidy of about $275.[xii][xiii]

Even the best performing mass transit system in the state, the Roaring Fork Transit Authority, does not do much better. Due to some unique factors in its service area — the entrance to Aspen and the constraints along SH-82 — it is heavily used, but its cost per ride is still around $11.[xiv]

Despite the high fixed and variable costs of running a mass transit system with low ridership, policymakers have doubled down on mass transit seeking to minimize the environmental impacts of transportation. Their goal is to methodically reduce the use of vehicles, particularly those powered by fossil fuels. The vernacular term for this effort is "putting the state on a lane diet." Two documents illustrate this increasing focus. The first and most recent is Governor Jared Polis' Transportation Vision 2035, which was published in November 2024.

Transportation Vision 2035 pledges to increase the non-auto mode share from 9.6% to 19.2%. Achieving this goal would mean the percentage of non-auto trips would have to double between 2024 and 2035. The plan states that, to attain these goals, Colorado would need to increase transit service by 83% in terms of revenue transit miles. The plan also calls for an 81% increase in bicycle trails and a massive investment in improved pedestrian access, or sidewalks. The key to making this vision happen is a major shift in housing development patterns. The plan relies on a dramatic increase in Transit Oriented Development. What the plan does not do is make references to any effort to mitigate vehicle emissions by reducing congestion and idling of vehicles.[xv]

The plan also does not address whether the goals set in the vision study are achievable. Indeed, the document is merely a "vision" statement, not an implementation plan. Still, its intent is quite clear: to alter the way Coloradans live their lives. At a minimum, this vision will make major highway expansion projects beyond those already in the works very unlikely.

The initial elements of the Transportation Vision 2035 plan were created before the plan was even written. In fact, they came with the creation of the Multi Modal Option Fund in 2017. They were then reinforced with passage of SB21-260, a bill, "Concerning the Sustainability of the Transportation System in Colorado," which states as one of its primary objectives that:

> *"(a) The planning, funding, development, construction, maintenance, and supervision of a sustainable transportation system requires the implementation of a comprehensive regulatory scheme that appropriately balances and funds the necessary elements of such a system, including but not limited to: (II) The infrastructure, programs, and incentives needed to support the widespread adoption of electric motor vehicles for personal, commercial, and government use and, by doing so and through other appropriate means, minimizes and mitigates the adverse environmental and health impacts of transportation-related air pollution and greenhouse gas pollutant emissions that affect the general public, including disproportionately impacted communities;*

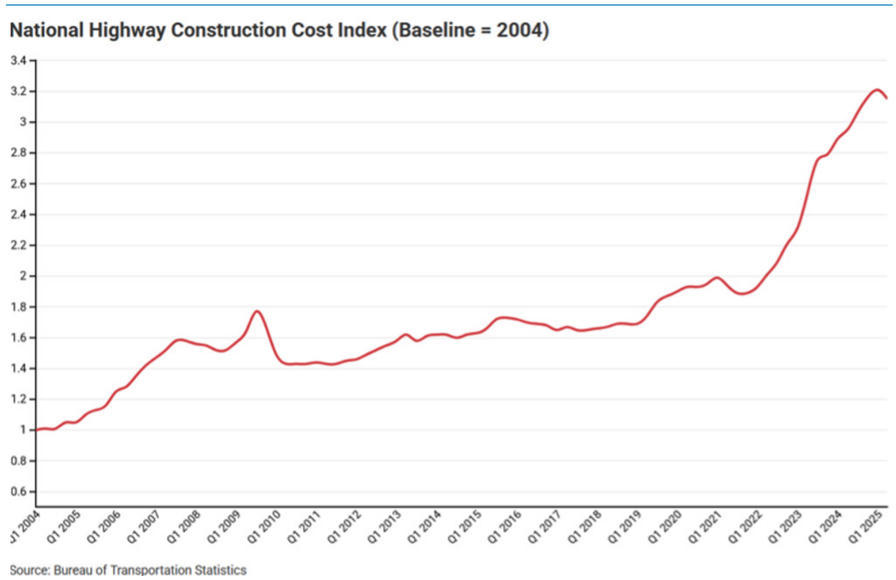
The elements of SB21-260 that address electrification, emissions, and demand management are discussed in the revenue section of this report, but the significance of this bill cannot be understated. It represents a major alteration in the focus of Colorado's transportation funding. Quite simply: it changed the state's focus for transportation from highway infrastructure to environmental mitigation.

INFLATION

Although the numbers vary somewhat depending upon the data source, the past four years have seen a marked increase in the costs borne by CDOT and all entities operating, maintaining, and constructing transportation infrastructure.[xvi] The makeup of all the components of the National Highway Construction Cost Index is complex and subject to substantial volatility, but, as Figure 3 demonstrates, its trajectory over the last several years has been up: a lot. In the aggregate, from 2019 through 2024 construction costs have increased by about 45%.

The math is straightforward. As set out in Resolution #TC- 18-03-12, CDOT's total budget for asset management — construction — was $755 million for fiscal year (FY) 2019. While this number was large, it did not reflect actual need for investment. (Indeed, all CDOT budgets are determined by dollars available, not by how much work needs to be done on the system in every year. Trade-offs are made each year and some work that should be done is not.) Assuming construction inflation of 45% between 2019 and 2025 — a rate that is conservative — for FY 2026 CDOT's budget would need to be $1.095 billion simply to keep from losing ground. The proposed budget for FY 2026 calls for $1.009 billion for asset management, however. As it has for several years, inflation continues to place pressure on CDOT's ability to maintain the system.[xvii]

FIGURE 3



REVENUES

Revenues that fund the state's highway system come from a variety of sources. The primary ones are: federal funds, state motor fuel and vehicle registration fees, and state general fund transfers.

Federal Funds

Federal dollars are allocated through a wide variety of programs that are mainly overseen by the Federal Highway Administration (FHWA). All federal programs come with requirements for how CDOT may either spend the money, or suballocate it to local governments, metropolitan planning organizations (MPOs), and transit agencies. Most programs also require a state or local funding match. For FY 2025-26, CDOT expects a total of a little more than $800 million in federal funds from 19 different programs.[xviii]

Over time, federal funding for CDOT has grown modestly. On occasion, the department has received sharp, one time federal increases. These extra funds normally are timed around significant economic downturns and are meant as economic stimulus. Federal funding from the American Recovery and Reconstruction Act during the Great Recession is one example of this type of funding.

Whether the federal government will continue to increase annual transportation allocations to states is an open question. The rate for the federal motor fuel tax, which is the primary funding source for the Highway Trust Fund (HTF), has not changed since 1993. At present, to fund transportation allocations to the states, the federal government supplements motor fuel tax collections with large general fund transfers to the HTF. These transfers contribute to the annual federal deficit. If the federal government decides to address deficit spending, it will either have to establish a means to increase HTF collections, end transfers to states, or find some other way to reduce the federal government's annual deficit. In FY 2024, for example, transfers to the HTF increased the deficit by $26.7 billion.[xix]

State Motor Fuel and Vehicle Registration Fees

Like most states, Colorado traditionally has funded its surface transportation system through a combination of motor vehicle fuel taxes (diesel, gasoline, and special fuels) and vehicle registration fees. In 1935, policymakers amended Colorado's constitution to dedicate fuel taxes solely for the "construction, maintenance, and supervision of the public highways of this state."

