

CHAPTER 185

TRANSPORTATION

SENATE BILL 24-032

BY SENATOR(S) Priola and Winter F., Cutter, Exum, Jaquez Lewis, Buckner, Hansen, Hinrichsen, Michaelson Jenet, Sullivan; also REPRESENTATIVE(S) Vigil and Marvin, Froelich, Lindsay, Lindstedt, Mabrey, Mauro, Parenti, Amabile, Bird, Boesenecker, Brown, Duran, English, Garcia, Hamrick, Hernandez, Herod, Jodeh, Joseph, Kipp, Lieder, Ortiz, Ricks, Rutinel, Sirota, Valdez, Velasco, Willford, Woodrow, McCluskie.

AN ACT**CONCERNING METHODS TO INCREASE THE USE OF TRANSIT.**

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

SECTION 1. In Colorado Revised Statutes, **add** 43-1-136 as follows:

43-1-136. Statewide transit pass exploratory committee - legislative declaration. (1) THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES THAT:

(a) **(I)** OVER-RELIANCE ON PERSONAL PASSENGER VEHICLES FOR TRANSPORTATION CONTRIBUTES TO POOR AIR QUALITY AND CLIMATE CHANGE AND HAS A NEGATIVE ECONOMIC IMPACT ON FAMILIES IN THE STATE;

(II) (A) NATIONWIDE, THE NUMBER OF JOBS WITHIN THE TYPICAL COMMUTE DISTANCE FOR RESIDENTS IN MAJOR METROPOLITAN AREAS HAS DECLINED OVER TIME ACCORDING TO A REPORT BY THE BROOKINGS INSTITUTION TITLED "THE GROWING DISTANCE BETWEEN PEOPLE AND JOBS IN METROPOLITAN AMERICA";

(B) COLORADANS DRIVE MORE MILES PER PERSON THAN THEY USED TO, IN PART DUE TO STRESS ON TRANSPORTATION INFRASTRUCTURE AND INCREASING HOUSEHOLD COSTS; AND

(C) SINCE 1981, PER CAPITA VEHICLE MILES TRAVELED IN COLORADO HAVE RISEN BY OVER TWENTY PERCENT ACCORDING TO DATA FROM THE FEDERAL HIGHWAY ADMINISTRATION;

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

(III) HIGH TRANSPORTATION COSTS IMPACT LOW-INCOME HOUSEHOLDS IN PARTICULAR, WITH HOUSEHOLDS MAKING LESS THAN FORTY THOUSAND DOLLARS PER YEAR IN THE WESTERN UNITED STATES SPENDING OVER TWENTY-FOUR PERCENT OF THEIR INCOME ON TRANSPORTATION, WHEN SPENDING MORE THAN FIFTEEN PERCENT OF INCOME ON TRANSPORTATION IS CONSIDERED COST BURDENED, ACCORDING TO DATA FROM THE BUREAU OF LABOR STATISTICS CONSUMER EXPENDITURE SURVEYS;

(IV) (A) IN ADDITION TO ECONOMIC IMPACTS, THE INCREASE IN VEHICLE TRAFFIC HAS AN ENVIRONMENTAL IMPACT;

(B) THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY HAS CLASSIFIED THE DENVER METRO/NORTH FRONT RANGE AREA AS BEING IN SEVERE NONATTAINMENT FOR OZONE AND GROUND LEVEL OZONE, WHICH HAS SERIOUS IMPACTS ON HUMAN HEALTH, PARTICULARLY FOR VULNERABLE POPULATIONS;

(C) ACCORDING TO THE GREENHOUSE GAS POLLUTION REDUCTION ROADMAP, PUBLISHED BY THE COLORADO ENERGY OFFICE AND DATED JANUARY 14, 2021, THE TRANSPORTATION SECTOR IS THE SINGLE LARGEST SOURCE OF GREENHOUSE GAS POLLUTION IN COLORADO;

