

INITIATED STATUTE TO ~~USE EXISTING SALES AND USE TAX REVENUE FOR ROADS~~ INCREASE REVENUE FOR TRANSPORTATION

PROPOSED INITIATIVE 2021-2022 #32

*Be it Enacted by the People of the State of Colorado:*

**SECTION 1. Legislative Declaration.** The People find and declare that:

Whereas, the Colorado General Assembly enacted Senate Bill 97-001 in 1997 with overwhelming bi-partisan support and the signature of then Governor Roy Romer; and

Whereas, Senate Bill 97-001 transferred ten percent of existing sales and use tax net revenues from the sale and use net revenues from the sale and use of motor vehicles and related items to transportation funding, generating over \$1.4 billion for state and local transportation projects over eight fiscal years; and

Whereas, the transportation funding provisions in Senate Bill 97-001 ~~was~~were repealed by the General Assembly in 2009; and

Now therefore, the People find and declare that ~~without raising taxes or fees~~ that the certain provisions of Senate Bill 97-001 should be readopted along with the repeal of income tax credits for innovative motor vehicles and innovative trucks to increase funding for ~~roads and bridges~~ transportation starting in fiscal year 2022.

SECTION 2. In Colorado Revised Statutes, 39-22-516.7, amend subsection (10) as follows:

39-22-516.7. Tax credit for innovative motor vehicles – definitions – repeal.

(10) This section is repealed, effective DECEMBER 31, 2022.

SECTION 3. In Colorado Revised Statutes, 39-22-516.8, amend subsection (18) as follows:

39-22-516.8. Tax credit for innovative trucks – definitions – repeal.

(18) This section is repealed, effective DECEMBER 31, 2022.

**SECTION 24.** In Colorado Revised Statutes, 39-26-123, **amend** (3) introductory portion; and **add** (3.2) (c) as follows:

**39-26-123. Receipts - disposition - transfers of general fund surplus - sales tax holding fund - creation - definitions.** (3) For any state fiscal year commencing on or after July 1, 2013, BUT BEFORE JULY1, 2022, the state treasurer shall credit eighty-five percent of all net revenue ATTRIBUTABLE TO FILING PERIODS COMMENCING BEFORE JULY 1, 2022, THAT IS collected under this article 26 to the old age pension fund created in section 1 of article XXIV of the state constitution. The state treasurer shall credit to the general fund the remaining fifteen percent of the net revenue, less:

~~(3.2)(3)(c) FOR EACH STATE FISCAL YEAR COMMENCING ON OR AFTER JULY 1, 2022, AN AMOUNT REPRESENTING TEN PERCENT OF ALL NET REVENUE FROM SALES AND USE TAXES ATTRIBUTABLE TO SALE OR USE OF VEHICLES AND RELATED ITEMS AS DEFINED IN ARTICLE 26 OF TITLE 39, OCCURRING ON OR AFTER JULY 1, 2022, WHICH IS ALLOCATED FROM THE HIGHWAYS USERS TAX FUND TO THE STATE HIGHWAY FUND, COUNTIES AND MUNICIPALITIES AS SPECIFIED IN COLORADO REVISED STATUTES SECTION 43-4-205 (6)(b) AS ADDITIONAL REVENUE. FOR EACH STATE FISCAL YEAR COMMENCING ON OR AFTER JULY 1, 2022, THE STATE TREASURER SHALL CREDIT EIGHTY-FIVE PERCENT OF ALL NET REVENUE ATTRIBUTABLE TO FILING PERIODS COMMENCING ON OR AFTER JULY 1, 2022, THAT IS COLLECTED UNDER THIS ARTICLE 26 TO THE OLD AGE PENSION FUND CREATED IN SECTION 1 OF ARTICLE XXIV OF THE STATE CONSTITUTION. THE STATE TREASURER SHALL CREDIT THE REMAINING FIFTEEN PERCENT OF THE NET REVENUE AS FOLLOWS:~~