Per the constitution, collected taxes and fees are deposited in the state's Highway Users Tax Fund (HUTF) and are then allocated by legislatively enacted formulae to CDOT, counties, and municipalities. Over the years, policymakers have debated what, precisely, meets the definition of "the construction, maintenance, and supervision" of the system, but generally the constitutional provision has acted as a bulwark, resulting in the dedication of most of revenues to system preservation and expansion.

Prior to the passage of Colorado's Taxpayer's Bill of Rights (TABOR) in 1992, the General Assembly would periodically increase the tax per gallon of motor fuel to compensate for inflation and to expand the capacity of the state's highways. Since then, however, the rate has remained unchanged at 22 cents per gallon of gasoline and 20.5 cents per gallon of diesel fuel. TABOR did not affect the ability of the legislature to alter registration fees, but lawmakers have generally been reluctant to increase these assessments since TABOR was enacted. When rates for registration fees increased in 2009, most of the proceeds were not allocated through the traditional distribution formulae.

With rates from the motor fuel tax and the registration fees essentially unchanged, as Figure 4 shows, today these mechanisms only generate about $1.3 billion annually. CDOT receives about half the total collected.[xx]

FIGURE 4

Highway Users Tax Fund Distribution

Recipient	FY22–23	FY23–24	FY24–25	FY25–26
Off-the-Top Appropriations	$186.6M	$200.9M	$213.2M	$225.7M
CDOT	$539.7M	$621.0M	$662.9M	$665.9M
DNR Capital Construction	$0.3M	$0.3M	$0.3M	$0.3M
Counties	$218.5M	$231.2M	$246.7M	$256.1M
Municipalities	$153.6M	$166.1M	$179.6M	$188.3M
Total HUTF Distributions	$1,098.7M	$1,219.5M	$1,302.7M	$1,336.3M

Although taxes and fees remain a significant source of revenue for CDOT, these sources grow very slowly over time. They do not account for inflation. Additionally, because taxes are based on the volume of fuel sold, as vehicles become more fuel efficient collections decline. Over time, these forces have placed more and more pressure on CDOT as it seeks to maintain the system.

State General Fund Transfers

As TABOR's effect on motor fuel tax receipts became clear, lawmakers considered using General Fund dollars to fill the gap. Indeed, on an intermittent basis over the years, CDOT has received annual appropriations from Colorado's General Fund. In some instances, the amounts received were substantial, but uncertainty is a problem. These appropriations are generally based on a formula tied to the state's actual revenue collections and, therefore, can vary.

Lawmakers also can reduce or cut them whenever economic conditions cause stress to the General Fund budget. Indeed, as Figure 5 on the next page shows, expected transfers do not always materialize, forcing CDOT to backfill debt service payments from the HUTF. When this scenario happens, dollars are directly subtracted from the current year's asset management budget.[xxi]

FIGURE 5

General Fund Contributions to Transportation
FY 1979-80 to FY 2017-18
Dollars in Millions

	General Fund Appropriations	SB 79-563 Transfers[1]	SB 97-1 Diversions[2]	HB 02-1310 Transfers[3]	HB 16-1416 Transfers[4]	SB 17-262 Transfers[5]	TOTAL
FY 1979-80		$30.0					**$30.0**
FY 1980-81		$33.0					**$33.0**
FY 1981-82		$36.0					**$36.0**
FY 1982-83		$29.1					**$29.1**
FY 1983-84		$51.7					**$51.7**
FY 1984-85		$51.6					**$51.6**
FY 1985-86		$51.4					**$51.4**
FY 1986-87		$40.0					**$40.0**
FY 1987-88	$15.7		Enacted in 1997				**$15.7**
FY 1988-89	$30.0						**$30.0**
FY 1989-90	$10.0						**$10.0**
FY 1990-91	$10.0			Enacted in 2002			**$10.0**
FY 1991-92							**$0.0**
FY 1992-93							**$0.0**
FY 1993-94							**$0.0**
FY 1994-95							**$0.0**
FY 1995-96	$75.0				Enacted in 2016 to replace 1st two years of SB 09-228 transfers	Enacted in 2017 to replace SB 09-228 and HB 16-1416	**$75.0**
FY 1996-97	$158.9						**$158.9**
FY 1997-98			$154.6				**$154.6**
FY 1998-99	$100.0	Repealed in 1987; HB 87-1350 required General Fund transfers to transportation for FY 1987-88 through FY 1990-91	$170.4				**$270.4**
FY 1999-00			$188.7				**$188.7**
FY 2000-01	$56.7		$197.2				**$253.8**
FY 2001-02	$4.8		$35.2				**$40.0**
FY 2002-03	$1.0		$0.0	$0.0			**$1.0**
FY 2003-04			$0.0	$5.6			**$5.6**
FY 2004-05			$0.0	$81.5			**$81.5**
FY 2005-06	$3.4		$220.4	$65.3			**$289.1**
FY 2006-07	$20.3		$228.6	$291.3			**$540.1**
FY 2007-08	$34.3		$238.1	$166.2			**$438.6**
FY 2008-09	$19.1		$0.0	$29.0			**$51.9**
FY 2009-10							**$0.0**
FY 2010-11							**$0.0**
FY 2011-12							**$0.0**
FY 2012-13			Repealed under SB 09-228	Repealed under SB 09-228			**$0.0**
FY 2013-14	$0.5						**$0.5**
FY 2014-15	$0.5						**$0.5**
FY 2015-16	$0.5				$199.2		**$199.7**
FY 2016-17	$0.5					$79.0	**$79.5**
FY 2017-18	$0.5					$79.0	**$79.5**

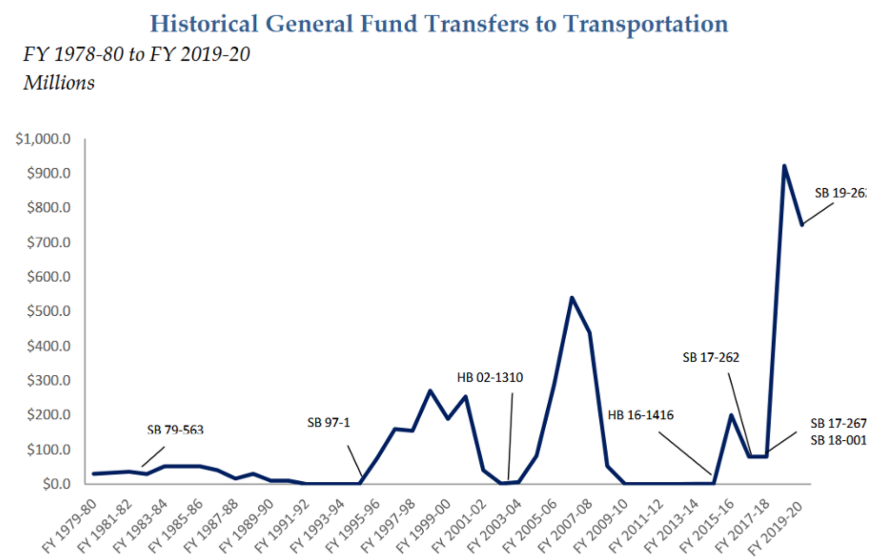
As Figure 6 indicates, General Fund transfers spiked significantly in 2018. This increase was the first of four very large transfers related to the state's sale of Certificates of Participation (COPS). The transfer in 2018 totaled $380 million, plus a one-time transfer of $177 million.[xxii] These transfers are discussed in more detail in a subsequent section.

As the above chart also shows, in 2009, General Fund transfers disappeared for several years. This flatline was the result of General Assembly passage of two major transportation related funding bills: SB09-108, "Funding Advancements for Surface Transportation and Economic Recovery Act (FASTER)" and SB09-228, "Concerning an Increase in the Flexibility of the General Assembly to Determine the Appropriate Use of State Revenues."

