



Legislative Council Staff

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Final Fiscal Note

Drafting Number: LLS 22-0643
Prime Sponsors: Sen. Smallwood
Date: June 27, 2022
Bill Status: Postponed Indefinitely
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Bill Topic: **PARKER ELECTION INCLUSION OR EXCLUSION FROM RTD**

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure (<i>conditional</i>)	<input checked="" type="checkbox"/> Local Government (<i>conditional</i>)
<input type="checkbox"/> State Transfer	<input checked="" type="checkbox"/> Statutory Public Entity (<i>conditional</i>)

The bill would have allowed voters in the Town of Parker to decide whether to be fully included in, or excluded from, the Regional Transportation District. The fiscal impact for state and local government, and for RTD, a statutory public entity, was conditional upon the occurrence and outcome of this election.

Appropriation Summary: No appropriation would have been required.

Fiscal Note Status: The fiscal note reflects the introduced bill. This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Summary of Legislation

Currently, a portion of the Town of Parker is included in the Regional Transportation District (RTD). This bill would allow Parker voters to decide whether the town should be fully included in, or fully excluded from, the boundaries of the RTD in an election. To be considered, both options must be voted on in the same election, and the Town of Parker must pay election-related costs. The bill specifies various processes and procedures for referring these ballot questions to voters and how the question must be worded.

If voters choose to be excluded from RTD, the effective date is the earlier of December 31, 2050, or the date that long-term RTD debt pledged from sales tax revenue for the RTD Base System and FasTracks program is repaid. In this outcome, RTD may continue to receive sales and use tax revenue from the areas of Parker within the RTD boundaries until the effective date of the exclusion, but it must continue to provide services if it does.

State Expenditures

If voters in Parker decide to fully join RTD, the Department of Revenue will have additional workload to modify sales tax calculations for the affected geographic area prior to their inclusion in RTD. If voters choose for the town to be excluded from RTD, workload will increase in 2050 to make such

adjustments in the areas being removed from the RTD sales tax area. No change in appropriations is required for this work.

Local Government

The bill allows for a local election and requires the Town of Parker to pay for election-related costs. These costs will only be incurred if voters or the city council refer questions concerning RTD membership to voters as allowed under the bill.

Statutory Public Entity

RTD collects a 0.6 percent tax to support its Base System and another 0.4 percent to support the FasTracks program. Impacts to sales tax revenue and costs for RTD will depend on whether an election is held, and the result of the election.

Exclusion of Parker. In 2021, RTD collected approximately \$15.1 million in sales and use tax revenue from the portion of Parker that is within the RTD. If Parker voters choose to fully exclude the town from RTD, the town's debt obligations to the Base System are estimated to be paid by 2024 and to FasTracks by 2050. This would reduce annual RTD revenue by approximately \$10.8 million beginning in FY 2025-26, and by an additional \$13.8 million beginning in FY 2051-52. This revenue estimate assumes sales tax revenue grows by 2.8 percent per year from 2021 levels. In addition, RTD will have cost to move facilities out and modify its service area.

Inclusion of Parker. If Parker voters choose to fully include the town in the RTD, annual revenue and related expenditures to RTD will increase to provide expanded services. Expanding the RTD sales tax area to all of Parker is estimated to increase sales tax revenue to RTD by approximately \$525,000 per year. Though a large portion of Parker would be incorporated, much of this area is likely residential or industrial, and would not generate significant additional revenue from sales and use taxes.

Effective Date

This bill was postponed indefinitely by the Senate State, Veterans, and Military Affairs Committee on February 1, 2022.

State and Local Government Contacts

Counties	County Clerks	Information Technology
Local Affairs	Municipalities	Regional Transportation District
Revenue	Secretary of State	Transportation
Treasury		