(D) NEARLY SIXTY PERCENT OF THE GREENHOUSE GAS EMISSIONS FROM THE TRANSPORTATION SECTOR COME FROM LIGHT-DUTY VEHICLES, WHICH CONSTITUTE THE MAJORITY OF CARS AND TRUCKS THAT COLORADANS DRIVE EVERY DAY;

(E) AS PART OF THE GREENHOUSE GAS POLLUTION REDUCTION ROADMAP, A STRATEGIC ACTION PLAN TO ACHIEVE LEGISLATIVELY ADOPTED TARGETS OF REDUCING GREENHOUSE GAS POLLUTION ECONOMY-WIDE BY FIFTY PERCENT BELOW 2005 LEVELS BY 2030 AND NINETY PERCENT BY 2050, THE STATE COMMITTED TO REDUCING EMISSIONS FROM THE TRANSPORTATION SECTOR BY FORTY-ONE PERCENT BY 2030 FROM A 2005 BASELINE; AND

(F) THE GREENHOUSE GAS TRANSPORTATION PLANNING STANDARD ADOPTED BY THE TRANSPORTATION COMMISSION IN 2021 SET A TARGET TO REDUCE TRANSPORTATION GREENHOUSE GAS EMISSIONS THROUGH THE TRANSPORTATION PLANNING PROCESS BY ONE MILLION FIVE HUNDRED THOUSAND TONS BY 2030;

(b) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT:

(I) THE ENVIRONMENTAL AND ECONOMIC ISSUES THAT RESULT FROM INCREASED RELIANCE ON PASSENGER VEHICLES AND AN INCREASE IN THE NUMBER OF MILES TRAVELED PER PERSON IS A MATTER OF STATEWIDE CONCERN;

(II) ONE OF THE KEY FINDINGS OF THE GREENHOUSE GAS POLLUTION REDUCTION ROADMAP IS THAT REDUCING GROWTH IN DRIVING IS AN IMPORTANT TOOL TO ACHIEVE THE STATE'S CLIMATE GOALS AND THAT EXPANDING PUBLIC TRANSIT IS AN IMPORTANT NEAR-TERM ACTION THAT CAN HELP ACHIEVE THOSE GOALS; AND

(III) IT IS THE STATE'S RESPONSIBILITY TO SUPPORT PROGRAMS THAT REDUCE THE GROWTH IN DRIVING AND EXPAND PUBLIC TRANSIT.

(2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "COMMITTEE" MEANS THE STATEWIDE TRANSIT PASS EXPLORATORY COMMITTEE CREATED IN SUBSECTION (3) OF THIS SECTION.

(b) "STATEWIDE TRANSIT PASS" OR "PASS" MEANS A SINGLE TRANSIT PASS ON A UNIVERSAL PLATFORM THAT CAN BE USED ON TRANSIT PROVIDED BY TRANSIT AGENCIES ACROSS THE STATE.

(c) "TRANSIT AGENCY" MEANS A PROVIDER OF PUBLIC TRANSPORTATION, AS DEFINED IN 49 U.S.C. SEC. 5302 (15), AS AMENDED.

(3) (a) NO LATER THAN OCTOBER 1, 2024, THE EXECUTIVE DIRECTOR SHALL CREATE A STATEWIDE TRANSIT PASS EXPLORATORY COMMITTEE TO PRODUCE A VIABLE PROPOSAL FOR THE CREATION, IMPLEMENTATION, AND ADMINISTRATION OF A STATEWIDE TRANSIT PASS. THE COMMITTEE SHALL MEET AS NECESSARY TO PRODUCE A VIABLE PROPOSAL BY JULY 1, 2026, WITH THE GOAL OF IMPLEMENTING A STATEWIDE TRANSIT PASS BY JANUARY 1, 2028.