SB09-228 eliminated all prior General Fund transfer bills and replaced the old formulae with a new one that allowed no General Fund transfers until 2014. Subsequent legislation, SB12-168, delayed that policy until FY 2016. Then, in 2016, the legislature passed HB16-1416, which overrode the formula from SB09-228 for two years.[xxiii]

In 2017, the legislature passed SB17-262, which again overrode the SB09-228 formula and directed significantly smaller, but set dollar amount, transfers to the HUTF. That year the legislature also approved SB17-267, a bill that eliminated the $160 million in transfers for FY 2019 and FY 2020 and, in their place, authorized issuances of COPS for transportation.[xxiv]

FIGURE 6



FASTER and the Enterprise Model for Transportation Funding

The FASTER bill was essentially enacted as a trade. Transportation funding from the General Fund was, as noted above, cancelled for an extended period of time. In return, CDOT received additional revenue streams from transportation related revenue sources.

Specifically, the FASTER legislation implemented a set of surcharges, fines, and late fees on motor vehicle registrations. These fees and surcharges were fixed and do not increase over time. They were phased in over a three-year period and included:

- Two annual surcharges on motor vehicle registrations (the Road Safety Fund and the Bridge Special Fund);
- Supplemental surcharges on oversize/overweight motor vehicles;
- $2 daily fees on rented vehicles paid by rental car companies; and
- Incremental fees for late motor vehicle registration.

FASTER's fees now generate about $200 million for transportation. Other than the bridge fee, the levies go through the HUTF and are shared with local governments.[xxv]

The FASTER legislation also created two new enterprises within CDOT: the High Performance Transportation Enterprise (HPTE) and the Colorado Bridge Enterprise (CBE). Both enterprises have had a significant impact on improving Colorado's transportation system.

HIGH PERFORMANCE TRANSPORTATION ENTERPRISE/COLORADO TRANSPORTATION INVESTMENT OFFICE

The HPTE, which was renamed in 2021 and is now called the Colorado Transportation Investment Office (CTIO), exists to explore and utilize alternative financing mechanisms to expand highway capacity. HPTE has used that authority to establish a network of Tolled Express Lanes along the Colorado Front Range and into the I-70 mountain corridor. The HPTE has used several financing options, including public private partnerships and federal financing under the U.S. Department of Transportation's Transportation Infrastructure Finance and Innovation Act (TIFIA).

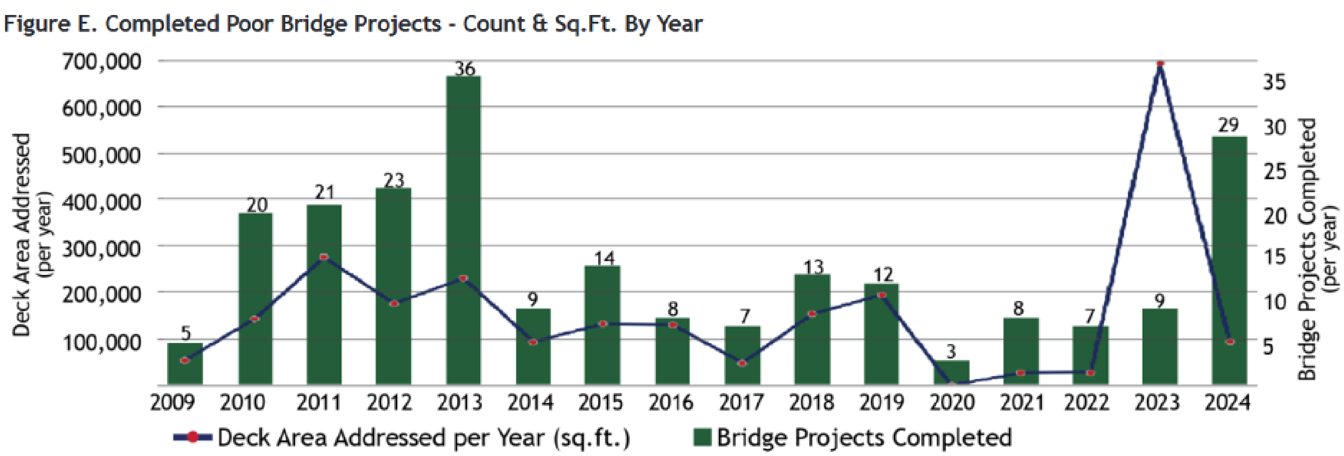
As the tolled express lane network has expanded, so have the revenues collected by the CTIO. Tolls and related revenues such as violation fines are expected to generate more than $90 million in the current fiscal year. Most of these toll revenues are pledged to the repayment of debt/availability payments incurred by the CTIO for constructing the lanes or used to pay for their operation. Although tolled express lanes can and do generate revenue, none of the tolled express lane projects have generated toll revenues sufficient to pay all of a project's development and construction costs. All CTIO projects have required significant contributions by some combination of the CBE, the FHWA, local governments, and CDOT.

In 2024, the legislature enacted HB24-184, "Support Surface Transportation Infrastructure Development." This bill authorized the CTIO to impose a Congestion Impact Fee on short-term vehicle rentals at up to $3 per day. It also authorized the CTIO, the Regional Transportation District (RTD), the Front Range Passenger Rail District, and the CDOT to enter into a standalone intergovernmental agreement or separate legal entity for the construction and operation of the Northwest Fixed Guideway Corridor, including an extension of the corridor to Fort Collins as the first phase of Front Range Passenger Rail service. This bill raised revenue to the CTIO for this particular purpose by $28.1 million in FY 2024-25 and $57.3 million in FY 2025-26.

COLORADO BRIDGE ENTERPRISE/COLORADO BRIDGE AND TUNNEL ENTERPRISE

The FASTER legislation also created a Bridge Safety surcharge ranging from $13 to $32 based on vehicle weight. This fee is collected annually as part of the vehicle registration process and goes to the Colorado Bridge Enterprise (CBE), which FASTER also created.[xxvi]

FIGURE 7



The CBE has made several bond issuances and, for Central I-70, entered into a long-term availability payment agreement. Consequently, a significant portion of the enterprise's future revenue is dedicated to debt service.[xxvii]

With the passage of SB21-260 in 2021, the CBE was renamed the Colorado Bridge and Tunnel Enterprise (CBTE) and its remit was expanded to include tunnels. Annual revenues, about $115 million from the Bridge Safety Surcharge, remain largely stable, growing about $2 million per year. The surcharge does not adjust for inflation.[xxviii]

SB21-260 also provided two additional funding sources for the CBTE. The first is 10% of the Retail Delivery Fee, a flat fee placed on all retail deliveries. The second is the Bridge and Tunnel Impact Fee, which is 2 cents per gallon on diesel fuel and will incrementally increase to 8 cents per gallon in FY 2029. Each penny equals about $10 million in revenue.[xxix]

ENTERPRISES CREATED BY SB21-260

In addition to providing more fee income for the CBTE, SB21-260 created four transportation related enterprises:

- Community Access Enterprise, which is housed within the Colorado Energy Office;
- Clean Fleet Enterprise, which is housed within the Department of Public Health and Environment;
- Clean Transit Enterprise, which is housed within CDOT; and
- Air Pollution Mitigation Enterprise, which also is housed within CDOT.

SB23-280, "Hazardous Material Mitigation," created a fifth enterprise, Fuel Impacts Enterprise, which is housed within CDOT.

