HB 17-1242

BUILDING A STRONG PARTNERSHIP WITH COLORADO'S CITIES AND TOWNS

TRANSPORTATION REFERRED BALLOT MEASURE

HB 17-1242 - YOUR "YES" VOTE RESPECTFULLY REQUESTED

The Colorado Municipal League Executive Board voted to support HB 17-1242, a bipartisan bill that would place a question on the November ballot to increase sales tax statewide for transportation and multimodal funding.

In discussions with House and Senate leaders, we articulated the following key elements of any compromise legislation that would be vital to any chance of support for the measure by CML and our 269 member municipalities:

1. If the new revenue is to be derived from a statewide sales tax increase, Colorado municipalities must have a greater share of the distribution than the current Highway Users Tax Fund (HUTF) allocation. We proposed a 50/50 split of revenue for local governments between municipalities and counties.

2. If tax cuts were to be part of the package, municipalities must be held harmless and not lose existing distributions of transportation revenue.

3. Since the needs of municipalities vary greatly around the state, revenue from a tax increase would have to be distributed with maximum flexibility for municipalities to determine how to use it for transportation and/or transit options.

4. Any proposal needed to ensure that the Colorado Department of Transportation's (CDOT's) share of the revenue was enough to cover payments on the bonds issued without endangering any of CDOT's maintenance and operations budget.

Furthermore, CML asked that the legislature understand that a statewide sales tax increase, proposed in HB 17-1242 as 0.62 percent, creates significant impacts in municipalities — many of which will see total combined sales tax rates above 9 percent, and some approaching or eclipsing 10 percent. That impact may be a bridge too far for some municipalities.

The substantial municipal share of the additional state sales tax revenues in HB 17-1242, as well as the maximum flexibility of the use of those revenues for local governments, directly reflects CML's conversations with legislative leadership. The League also appreciates the inclusion of a multimodal grant fund available to local governments and will work to ensure there is sufficient statewide municipal government representation on the committee that considers applications and awards grants.

Some CML members may oppose the legislation, while others may think certain aspects of it do not go far enough. The Colorado Municipal League supports HB 17-1242 because of its basic goals to increase transportation and multimodal options revenue to local governments while providing desperately needed transportation funding for state highways. (Continued on back.)

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We know full well there are significant issues that need to be resolved throughout the process before this bill is ready to be placed before the voters on the ballot, including a full understanding of intended and unintended consequences of the bill as introduced. For example, we appreciate and acknowledge the real concerns of various communities up and down the I-25 corridor and that this measure may not initially or thoroughly address those challenges. Further, we acknowledge that multimodal projects have been defined broadly to include the entire state, and that there are ongoing discussions about how to make those projects and funding available to rural Colorado. We will encourage the sponsors to work on these and other issues that may arise as the bill moves through the process.

CML’s support of HB 1242 will allow municipalities to be part of the conversation as the bill moves through the process. CML wants to ensure that anything that passes the General Assembly has the best possible chance of passing on the November 2017 ballot while creating as many opportunities for critical state and local projects to be completed as possible.