(b) THE COMMITTEE CONSISTS OF THE FOLLOWING MEMBERS APPOINTED BY THE EXECUTIVE DIRECTOR:

(I) THREE REPRESENTATIVES FROM THE FIVE LARGEST TRANSIT AGENCIES IN THE STATE;

(II) EIGHT REPRESENTATIVES FROM A DIVERSE GROUP OF TRANSIT AGENCIES THROUGHOUT THE STATE INCLUDING AT LEAST ONE REPRESENTATIVE FROM A TRANSIT AGENCY THAT SERVES A RURAL PART OF THE STATE THAT IS NOT A RESORT COMMUNITY AND AT LEAST ONE REPRESENTATIVE FROM A TRANSIT AGENCY THAT SERVES ONE OR MORE RESORT COMMUNITIES;

(III) ONE REPRESENTATIVE OF AN ENTITY OR INTEREST GROUP INVOLVED IN THE PROMOTION, PLANNING, OR DEVELOPMENT OF PASSENGER RAIL SYSTEMS;

(IV) ONE REPRESENTATIVE FROM AN ORGANIZATION WITH A STATEWIDE PERSPECTIVE REGARDING TRANSPORTATION;

(V) TWO REPRESENTATIVES OF THE DEPARTMENT, ONE WHO IS KNOWLEDGEABLE ABOUT THE DEPARTMENT'S INTER-CITY REGIONAL BUS SERVICE AND ONE WHO IS KNOWLEDGEABLE ABOUT THE DEPARTMENT'S INNOVATIVE MOBILITY PROGRAM;

(VI) ONE REPRESENTATIVE FROM A DISPROPORTIONATELY IMPACTED COMMUNITY. AS USED IN THIS SUBSECTION (3)(b)(VI), "DISPROPORTIONATELY IMPACTED COMMUNITY" HAS THE MEANING SET FORTH IN SECTION 24-4-109 (2)(b)(II).

(VII) ANY OTHER MEMBERS DEEMED NECESSARY BY THE EXECUTIVE DIRECTOR.

(c) MEMBERS OF THE COMMITTEE SERVE AT THE PLEASURE OF THE EXECUTIVE DIRECTOR AND WITHOUT COMPENSATION.

(4) IN CONDUCTING ITS WORK AND IN PRODUCING A VIABLE PROPOSAL FOR THE CREATION, IMPLEMENTATION, AND ADMINISTRATION OF A STATEWIDE TRANSIT PASS, THE COMMITTEE SHALL CONSIDER THE FOLLOWING:

(a) THE LOGISTICS OF CREATING A STATEWIDE TRANSIT PASS, INCLUDING:

(I) A VIABLE STRUCTURE FOR THE PASS TO ALLOW PASS HOLDERS TO USE SERVICES PROVIDED BY TRANSIT AGENCIES ACROSS THE STATE WITH A SINGLE PASS;

(II) A PLAN FOR COORDINATION AMONG TRANSIT AGENCIES ACROSS THE STATE TO IMPLEMENT AND ADMINISTER THE PASS;

(III) A METHOD FOR COST-SHARING THE EXPENSES IN CONNECTION WITH THE CREATION, IMPLEMENTATION, ADMINISTRATION, AND ADVERTISEMENT OF THE PASS;

(IV) A STRUCTURE FOR SHARING, APPORTIONING, AND DISTRIBUTING REVENUE FROM THE SALE OF THE PASS AMONG THE TRANSIT AGENCIES THAT PARTICIPATE IN THE PASS; AND

(V) THE POSSIBILITY OF CREATING A FORMULA TO DISTRIBUTE REVENUE FROM THE SALE OF THE PASS AMONG THE TRANSIT AGENCIES THAT PARTICIPATE IN THE PASS, THE FACTORS TO CONSIDER IN THE CREATION OF SUCH A FORMULA, AND A DETERMINATION REGARDING THE FREQUENCY WITH WHICH THE FORMULA WOULD BE RECALCULATED;

(b) A METHOD FOR DETERMINING THE PRICE OF A STATEWIDE TRANSIT PASS, INCLUDING WHETHER THERE WILL BE OPTIONS FOR DISCOUNTED PASSES FOR LOW-INCOME POPULATIONS AND CONSIDERATION OF HOW TRANSIT OPERATORS WOULD CONTINUE TO COLLECT A FARE FROM THE PASS THAT IS CONSISTENT WITH THEIR EXISTING FARE STRUCTURE;