As the titles of these new enterprises indicate, none collect revenue to increase CDOT's capacity to either expand or to maintain Colorado's surface transportation infrastructure. All are focused on environmental mitigation and/or economic equity and accessibility. Details regarding each of these enterprises are contained in an appendix to this report.

With SB21-260, legislators created a retail delivery fee on package deliveries. The total fee is 27 cents per delivery. It is split between the four new enterprises and the CBTE, Multi Modal Options Fund (MMOF), and the State Highway Fund. As Figure 8 shows, in aggregate, the fees collected in FY 2024 were a little less than $93 million with 59% of the total split between the four enterprises. This bill also created a per ride fee for ride sharing services of either 30 cents per ride for rides in standard vehicles or 15 cents per ride for rides in "clean" vehicles. Both of these fees adjust with inflation and to date have increased by a cent per year.[xxx]

FIGURE 8

Transportation Enterprise Fees					
	2020	2021	2022	2023	2024
Bridge and Tunnel Impact Fees	$0	$0	$0	$11,600,604	$19,738,322
Per Ride Fees	$0	$0	$0	$6,351,879	$10,032,690
Retail Delivery Fees	$0	$0	$0	$75,919,293	$92,897,043
Road Usage Fees	$0	$0	$0	$8,472,672	$89,690,011
Total	$0	$0	$0	$102,344,448	$212,358,066

The Fuel Impacts Enterprise is funded by a per gallon Fuels Impact Reduction Fee of fuel distributors. The Fuels Impact Fund currently is limited to $15 million per year, but that cap could be statutorily raised.

SB21-260 AND THE HIGHWAY USERS TAX FUND

As noted above, SB21-260 imposed an 8 cent per gallon fee on diesel fuel to provide the CBTE with sufficient revenues to keep up with needed bridge and tunnel work. The same fee amount, 8 cents, with the same phased in implementation schedule was put in place on gasoline. The proceeds from that fee go into the HUTF where they are then split between state and local governments using an existing allocation formula. At present, about 182 million gallons of gasoline are sold each month in Colorado, so these fees offer a substantial revenue source. That said, even once the full 8 cents per gallon is collected starting in FY 2029 — and if not delayed as their initial implementation was — it will not make up for the effects of inflation on motor fuel collections.[xxxi]

SB21-260 also directs 5.97 cents of the Retail Delivery Fee to the HUTF, as well as an increase in the electric vehicle registration fee, which is split 60% to the HUTF and 40% to the Electric Vehicle Grant Fund. The legislature has subsequently chosen to delay the timeline for the phase in of the Road Usage Fee.[xxxii]

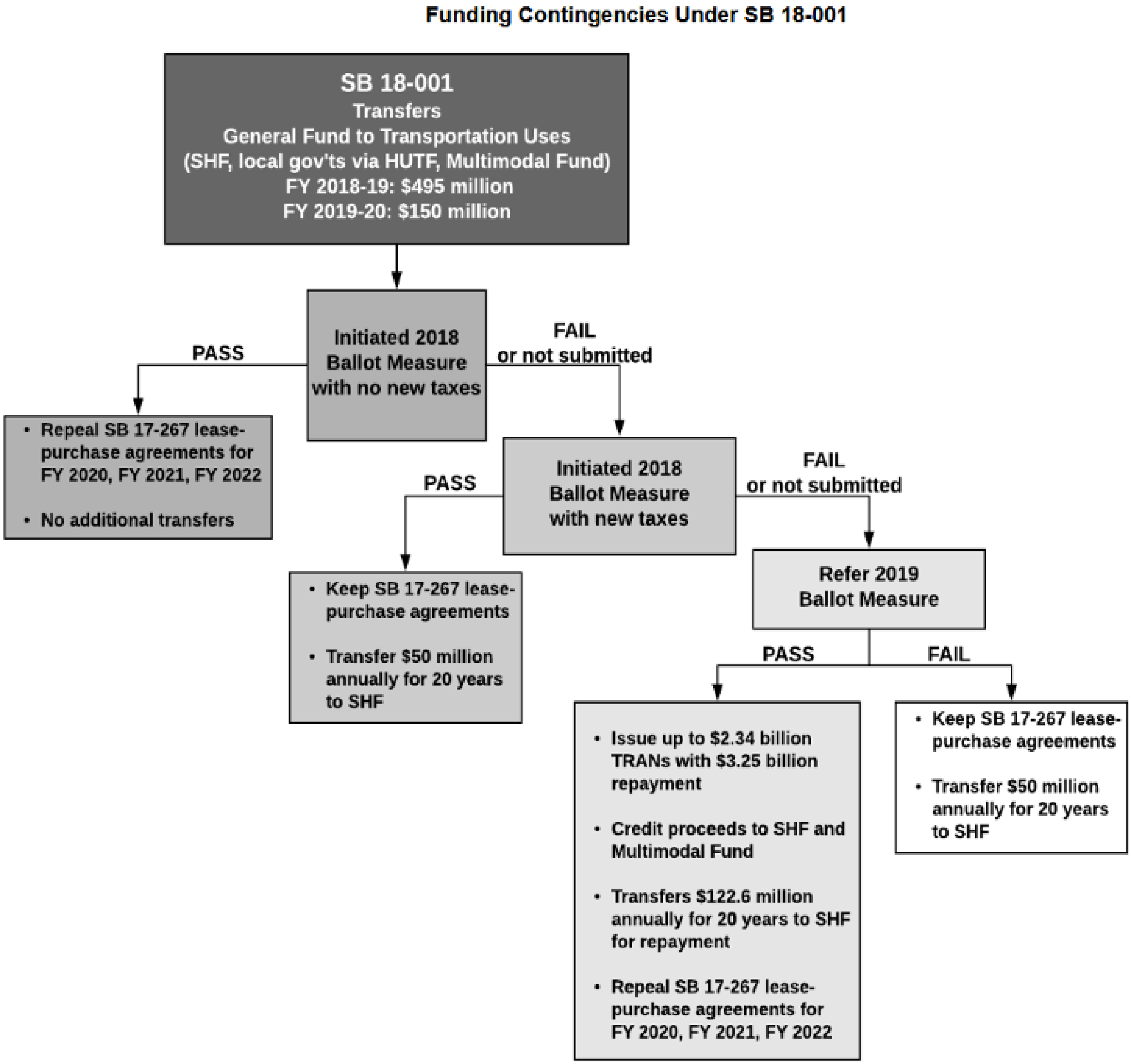
SB18-01 AND BALLOT MEASURES

Efforts to address transportation funding continued in 2018 with passage of SB18-01, “Concerning Transportation Infrastructure Funding.” Like SB17-260 the previous session, this bill was ambitious. It sought to do four things, including to provide General Fund transfers for 2019 and 2020. (SB17-267 had eliminated these transfers.) These transfers were implemented as follows:[xxxiii]

> **FY 2018-19:** $346.5 million to the State Highway Fund; $74.25 million to county and cities; and $74.25 million to the Multimodal Transportation Options Fund.
>
> **FY 2019-20:** $105.0 million to the State Highway Fund; $22.5 million to county and cities; and $22.5 million to the Multimodal Transportation Options Fund.

The second thing SB18-01 tried to address was two potential ballot propositions, 109 and 110, in November 2018 meant to enhance transportation funding. As Figure 9 shows, SB18-01 created contingencies to address the passage of either or both bills.[xxxiv] Ultimately, neither was approved and the result of this whole process is what is shown in the lower right block.

