

Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 20-0803.02 Jason Gelender x4330

SENATE BILL 20-044

SENATE SPONSORSHIP

Lundeen,

HOUSE SPONSORSHIP

Carver,

Senate Committees

State, Veterans, & Military Affairs

House Committees

A BILL FOR AN ACT

101 CONCERNING THE ALLOCATION OF SALES AND USE TAX REVENUE
102 ATTRIBUTABLE TO SALES OR USE OF VEHICLES AND RELATED
103 ITEMS TO TRANSPORTATION FUNDING, AND, IN CONNECTION
104 THEREWITH, PROVIDING ADDITIONAL FUNDING FOR STATE,
105 COUNTY, AND MUNICIPAL ROAD AND BRIDGE 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://leg.colorado.gov>.)

For state fiscal years commencing on or after July 1, 2020, the bill requires 10% of net revenue from sales and use tax, as a portion of the

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

sales and use taxes attributable to sales or use of vehicles and related items, to be credited to the highway users tax fund (HUTF) and thereafter allocated for state, county, and municipal highway system projects in accordance with the existing "second stream" formula for the allocation of HUTF money as follows:

- ! 60% to the state highway fund;
- ! 22% to counties; and
- ! 18% to municipalities.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-26-123, **amend**
3 (3) introductory portion; and **add** (3.2) as follows:

4 **39-26-123. Receipts - disposition - transfers of general fund**
5 **surplus - sales tax holding fund - creation - definitions.** (3) For any
6 state fiscal year commencing on or after July 1, 2013, BUT BEFORE JULY
7 1, 2020, the state treasurer shall credit eighty-five percent of all net
8 revenue ATTRIBUTABLE TO FILING PERIODS COMMENCING BEFORE JULY 1,
9 2020, THAT IS collected under this article 26 to the old age pension fund
10 created in section 1 of article XXIV of the state constitution. The state
11 treasurer shall credit to the general fund the remaining fifteen percent of
12 the net revenue, less:

13 (3.2) FOR EACH STATE FISCAL YEAR COMMENCING ON OR AFTER
14 JULY 1, 2020, THE STATE TREASURER SHALL CREDIT EIGHTY-FIVE PERCENT
15 OF ALL NET REVENUE ATTRIBUTABLE TO FILING PERIODS COMMENCING ON
16 OR AFTER JULY 1, 2020, THAT IS COLLECTED UNDER THIS ARTICLE 26 TO
17 THE OLD AGE PENSION FUND CREATED IN SECTION 1 OF ARTICLE XXIV OF
18 THE STATE CONSTITUTION. THE STATE TREASURER SHALL CREDIT THE
19 REMAINING FIFTEEN PERCENT OF THE NET REVENUE AS FOLLOWS:

20 (a) TO THE HIGHWAY USERS TAX FUND CREATED IN SECTION
21 43-4-201 (1)(a), AS A PORTION OF THE NET REVENUE FROM SALES AND USE

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

5 (b) TO THE GENERAL FUND, FIVE PERCENT OF THE NET REVENUE,
6 LESS:

7 (I) TEN MILLION DOLLARS, WHICH THE STATE TREASURER SHALL
8 CREDIT TO THE OLDER COLORADANS CASH FUND CREATED IN SECTION
9 26-11-205.5 (5); AND

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

15 (B) THE AMOUNT CREDITED TO THE HOUSING DEVELOPMENT
16 GRANT FUND CREATED IN SECTION 24-32-721 (1) UNDER SUBSECTION
17 (3.2)(b)(II)(A) OF THIS SECTION IS REDUCED BY FORTY MILLION THREE
18 HUNDRED TWENTY-THREE THOUSAND ONE HUNDRED FIFTY-EIGHT
19 DOLLARS FOR THE STATE FISCAL YEAR 2020-21 AND BY NINE HUNDRED
20 EIGHTY-FIVE THOUSAND THREE HUNDRED THIRTY-FIVE DOLLARS FOR THE
21 STATE FISCAL YEAR 2021-22 AND FOR EACH STATE FISCAL YEAR
22 THEREAFTER.

