

Abstract of Initiative 2017-2018 # 26: Transportation Revenue

This initial fiscal estimate, prepared by the nonpartisan Director of Research of the Legislative Council as of April 2017, identifies the following impacts:

The abstract includes estimates of the fiscal impact of the initiative. If this initiative is to be placed on the ballot, Legislative Council Staff will prepare new estimates as part of a fiscal impact statement, which includes an abstract of that information. All fiscal impact statements are available at www.ColoradoBlueBook.com and the abstract will be included in the ballot information booklet that is prepared for the initiative.

State revenue. Beginning in 2018 and continuing through 2037, the measure increases state sales and use tax revenue by an estimated \$1,137.5 million annually. This amount is expected to be supplemented by proceeds from the sale of transportation revenue anticipation notes totaling \$3.5 billion over multiple years, and partially offset by a reduction in vehicle registration fees.

State expenditures. The proceeds from the sale of revenue anticipation notes, up to \$3.5 billion, will be expended for transportation infrastructure projects identified by the Transportation Commission. Sales and use tax revenue will be expended for debt service obligations, estimated at \$250.0 million annually, for transportation projects in counties and municipalities, and for multimodal transportation projects.

Economic impacts. The measure increases average household sales tax obligations by an estimated \$245 annually, which is partially offset by reduced obligations for vehicle registration fees. The increased taxes could reduce consumer spending on goods and services. Improved transportation infrastructure potentially attracts businesses, grows employment, and increases economic productivity.