FIGURE 9



The third issue SB18-01 tried to address was contingent on failure of the 2018 ballot measures. This part of the bill referred to November 2019 ballot Proposition CC, which, if the previous two ballot measures failed, would have allowed the state to retain all funds that exceeded the TABOR limit and split them equally between transportation, higher education, and K-12 public education. Proposition CC also failed, and contingent upon its failure, SB18-01 authorized the continued issuance of additional COPS in 2020, 2021, and 2022.

THE MULTI MODAL OPTIONS FUND (MMOF)

The fourth and final element of SB18-01 was the creation of the MMOF. The MMOF was created, as its name implies, to encourage the use of multi modal means of transportation. The legislation provided a one-time allocation of $94.25 million from the General Fund to the MMOF. This move was especially significant since it indicated a preference that, to the extent General Fund dollars are made available for transportation, their likely use is not for infrastructure.

Eligible uses for MMOF funds are:[xxxv]

- Capital and/or operating costs for fixed-route and on-demand transit services;
- Transportation Demand Management (TDM) programs;
- Multimodal mobility projects enabled by new technology;
- Multimodal transportation planning and studies;
- Bicycle or pedestrian infrastructure projects;
- Transportation modeling too; and
- Greenhouse Gas (GHG) mitigation projects that decrease Vehicle Miles Traveled (VMT) or increase multimodal travel.

Funds allotted to the MMOF are split. CDOT can use 15% allocated for statewide and regional multimodal investments, but the remaining 85% is to be use for grants to local governments for competitively selected multimodal investments.

CERTIFICATES OF PARTICIPATION 2017–2022

SB17-262 authorized the issuance of $2 billion in COPS, a form of bonding, from FY 2018 to FY 2022 in $500 million increments. The state treasurer completed the four issuances in 2022 with no issuance in 2019.[xxxvi] The 2018 issuance was not exclusively for transportation; $120 million was allotted for state capital construction projects.

The bill also required CDOT to allocate 10% of the funds toward transit and the remaining funds for projects on the department's tier 1 priority list of state highway projects. (Tier 1 does not include local roads.)[xxxvii xxxiii]

Starting in 2023 when all the issuances were completed, total annual debt through final maturity in 2042 is about $147 million per year.[xxxix]

The bill estimated CDOT would pay $50 million annually out of its budget, the State Highway Fund, toward the annual debt service for 20 years with the General Fund paying the additional, approximately $100 million, of annual debt service. The legislature already has made several changes in the annual payment shares to address General Fund TABOR revenue concerns.

OTHER GENERAL FUND TRANSFER ACTIONS 2019–2022

Since 2019, the General Assembly has enacted several more bills related to General Fund spending for transportation. These bills do one of two things: provide money for transportation-related items other than the state highway system (rail, mass transit, and enhancing bike or pedestrian accessibility, for example) or alter the timing and amounts of General Fund dollars that go toward annual payments for the COPs. The legislature also frequently adjusts revenues credited to the HUTF — lowering fees for example — or altering the dollar amount of the transfer to provide additional TABOR revenue room for the General Fund.

Legislation that falls under these categories include:

- SB19-262, "General Fund Transfer to the State Highway Fund"
- HB20-1376, "Modify Transportation Funding Mechanisms"
- SB21-110, "Fund Revitalization of Main Streets"
- SB21-265, "GF to SHF Transfer"
- SB22-180, "Reduce Ozone Through Increased Transit"
- SB22-176, "Front Range Passenger Rail Funding"
- HB22-1351, "Temporary Reduction to Road Usage Charges"

The titles of these bills are largely self-explanatory, but details are provided in the appendix.

The constant changes outlined above clearly demonstrate the risks of relying upon General Fund transfers for state highway infrastructure. For example, the Joint Budget Committee has recommended the 2025 General Assembly appropriations bill cancel the annual "promised" $100 million transfer to the State Highway Fund for FY 2026 to make its share of the annual COP payment and to reduce, yet again, Road Safety Surcharges — in this case by $32.5 million. The absence of these dollars from the CDOT budget will, as CDOT itself notes, "be a significant reduction to the department's budget and most flexible spending source in the near term. This cut would specifically impact the ability to fund the 10-year plan and flexible spending on things such as road maintenance from the State Highway Fund."[xl]

CONCLUSION

The history outlined in this report lends itself to three conclusions:

- **New funding is not going to highway infrastructure.** In 2017, the legislature created the MMOF and, since then — with the notable exception of making some of the COP payments — it has consistently sent General Fund dollars to CDOT for uses other than maintaining the highway system. This trend dramatically expanded in 2021 with the creation and funding of the four new enterprises. The significance of this shift is hard to understate. The state now takes transportation related fees and directs them toward environmental mitigation, mass transit, and demand management efforts rather than infrastructure. The Transportation Vision 2035 document indicates this strategy is not a limited one. Other than COPs repayments, it is possible all future General Fund and additional fee based dollars will go toward environmental mitigation, demand management, and electrification.
- **CDOT resources not meeting demand.** Over the long term, the resources available simply are insufficient to operate, maintain, and expand the state's highway system to maintain appropriate service levels
- **General Fund Transfers are inconsistent**. Supplementing the constitutionally dedicated transportation funds with General Fund dollars, while helpful, is not adequate. Recently the legislature has transferred significant sums of money for transportation. These transfers have made a difference but are tapering off and may disappear completely as budgetary conditions tighten.

With these conclusions in mind, policymakers must ask: what is the logical path forward to maintain the state's highway system at an appropriate service level? It is concerning that the fundamental policy shift executed over the last several years has been implemented very quietly, without much attention from Coloradans. Legislators must elevate questions about how to balance infrastructure development and environmental mitigation so they can discuss the pros and cons of this approach with their constituents and then either reaffirm their current shift or reconsider it.

Given the vast extent of Colorado, the current state of electric vehicle technology and charging, and the existing housing stock, especially in suburban and ex urban areas, how this will all play out is yet to be determined. The resources currently available to maintain adequate service levels on the transportation system are insufficient. Legislative history, when combined with governor's transportation vision, clearly show an intent to direct the future development and finite transportation dollars to other priorities. It is unclear whether this approach is even viable given the current built environment. It also is unclear whether this new direction really is the best use of the limited General Fund dollars or of the additional fees funding new enterprises. This question is especially salient given that, over time, emissions generated per vehicle will continue to decline and technology may well make electric vehicles far more practical than they are today without government subsidies.

The answer to these questions is important for Coloradans. They will have significant implications for the state's economy, for residents' ability to live where they choose, access employment opportunities, and enjoy the amenities that make Colorado such a special place to live.

RECOMMENDATIONS

Given all of these challenges and the state's redirection of transportation dollars towards other needs, a phased approach is recommended:

- **Redirect the Enterprises to Prioritize Roads** - If, based upon full consideration and a statewide conversation, it is determined Colorado should once again reprioritize the operation, maintenance, and capacity challenges facing its surface transportation system, the legislature could first redirect the enterprises created by SB21-260 and SB23-280 to now prioritize improvements in highway infrastructure. Second, it could authorize the CTIO to use fees from short term automobile rentals for the expansion of its tolled express lane network. Third, the legislature could refer a ballot question that would eliminate the five enterprises and redirect the fee income they generate to the State Highway Fund while maintaining the current exemption from the TABOR revenue calculations. That measure could also redirect the short term rental fee to the State Highway Fund with a TABOR exemption.
- **Maintain status quo of prioritizing environmental migration over roads** - If, based upon full consideration and a statewide conversation, it is determined the state should continue prioritizing environmental mitigation, transit oriented development, and electrification, the General Assembly could maintain a status quo where transportation related fees continue to be used to achieve environmental goals. This conclusion would require buy in from Coloradans and their acceptance of the inherent trade off of such a policy, which is that the resources to maintain highway infrastructure at appropriate service levels stagnate and statewide mobility deteriorates.
- **Pursue a vote of the people** - Regardless of which of those two options policymakers choose, at some future date it will almost certainly be necessary to refer a ballot measure to voters. This measure could take one of two forms. First, policymakers could ask voters whether to reprioritize how current fees allocated to the five enterprises are spent. A second option would be to consider a new transportation related revenue source. Whether that mechanism is a motor fuel tax, a vehicle miles traveled fee, or some other alternative would need to be determined at that time depending on the amount of additional funding sought and the goals for this additional funding.