(c) A STRUCTURE FOR THE SALE OF THE STATEWIDE TRANSIT PASS TO INDIVIDUALS AND TO EMPLOYERS FOR THEIR EMPLOYEES, INCLUDING:

(I) AN OPT-IN OR OPT-OUT PROGRAM WITH A MOTOR VEHICLE REGISTRATION OR WITH THE RENEWAL OF A DRIVER LICENSE OR STATE IDENTIFICATION CARD ISSUED BY THE DEPARTMENT OF REVENUE;

(II) ONLINE SALES; AND

(III) SALES KIOSKS AT AIRPORTS, TRAIN AND BUS STATIONS, TOURISM OFFICES, AND OTHER PHYSICAL LOCATIONS ACROSS THE STATE;

(d) THE SERVICES THAT WILL BE OFFERED TO STATEWIDE TRANSIT PASS HOLDERS, INCLUDING:

(I) CONSIDERATION OF WHETHER THE PASS WOULD COVER ONLY SERVICES ON FIXED ROUTES OR PROVIDE ACCESS-ON-DEMAND SERVICES IN ADDITION TO SERVICES ON FIXED ROUTES;

(II) IF ACCESS-ON-DEMAND SERVICES WOULD BE INCLUDED IN THE PASS, HOW THE COST OF THOSE RIDES FACTORS INTO THE COST OF THE PASS;

(III) CONSIDERATION OF THE REQUIREMENTS OF THE FEDERAL "AMERICANS WITH DISABILITIES ACT OF 1990", 42, U.S.C., SEC. 12101, ET SEQ., AS AMENDED, REGARDING ACCESSIBILITY AND ACCESS TO TRANSIT; AND

(IV) CONSIDERATION OF FEDERAL LAWS RELATING TO ANTIDISCRIMINATION, INCLUDING TITLE VI OF THE FEDERAL "CIVIL RIGHTS ACT OF 1964", PUB.L. 88-352, AS AMENDED;

(e) THE TYPES OF STATEWIDE TRANSIT PASSES THAT WOULD BE OFFERED, INCLUDING DIFFERENT OPTIONS FOR THE DURATION OF THE PASS TO ACCOMMODATE COLORADO RESIDENTS WHO MAY USE A PASS YEAR-ROUND, FOR A PORTION OF THE YEAR, OR OTHER LONGER DURATION, AND VISITORS TO COLORADO WHO MAY USE A PASS FOR A DAY, WEEK, OR OTHER LIMITED DURATION;

(f) ADDITIONAL OPPORTUNITIES FOR COLLABORATION ACROSS TRANSIT AGENCIES IN THE STATE, IN ADDITION TO THE CREATION, IMPLEMENTATION, AND ADMINISTRATION OF A STATEWIDE TRANSIT PASS, TO MAKE IT EASIER AND MORE APPEALING FOR PEOPLE TO USE TRANSIT, INCLUDING:

(I) THE POSSIBILITY OF TRANSIT AGENCIES ALLOWING CUSTOMERS TO PURCHASE A TICKET IN ONE TRANSACTION FOR AN ENTIRE TRIP THAT REQUIRES TRANSIT SERVICES PROVIDED BY MULTIPLE TRANSIT AGENCIES; AND

(II) THE POSSIBILITY OF TRANSIT AGENCIES SUBMITTING THEIR TRIP PLANNING DATA TO A CENTRAL SOURCE TO ALLOW CUSTOMERS TO CREATE AN ITINERARY THAT REQUIRES SERVICES PROVIDED BY MULTIPLE TRANSIT AGENCIES;

(g) THE TECHNOLOGY THAT WOULD BE NEEDED TO MONITOR THE USE OF THE STATEWIDE TRANSIT PASS AND TRACK RIDERSHIP ACROSS TRANSIT AGENCIES TO ASSIST TRANSIT AGENCIES IN DETERMINING AND UNDERSTANDING THE FINANCIAL IMPACT OF THE PASS IN THE FUTURE;