23 **SECTION 2.** In Colorado Revised Statutes, 43-4-205, **add** (6.8)
24 as follows:

25 **43-4-205. Allocation of fund.** (6.8) MONEY CREDITED TO THE
26 HIGHWAY USERS TAX FUND PURSUANT TO SECTION 39-26-123 (3.2)(a)
27 MUST BE ALLOCATED AND EXPENDED IN ACCORDANCE WITH THE FORMULA

1 SPECIFIED IN SUBSECTION (6)(b) OF THIS SECTION.

2 **SECTION 3.** In Colorado Revised Statutes, 43-4-206, **amend**
3 (1)(b) introductory portion as follows:

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

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

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

22 **43-4-207. County allocation.** (1) After paying the costs of the
23 Colorado state patrol and any other costs of the department, exclusive of
24 highway construction, highway improvements, or highway maintenance,
25 that are appropriated by the general assembly, the money, including
26 money transferred from the general fund to the highway users tax fund
27 pursuant to section 24-75-219 (5)(a)(II) and (5)(b)(II) AND MONEY

1 CREDITED TO THE HIGHWAYS USERS TAX FUND PURSUANT TO SECTION
2 39-26-123 (3.2)(a), that section 43-4-205 requires to be paid from the
3 highway users tax fund to the county treasurers of the respective counties
4 shall be paid to the county treasurers of the respective counties, subject
5 to annual appropriation by the general assembly, and shall be allocated
6 and expended as provided in this section. The money received is allocated
7 to the counties as provided by law and shall be expended by the counties
8 only on the construction, engineering, reconstruction, maintenance,
9 repair, equipment, improvement, and administration of the county
10 highway systems and any other public highways, including any state
11 highways, together with acquisition of rights-of-way and access rights for
12 the same, for the planning, designing, engineering, acquisition,
13 installation, construction, repair, reconstruction, maintenance, operation,
14 or administration of transit-related projects, including, but not limited to,
15 designated bicycle or pedestrian lanes of highway and infrastructure
16 needed to integrate different transportation modes within a multimodal
17 transportation system, and for no other purpose; except that money
18 received pursuant to section 43-4-205 (6.3) shall be expended by the
19 counties only for road safety projects, as defined in section 43-4-803 (21).
20 The amount expended for administrative purposes shall not exceed five
21 percent of each county's share of the funds available.

22 **SECTION 5.** In Colorado Revised Statutes, 43-4-208, **amend** (1)
23 as follows:

24 **43-4-208. Municipal allocation.** (1) After paying the costs of the
25 Colorado state patrol and any other costs of the department, exclusive of
26 highway construction, highway improvements, or highway maintenance,
27 that are appropriated by the general assembly, the money, including

1 money transferred from the general fund to the highway users tax fund
2 pursuant to section 24-75-219 (5)(a)(II) and (5)(b)(II) AND MONEY
3 CREDITED TO THE HIGHWAYS USERS TAX FUND PURSUANT TO SECTION
4 39-26-123 (3.2)(a), that section 43-4-205 requires to be paid from the
5 highway users tax fund to cities and incorporated towns shall be paid to
6 the cities and incorporated towns within the limits of the respective
7 counties, subject to annual appropriation by the general assembly, and
8 shall be allocated and expended as provided in this section. Each city
9 treasurer shall account for the money received as provided in this part 2.
10 Money so allocated shall be expended by the cities and incorporated
11 towns for the construction, engineering, reconstruction, maintenance,
12 repair, equipment, improvement, and administration of the system of
13 streets of such city or incorporated town or of any public highways
14 located within such city or incorporated town, including any state
15 highways, together with the acquisition of rights-of-way and access rights
16 for the same, and for the planning, designing, engineering, acquisition,
17 installation, construction, repair, reconstruction, maintenance, operation,
18 or administration of transit-related projects, including, but not limited to,
19 designated bicycle or pedestrian lanes of highway and infrastructure
20 needed to integrate different transportation modes within a multimodal
21 transportation system, and for no other purpose; except that money paid
22 to the cities and incorporated towns pursuant to section 43-4-205 (6.3)
23 shall be expended by the cities and incorporated towns only for road
24 safety projects, as defined in section 43-4-803 (21). The amount expended
25 for administrative purposes shall not exceed five percent of each city's
26 share of the funds available.

27 **SECTION 6. Safety clause.** The general assembly hereby finds,

- 1 determines, and declares that this act is necessary for the immediate
- 2 preservation of the public peace, health, or safety.