Ballot initiatives have had limited success in the past. As noted in this report, they failed in 2018 and in 2019. These measures may not have failed due to lack of support for their transportation-related policies, however. In 2018, there were two competing ballot issues that were very confusing to voters. The 2019 measure sought funds for three purposes — transportation was just one of them. Neither of these measures addressed the shift of focus to environmental mitigation from infrastructure — providing further proof that a debate about priorities is ripe for thoughtful statewide discussion.

If, or when, policymakers pursue a ballot initiative, it would help to make the question as straight forward as possible. Doing so will avoid any question about voters' true intent. A ballot question could also greatly simplify transportation funding by addressing TABOR related constraints that have led the legislature to create the state's current confusing array of enterprises.

APPENDIX A: TRANSPORTATION ENTERPRISES

The Community Access Enterprise

Community Access Enterprise. This enterprise is housed within the Colorado Energy Office (CEO) to support widespread adoption of electric vehicles (EVs) and electric alternatives to motor vehicles, including development of vehicle charging infrastructure, as well as financial incentives for EV purchases, electric alternatives to motor vehicles, and use of public transit. Legislation allows the enterprise to impose a community access retail delivery fee to fund its operations.

This enterprise receives a share of the retail delivery fee. In total, the fee charged cannot exceed 27 cents per delivery and the share for this enterprise cannot exceed 6.9 cents.[xli]

This enterprise's anticipated revenues for FY 2025 are $24.3 million. Expenditures are budgeted mostly for EVs. The three main programs currently budgeted are:

- $8 million for Direct Current Fast Charging Plazas;
- $9 million for Vehicle Exchanges, a program that helps income-qualified Coloradans recycle and replace their old or high-emitting vehicles EVs; and
- $6 million for Charge Ahead Colorado, which supports EV adoption in Colorado by providing grants for EV charging stations to serve communities and EV drivers across the state.[xlii]

The Clean Fleet Enterprise

Clean Fleet Enterprise, which is housed within the Colorado Department of Public Health and Environment (CDPHE), incentivizes and supports the use of EVs and other technologies in private and government vehicle fleets by providing financial assistance for EVs to fleet operators and by providing or supporting related services. Legislation allows the enterprise to impose a clean fleet fee on retail deliveries and rides provided by Transportation Network Companies (TNCs) to fund operations. The enterprise may also issue grants, loans, and rebates to incentivize and support the adoption of EVs in motor vehicle fleets.

This enterprise's share of the retail delivery fee is 5.3 cents per delivery. The enterprise also receives a 3.75 cent share of the discounted ride share fee or 7.5 cents of the non-discounted ride share fee. The discounted fee is charged if the ride share vehicle is a zero emissions vehicle. The ride share fee, which was created by SB21-260, is split between this enterprise and the Air Pollution Mitigation Enterprise. The discounted fee is capped at 15 cents per ride. The non-discounted fee is 30 cents per ride.[xliii]

This enterprise expects revenues of about $23 million for FY 2025. It has budgeted $20 million for its Clean Fleet Vehicle and Technology Project, an incentive program that encourages vehicle fleet operators to transition their fleets to zero emission vehicles. Incentive amounts vary with a vehicle's weight and class with additional incentives that can be stacked:

- If the vehicle replaced is scrapped;
- If the vehicle replaced is domiciled in a Disproportionately Impacted Community; or
- The owners are officially registered as a Service-Disabled Veteran-Owned Small Business with the U.S. Department of Veterans Affairs or are certified as a women-owned business, minority-owned business, small business, or a disadvantaged business enterprise.[xliv]

Air Pollution Mitigation Enterprise

The Nonattainment Area Air Pollution Mitigation Enterprise is housed within CDOT. Its purpose is to mitigate transportation-related emissions in ozone nonattainment areas by funding projects that reduce traffic or directly reduce air pollution through the congestion mitigation and air quality improvement program. To fund operations, legislation allows the enterprise to impose an air pollution mitigation fee on retail deliveries and rides provided by TNCs.

Nine counties along the Front Range have varying degrees of air quality nonattainment. The enterprise can only execute project within these boundaries. The enterprise receives .7 cents from the retail delivery fee as well as 11.5 cents from the discounted ride share fee and 22.5 cents from the non-discounted ride share fee. Its revenues are estimated at $11.1 million for FY 2025 and are expected to increase by about $2 million per year in future years.[xlv]

The enterprise focuses on:

- Sustainably reducing traffic congestion;
- Reducing the environmental and health impacts of transportation; and
- Improving neighborhood connectivity for communities adjacent to highways.

To address traffic congestion, the enterprise will not make physical changes to highways. Rather it will: expand interregional transit services; develop and expand bus rapid transit services; construct mobility bubs, which are destinations for transit services that connect interregional and local services, including first and last miles services, EV charging, and bike parking; construct new and expanded sidewalks and bike paths; and create new and expanded vanpool, carpool, and other services for commuter travel.

To reduce environmental and health impacts, the enterprise will focus on reducing impacts from the construction and ongoing operation of transportation projects. Examples include measures that reduce the impact of large highway construction projects; retrofitting construction equipment for highway projects; air quality monitoring for larger highway construction projects; and roadside vegetation barriers.

To improve neighborhood connectivity, the enterprise will fund measures that help reconnect communities and provide multimodal options to move along and across large urban corridors. Examples include sidewalks and bike paths along major corridors and local roads, safer bike and pedestrian connectivity along busy urban streets, and projects that reduce traffic speeds along busy urban streets.[xlvi]

Clean Transit Enterprise

This enterprise is house within CDOT to support public transit electrification planning efforts, facility upgrades, and fleet motor vehicle replacement as well as construction and development of EV charging and fueling infrastructure. Legislation allows the enterprise to impose a clean transit retail delivery fee to fund its operations and to issue grants, loans, or rebates to support electrification of public transit.[xlvii]

This enterprise receives 3 cents from the retail delivery fee. For FY 2025 it expects revenues from this fee to generate about $11.5 million with increases in subsequent years of about $1 to $1.5 million per year. More significantly, in 2024 the legislature approved SB24-230, which imposes fees on the extraction of oil and natural gas in Colorado. The fees vary based upon the spot price of these two commodities, with 80% of the fees generated going to the Clean Transit Enterprise and the remaining 20% to Colorado Parks and Wildlife. Revenues will be collected for only half of FY 2025 and are expected to total $53 million. Revenues will be collected throughout FY 2026 and are expected to total $116 million.

Under law, the enterprise must allocate its funds in the following manner:

- 70% to the Local Transit Operations Cash Fund;
- 10% to the Local Transit Grant Program Cash Fund; and
- 20% to the Rail Funding Program Cash Fund.