(h) ANY ADDITIONAL LOCAL, TRIBAL, STATE OR FEDERAL LAWS, RULES, OR REGULATIONS THAT NEED TO BE CONSIDERED IN CONNECTION WITH THE CREATION OF A STATEWIDE TRANSIT PASS;

(i) THE BEST METHOD FOR ADVERTISING AND MARKETING A STATEWIDE TRANSIT PASS;

(j) THE POTENTIAL IMPACTS THAT A STATEWIDE TRANSIT PASS WILL HAVE ON TRANSIT PASS PROGRAMS THAT ARE CURRENTLY OFFERED BY TRANSIT AGENCIES;

(k) THE POTENTIAL IMPACTS OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION TO LOCAL GOVERNMENTS IN CONNECTION WITH REVENUE GENERATED BY THE SALE OF A STATEWIDE TRANSIT PASS;

(l) A PROPOSAL FOR THE STRUCTURE AND COMPOSITION OF A PERMANENT ADVISORY BOARD TO OVERSEE THE CREATION, IMPLEMENTATION, AND ADMINISTRATION OF A STATEWIDE TRANSIT PASS; AND

(m) ANY OTHER ISSUES THAT NEED TO BE DISCUSSED OR ADDRESSED, AS DEEMED NECESSARY AND APPROPRIATE BY A MAJORITY VOTE OF THE MEMBERS OF THE COMMITTEE.

(5) IN PRODUCING A VIABLE PROPOSAL FOR THE CREATION, IMPLEMENTATION, AND ADMINISTRATION OF A STATEWIDE TRANSIT PASS, THE COMMITTEE SHALL SOLICIT INPUT FROM SUBJECT MATTER EXPERTS AND INTERESTED PARTIES ACROSS THE STATE, INCLUDING:

(a) THE TRANSIT AND RAIL ADVISORY COMMITTEE CREATED IN SECTION 43-1-1104 (1)(b);

(b) TRANSIT AGENCIES FROM ACROSS THE STATE, INCLUDING A PRESENTATION BY AND DISCUSSION WITH MEMBERS OF THE COMMITTEE REGARDING A STATEWIDE TRANSIT PASS AT AN ANNUAL MEETING ORGANIZED BY A NONPROFIT ENTITY TO PROVIDE TRAINING ON A VARIETY OF TOPICS, INCLUDING TRANSIT MANAGEMENT, LEADERSHIP DEVELOPMENT, DRIVER SAFETY, SYSTEM SAFETY, HUMAN SERVICES ISSUES, MOBILITY, AND POLICY ISSUES IN CONNECTION WITH THE FEDERAL TRANSIT ADMINISTRATION AND THE DEPARTMENT; AND

(c) MEMBERS OF THE PUBLIC, INCLUDING AN OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO FOLLOW THE WORK OF THE COMMITTEE AND TO PROVIDE WRITTEN COMMENTS REGARDING THE PROPOSAL FOR THE CREATION, IMPLEMENTATION, AND ADMINISTRATION OF A STATEWIDE TRANSIT PASS OR DISCUSSIONS IN CONNECTION WITH THE PROPOSAL.

(6) THE COMMITTEE SHALL SUBMIT ITS PROPOSAL FOR THE CREATION, IMPLEMENTATION, AND ADMINISTRATION OF A STATEWIDE TRANSIT PASS, INCLUDING RECOMMENDATIONS FOR ANY NECESSARY LEGISLATION IN CONNECTION WITH THE PROPOSAL, TO THE EXECUTIVE DIRECTOR AND THE MEMBERS OF THE TRANSPORTATION LEGISLATION REVIEW COMMITTEE OF THE GENERAL ASSEMBLY ON OR BEFORE JULY 1, 2026.