~~————— (a) TO THE HIGHWAY USERS TAX FUND CREATED IN SECTION 43-4-201 (1)(a), AS A PORTION OF THE NET REVENUE FROM SALES AND USE TAXES ATTRIBUTABLE TO SALES OR USE OF VEHICLES AND RELATED ITEMS, TEN PERCENT OF THE NET REVENUE, WHICH IS ALLOCATED FROM THE HIGHWAY USERS TAX FUND TO THE STATE HIGHWAY FUND, COUNTIES, AND MUNICIPALITIES AS SPECIFIED IN SECTION 43-4-205 (6)(b) AND (6.8); AND~~

~~—————(b) TO THE GENERAL FUND, FIVE PERCENT OF THE NET  
REVENUE, LESS:~~

~~—————(I) TEN MILLION DOLLARS, WHICH THE STATE TREASURER SHALL  
CREDIT TO THE OLDER COLORADANS CASH FUND CREATED IN SECTION  
26-11-205.5(5); AND~~

~~—————(II) (A) EXCEPT AS SET FORTH IN SUBSECTION (3.2)(b)(II)(B) OF  
THIS SECTION, AN AMOUNT EQUAL TO THE INCREASE IN SALES AND USE  
TAX REVENUE ATTRIBUTABLE TO THE VENDOR FEE CHANGES, WHICH  
AMOUNT THE STATE TREASURER SHALL CREDIT TO THE HOUSING  
DEVELOPMENT GRANT FUND CREATED IN SECTION 24-32-721(1).~~

~~—————(B) THE AMOUNT CREDITED TO THE HOUSING DEVELOPMENT  
GRANT FUND CREATED IN SECTION 24-32-721(1) UNDER SUBSECTION  
(3.2)(b)(II)(A) OF THIS SECTION SHALL BE ADJUSTED AS REQUIRED BY  
LAW.~~

**SECTION 35.** In Colorado Revised Statutes, 43-4-205, **add** (6.8)  
and (6.9) as follows:

**43-4-205. Allocation of fund.** (6.8) MONEY CREDITED TO THE  
HIGHWAY USERS TAX FUND PURSUANT TO SECTION 39-26-123 (3.2)(a)  
MUST BE ALLOCATED AND EXPENDED IN ACCORDANCE WITH THE  
FORMULA SPECIFIED IN SUBSECTION (6)(b) OF THIS SECTION 205.

(6.9) FOR THE 2022-23 STATE FISCAL YEAR AND EACH  
FISCAL YEAR THEREAFTER THROUGH THE 2025-26 STATE FISCAL  
YEAR, THE STATE CONTROLLER SHALL CREDIT AN AMOUNT OF TAX  
REVENUE ESTIMATED TO BE RETAINED BY THE REPEAL OF THE INCOME

TAX CREDIT FOR INNOVATIVE MOTOR VEHICLES AND THE REPEAL OF  
THE INCOME TAX CREDIT FOR INNOVATIVE TRUCKS TO THE HIGHWAY  
USERS TAX FUND, TO BE ALLOCATED AND EXPENDED IN ACCORDANCE  
WITH THE FORMULA SPECIFIED IN SUBSECTION (6)(b) OF THIS SECTION.

**SECTION 46.** In Colorado Revised Statutes, 43-4-206, **amend** (1)(b)  
introductory portion as follows:

**43-4-206. State allocation.** (1) Except as otherwise  
provided ~~I~~in subsections (1)(b)(V), (2), and (3) of this section, after  
paying the costs of the Colorado state patrol and any other costs of the  
department, exclusive of highway construction, highway  
improvements, or highway maintenance, that are appropriated by the  
general assembly, money in the highway users tax fund shall be paid to  
the state highway fund and expended for the following purposes:

(b) Except as otherwise provided in subsection (2) of this  
section, AND EXCEPT THAT MONEY CREDITED TO THE HIGHWAY USERS  
TAX FUND PURSUANT TO SECTION 39-26-123 (3.2)(a) THAT IS  
ALLOCATED TO THE STATE HIGHWAY FUND PURSUANT TO SECTION 43-4-  
205 (6)(b) AND (6.8) ~~SHALL BE EXPENDED ONLY FOR THE PURPOSES SET  
FORTH IN SUBSECTION (1)(b)(V) OF THIS SECTION~~, all money in the state  
highway fund not required for the creation, maintenance, and  
application of the highway anticipation or sinking fund and all money  
in the state highway supplementary fund are available to pay for:

**SECTION 57.** In Colorado Revised Statutes, 43-4-207, **amend** (1) as follows:

**43-4-207. County allocation.** (1) After paying the costs of the Colorado state patrol and any other costs of the department, exclusive of highway construction, highway improvements, or highway maintenance, that are appropriated by the general assembly, the money, including money transferred from the general fund to the highway users tax fund

pursuant to section 24-75-219 (5)(a)(II) and (5)(b)(II) AND MONEY CREDITED TO THE HIGHWAY USERS TAX FUND PURSUANT TO SECTION 39-26-123 (3.2)(a), that section 43-4-205 requires to be paid from the highway users tax fund to the county treasurers of the respective counties shall be paid to the county treasurers of the respective counties, subject to annual appropriation by the general assembly, and shall be allocated and expended as provided in this section. The money received is allocated to the counties as provided by law and shall be expended by the counties only on the construction, engineering, reconstruction, maintenance, repair, equipment, improvement, and administration of the county highway systems and any other public highways, including any state highways, together with acquisition of rights-of-way and access rights for the same, for the planning, designing, engineering, acquisition, installation, construction, repair, reconstruction, maintenance, operation, or administration of transit-related projects, including, but not limited to, designated bicycle or pedestrian lanes of highway and infrastructure

needed to integrate different transportation modes within a multimodal transportation system, and for no other purpose; except that money received pursuant to section 43-4-205 (6.3) shall be expended by the counties only for road safety projects, as defined in section 43-4-803 (21). The amount expended for administrative purposes shall not exceed five percent of each county's share of the funds available.

**SECTION 68.** In Colorado Revised Statutes, 43-4-208, **amend** (1)

as follows:

**43-4-208. Municipal allocation.** (1) After paying the costs of the Colorado state patrol and any other costs of the department, exclusive of highway construction, highway improvements, or highway maintenance, that are appropriated by the general assembly, the money, including money transferred from the general fund to the highway users tax fund pursuant to section 24-75-219 (5)(a)(II) and (5)(b)(II) AND MONEY CREDITED TO THE HIGHWAY USERS TAX FUND PURSUANT TO SECTION 39-26-123 (3.2)(a), that section 43-4-205 requires to be paid from the highway users tax fund to cities and incorporated towns shall be paid to the cities and incorporated towns within the limits of the respective counties, subject to annual appropriation by the general assembly, and shall be allocated and expended as provided in this section. Each city treasurer shall account for the money received as provided in this part 2. Money so allocated shall be expended by the cities and incorporated towns for the construction, engineering, reconstruction, maintenance, repair, equipment, improvement, and

administration of the system of streets of such city or incorporated town or of any public highways located within such city or incorporated town, including any state highways, together with the acquisition of rights-of-way and access rights for the same, and for the planning, designing, engineering, acquisition, installation, construction, repair, reconstruction, maintenance, operation, or administration of transit-related projects, including, but not limited to, designated bicycle or pedestrian lanes of highway and infrastructure needed to integrate different transportation modes within a multimodal transportation system, and for no other purpose; except that money paid to the cities and incorporated towns pursuant to section 43-4-205 (6.3) shall be expended by the cities and incorporated towns only for road safety projects, as defined in section 43-4-803 (21). The amount expended for administrative purposes shall not exceed five percent of each city's share of the funds available.

**SECTION 79. EFFECTIVE DATE.** THIS SECTION SHALL BE EFFECTIVE UPON PROCLAMATION BY THE GOVERNOR AND SHALL BE SELF-EXECUTING.