The Local Transit Operations Cash Fund expands transit service, increases transit frequency, and improves transit networks to enhance transit ridership. Money is allocated to eligible entities, which include local governments, local or regional transit districts, or regional transportation authorities that serve one or more communities with a total population of at least 1 million.

The Local Transit Grant Program Cash Fund provides competitive grants to eligible entities for the operation and capital expenses associated with providing public transit. The program incentivizes matching grants and the creation or expansion of local regional transportation authorities.

The Rail Funding Cash Fund funds passenger rail projects.[xlviii]

The Fuels Impact Enterprise

SB23-280 created the Fuels Impact Enterprise within CDOT to improve the transportation of fuel and monitor vehicle emissions. The bill caps annual enterprise expenditures at $15 million. To adhere to that limit, the maximum fee is set at .6125 cents per gallon.

Annually, the first $10 million is allocated to local governments for hazardous mitigation corridor improvements, prioritizing safety and environmental impact:

- Adams County: $6.4 million (64%)
- City of Aurora: $2 million (20%)
- El Paso County: $1.3 million (13%)
- Mesa County: $240,000 (2.4%)
- Otero County: $60,000 (0.6%)

The enterprise may use the remaining $5 million throughout the state's key commercial freight corridors for projects related to emergency response, environmental mitigation, or the transportation of fuel within the state.[xlix]

More About SB21-260

Weighing in at 163 pages of text with an accompanying 21-page fiscal note, SB21-260 did more than just create the enterprises outlined above. It also imposed a new fee, the Road Usage Fee, rearranged fund transfers — including those from the General Fund to CDOT— and increased the amount of funds directed to the MMOF.

The Road Usage Fee is a cents per gallon fee collected on the sale of gasoline and special fuels starting in FY 2023. The initial fee was set at 2 cents. The levy was supposed to increase by a penny per gallon per year until it hit 8 cents per gallon in FY 2029. Starting in FY 2032, the fee is to be adjusted for inflation. Proceeds are deposited in the HUTF and distributed to the CDOT, counties, and municipalities per a "second stream" distribution formula. Based on the October 2024 gallons reported to the Department of Revenue, the fee would apply to about 208 million gallons per month and generate nearly $25 million per year. CDOT would receive about 60% of that total. The legislature has delayed the implementation timeline for this fee, however, and temporarily lowered the Road Safety Surcharge in order to lower cash fund TABOR revenues to allow the General Fund to retain more money.[l][li]

In FY 2024, SB21-260 generated $200.4 million in new fees. Of that, $95 million was allocated to the various enterprises. This total will grow as road usage, retail delivery, and ride increase annually. Figure 10 shows the other monetary elements of the bill.[lii]

FIGURE 10

Transfers Under SB 21-260

	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25
General Fund	($507.0 million)	$17.1 million	$32.5 million	($50.0 million)
State Highway Fund	$355.2 million	($42.8 million)	($43.0 million)	$39.5 million
Highway Users Tax Fund	$24.0 million	$12.0 million	-	-
Multimodal Options Fund	$125.3 million	$13.7 million	$10.5 million	$10.5 million
Southwest Chief Fund	$2.5 million	-	-	-
Net Transfers	**$0**	**$0**	**$0**	**$0**

In addition to these transfers and the ones to the MMOF, SB21-260 repealed a $50 million annual General Fund transfer to the SHF that was to begin in FY 2023 and continue through FY 2040 — a policy that was aligned with the COPS' 20 year pay off cycle. Two items replaced that system. First, was a $100 million annual transfer for FY 2025-2029 with 10% of the transfer designated to reduce VMT or air pollution in nonattainment areas and transfers of $82.5 million for FY 2029-2032. The second item was a one-time conditional transfer that was limited to $115 million and was dependent on the timing and extent of a TABOR calculation. Of that allocation, $108 million was to go to the MMOF; the balance was to go to the Revitalizing Main Street program.[liii]

SB21-260 also renamed the MMOF as the Multimodal Transportation and Mitigation Options program and provided ongoing funding from the new retail delivery fee at 2.43 cents per delivery and General Fund transfers to it. The budget for this program is annually appropriated and the CDOT has approved three additional years of spending authority for each appropriation.[liv]

SB21-260 provided $161.3 million in FY 2021 to the MMOF from federal American Rescue Plan Act. It also included an additional transfer in FY 2022 of $14.5 million to the MMOF with the proviso that it go to the Southwest Chief Fund. For subsequent years through FY 2032, it allocated $10.5 million to the MMOF from the General Fund.

In addition to these transfers, 2.43 cents of the annual delivery fee is allotted for MMOF support. Assuming 281 million deliveries, this allocation will provide annual funding of about $6.9 million.[lv]

APPENDIX B: GENERAL FUND LEGISLATION AFTER SB18-01 THAT AFFECTED TRANSPORTATION FUND

SB19-262, General Fund Transfer to the State Highway Fund: This bill transferred $100 million from the General Fund to the HUTF to be distributed to the CDOT's State Highway Fund and to local governments.

HB20-1376, Modify Transportation Funding Mechanisms: This bill eliminated a previously authorized expenditure of $12 million for FY 2021 from the General Fund toward the annual payments on the COPs and backfilled it by directing the State Highway Fund to make that payment. This legislation also cancelled $50 million General Fund transfers to the State Highway Fund in FY 2020 and FY 2021.[lvi]

SB21-110, Fund Revitalization of Main Streets: This bill transferred $30 million to CDOT in FY 2021 to provide grants for the Revitalizing Main Streets and Safer Main Streets Programs.[lvii]

SB21-265, GF to SHF Transfer: This bill suspended a $50 million transfer to CDOT for FY 2021 and FY 2022 and required the department to pay the first $12 million of debt service above $59 million in those fiscal years. As a result, CDOT made debt service payments of $62 million in each of those years that otherwise would have been covered by the General Fund. The bill transferred $124 million from the General Fund to the State Highway Fund to make CDOT whole.[lviii]

SB22-180, Reduce Ozone Through Increased Transit: This bill transferred $40 million to CDOT in FY 2022. The first $10 million went to the Revitalizing Main Street Program while the other $30 million went to create a pilot program to increase ridership on state run transit, reduce vehicle travel, and reduce ground level ozone.[lix]

SB22-176, Front Range Passenger Rail Funding: This bill transferred $1.9 million to the Front Range Passenger Rail Fund in FY 2022, $6.5 million to the State Highway Fund in FY 2023, and $500,000 to the Unused State Owned Property Fund in FY 2023. It directed CDOT to use these proceeds to develop the Burnham Road property for use as part of front range passenger rail.[lx]

HB22-1351, Temporary Reduction to Road Usage Charges: This bill reduced the road safety surcharge and delayed the start of the road usage fee by nine months. The result was a decrease in HUTF revenues of $61.5 million in FY 2023 and of $17 million in FY 2024. The bill then made a $78.5 million transfer from the General Fund to the HUTF to backfill the reductions. (CDOT received $47.1 million of the $78.5 million.) This policy helped adjust TABOR revenues and refunds. [lxi]

SOURCES

i. https://tripnet.org/reports/keeping-colorado-mobile-january-2025/

ii. https://www.census.gov/quickfacts/fact/table/CO/PST045224

iii. https://tripnet.org/reports/keeping-colorado-mobile-january-2025/

iv. https://www.gao.gov/products/109954

v. https://cdor.colorado.gov/sites/revenue/files/documents/2024_Annual_Report_DR4000.pdf

vi. CDOT FY21 Budget Narrative (Fig. 11)

vii. https://www.codot.gov/programs/environmental/greenhousegas/assets/2024-transportation-trends-report.pdf

viii. https://www.denverpost.com/2025/03/15/colorado-road-condition-rankings/?utm_medium=NATIVE_IOS_notification&utm_source=pushly&utm_content=Falling%20behind%20other%20states&utm_campaign=www.denverpost.com-6477504

ix. https://completecolorado.com/2019/01/14/otoole-rtds-death-spiral

x. https://www.swenergy.org/its-time-for-colorado-to-get-serious-about-funding-public-transit/#:~:text=Transit%20has%20been%20a%20recurring,commute%20trips%20in%20Colorado%20

xi. https://www.rtd-denver.com/performance-dashboard/financial-performance

xii. https://www.westword.com/news/report-rtd-needs-less-crime-passenger-numbers-struggle-20856045#:~:text=Fares%20Contribute%20Less%20Than%205,just%208%20percent%20of%20expenses

xiii. https://www.rtd-denver.com/performance-dashboard/financial-performance

xiv. https://www.rfta.com/wp-content/uploads/2024/04/2024-Budget-GFOA.pdf

xv. https://wp-cpr.s3.amazonaws.com/uploads/2024/11/Colorado-Transportation-Vision-2035.pdf

xvi. https://www.codot.gov/business/eema/assets/2024/2024-q3-cci-accessabilty-checked.pdf

xvii. https://www.codot.gov/business/budget/documents/fy-2025-26-budget-documents/fy-2025-2026-proposed-budget-documents/fy-2025-2026-proposed-budget-allocation-plan/fy-2025-26-proposed-budget-allocation-plan_accessible-draft-1.pdf

xviii. https://www.codot.gov/business/budget/documents/quarterly-forecast-documents/fy-25-q1-forecast.pdf

xix. https://enotrans.org/article/highway-trust-fund-ran-26-7-billion

xx. https://www.codot.gov/business/budget/documents/fy-2025-26-budget-documents/fy-2025-2026-final-budget-documents/fy-2025-2026-final-budget-allocation-plan/fy-2025-26-final-budget-allocation-plan_accessible-final.pdf

xxi. https://leg.colorado.gov/sites/default/files/colorado_transportation_handbook_11132018_1.pdf

xxii. CDOT Narrative Budget FY 2020 pg22

xxiii. https://leg.colorado.gov/sites/default/files/documents/2016A/bills/fn/2016a_hb1416_f1.pdfhttps://leg.colorado.gov/sites/default/files/14-19sb09-228transfersissuebrief.pdf

xxiv. https://leg.colorado.gov/sites/default/files/documents/2017A/bills/fn/2017a_sb262_00.pdf

xxv. https://www.codot.gov/projects/archived-project-sites/faster

xxvi. https://www.codot.gov/programs/BridgeEnterprise/documents/QuarterlyReports/q1fy25_draft-no-allocation-plan.pdf

xxvii. https://www.codot.gov/business/budget/documents/fy-2025-26-budget-documents/fy-2025-2026-final-budget-documents/fy-2025-2026-final-budget-allocation-plan/fy-2025-26-final-budget-allocation-plan_accessible-final.pdf

xxviii. https://www.codot.gov/business/budget/documents/quarterly-forecast-documents/fy-25-q1-forecast.pdf

xxix. https://www.codot.gov/programs/BridgeEnterprise/BridgeFAQs

xxx. https://cdor.colorado.gov/sites/revenue/files/documents/2024_Annual_Report_DR4000.pdf

xxxi. https://docs.google.com/spreadsheets/d/1SZK_U7ibyJi4RrR0GGlAfpEFOep7mvwL/edit?gid=990702482#gid=990702482

xxxii. https://leg.colorado.gov/sites/default/files/documents/2021A/bills/fn/2021a_sb260_r1.pdf

xxxiii. https://leg.colorado.gov/sites/default/files/senate_bill_18-001_concerning_transportation_finance_9242018.pdf

xxxiv. https://leg.colorado.gov/sites/default/files/documents/2018A/bills/fn/2018a_sb001_f1.pdf

xxxv. https://yumacounty.net/wp-content/uploads/2024/12/mmof-local-program-guidebook-aug2024.pdf

xxxvi. https://leg.colorado.gov/sites/default/files/documents/2017A/bills/fn/2017a_sb267_f1.pdf xxxvii. https://leg.colorado.gov/sites/default/files/cdot_qa_on_sb17-267s_effects_on_transportation_funding.pdf

xxxviii. https://www.codot.gov/business/budget/documents/fy-2023-24-budget-documents/fy-2023-2024-final-budget-documents/fy-2023-24-final-budget-allocation-plan-a11y.pdf

xxxix. https://treasury.colorado.gov/sites/treasury/files/FY26%20Budget%20Request%20-%20Treasury.pdf

xl. https://drive.google.com/file/d/1C1Qzh7N7RFU-iRF3y7Q-IuJXj57E9irA/view

xli. https://leg.colorado.gov/sites/default/files/documents/2021A/bills/fn/2021a_sb260_f1.pdf

xlii. https://drive.google.com/drive/folders/16MY44kD5C1mKp428-LLj-6HakYdwmeW

xliii. https://leg.colorado.gov/sites/default/files/documents/2021A/bills/fn/2021a_sb260_f1.pdf

xliv. https://cdphe.colorado.gov/clean-fleet-vehicle-and-technology-grant-program

xlv. https://www.codot.gov/business/budget/documents/quarterly-forecast-documents/fy-25-q1-forecast.pdf

xlvi. https://www.codot.gov/programs/naapme/assets-1/nonattainment10yearplan-june-14-2024-draft.pdf

xlvii. https://leg.colorado.gov/sites/default/files/documents/2021A/bills/fn/2021a_sb260_f1.pdf

xlviii. https://leg.colorado.gov/sites/default/files/documents/2024A/bills/fn/2024a_sb230_f1.pdf

xlix. https://leg.colorado.gov/sites/default/files/2023a_280_signed.pdf

l. https://docs.google.com/spreadsheets/d/1SZK_U7ibyJi4RrR0GGlAfpEFOep7mvwL/edit?gid=1155581745#gid=1155581745

li. https://leg.colorado.gov/sites/default/files/2021a_260_signed.pdf

lii. https://leg.colorado.gov/sites/default/files/documents/2021A/bills/fn/2021a_sb260_r1.pdf

liii. https://leg.colorado.gov/sites/default/files/documents/2021A/bills/fn/2021a_sb260_r1.pdf

liv. https://www.codot.gov/business/budget/documents/fy-2025-26-budget-documents/fy-2025-2026-proposed-budget-documents/fy-2025-2026-proposed-budget-allocation-plan/fy-2025-26-proposed-budget-allocation-plan_accessible-draft-1.pdf

lv. https://leg.colorado.gov/sites/default/files/documents/2021A/bills/fn/2021a_sb260_r1.pdf

lvi. https://leg.colorado.gov/sites/default/files/documents/2020A/bills/fn/2020a_hb1376_f1.pdf

lvii. https://leg.colorado.gov/sites/default/files/documents/2021A/bills/fn/2021a_sb110_f1.pdf

lviii. https://leg.colorado.gov/sites/default/files/documents/2021A/bills/fn/2021a_sb265_f1.pdf

lix. https://leg.colorado.gov/sites/default/files/documents/2022A/bills/fn/2022a_sb180_f1.pdf

lx. https://leg.colorado.gov/sites/default/files/documents/2022A/bills/fn/2022a_sb176_f1.pdf

lxi. https://leg.colorado.gov/sites/default/files/documents/2022A/bills/fn/2022a_hb1351_f1.pdf