SECTION 2. In Colorado Revised Statutes, 24-38.5-114, **add** (8)(e) as follows:

24-38.5-114. Ozone season transit grant program - fund - creation - policies - report - definitions - repeal. (8) (e) THE STATE TREASURER SHALL TRANSFER ANY MONEY REMAINING IN THE FUND ON JUNE 30, 2024, INCLUDING MONEY THAT IS OBLIGATED OR ENCUMBERED, TO THE ZERO FARE TRANSIT FUND CREATED IN SECTION 24-38.5-114.5. ANY MONEY THAT IS OBLIGATED OR ENCUMBERED WHEN IT IS TRANSFERRED TO THE ZERO FARE TRANSIT FUND SHALL BE USED FOR THE SAME PURPOSE FOR WHICH IT WAS OBLIGATED OR ENCUMBERED PURSUANT TO THIS SECTION.

SECTION 3. In Colorado Revised Statutes, **add** 24-38.5-114.5 as follows:

24-38.5-114.5. Zero fare transit grant programs - ozone season - youth fare free - zero fare transit fund - creation - policies - report - definitions - repeal.

(1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "CASTA" MEANS THE COLORADO ASSOCIATION OF TRANSIT AGENCIES.

(b) "ELIGIBLE TRANSIT AGENCY" MEANS A TRANSIT AGENCY THAT IS:

(I) A REGIONAL SERVICE AUTHORITY PROVIDING SURFACE TRANSPORTATION PURSUANT TO PART 1 OF ARTICLE 7 OF TITLE 32, A REGIONAL TRANSPORTATION AUTHORITY CREATED PURSUANT TO PART 6 OF ARTICLE 4 OF TITLE 43, OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, PUBLIC ENTITY, OR NONPROFIT CORPORATION PROVIDING MASS TRANSPORTATION SERVICES TO THE GENERAL PUBLIC OTHER THAN THE REGIONAL TRANSPORTATION DISTRICT; AND

(II) ELIGIBLE TO RECEIVE MONEY UNDER A GRANT AUTHORIZED BY 49 U.S.C. SEC. 5307 OR 49 U.S.C. SEC. 5311.

(c) "FUND" MEANS THE ZERO FARE TRANSIT FUND CREATED IN SUBSECTION (8) OF THIS SECTION.

(d) "OFFICE" MEANS THE COLORADO ENERGY OFFICE CREATED IN SECTION 24-38.5-101.

(e) "OZONE SEASON" MEANS THE PERIOD FROM JUNE 1 TO AUGUST 31 OF A CALENDAR YEAR; EXCEPT THAT, IF AN ELIGIBLE TRANSIT AGENCY OPERATES IN AN AREA IN WHICH OZONE-CAUSING TRAFFIC LEVELS ARE TYPICALLY HIGHEST DURING A DIFFERENT PERIOD THAN JUNE 1 TO AUGUST 31 OF A CALENDAR YEAR AND THE ELIGIBLE TRANSIT AGENCY IDENTIFIES THE DIFFERENT PERIOD IN AN APPLICATION FOR A GRANT TO OFFER FARE-FREE SERVICE DURING THE IDENTIFIED PERIOD THAT IS SUBMITTED TO CASTA IN ACCORDANCE WITH THE REQUIREMENTS OF THIS SECTION, "OZONE SEASON" MEANS, FOR THAT ELIGIBLE TRANSIT AGENCY, THE DIFFERENT PERIOD IDENTIFIED IN THE GRANT APPLICATION.

(f) "PROGRAM" MEANS THE ZERO FARE TRANSIT GRANT PROGRAM CREATED IN SUBSECTION (2) OF THIS SECTION.

(g) "REGIONAL TRANSPORTATION DISTRICT" MEANS THE REGIONAL TRANSPORTATION DISTRICT ESTABLISHED IN ARTICLE 9 OF TITLE 32.

(h) "TRANSIT AGENCY" MEANS A PROVIDER OF PUBLIC TRANSPORTATION, AS DEFINED IN 49 U.S.C. SEC. 5302 (15), AS AMENDED.

(i) "YOUTH" MEANS AN INDIVIDUAL WHO IS NINETEEN YEARS OF AGE OR YOUNGER.

(2) THE ZERO FARE TRANSIT GRANT PROGRAM IS CREATED IN THE OFFICE. THE PURPOSES OF THE PROGRAM ARE:

(a) TO PROVIDE GRANTS TO CASTA FOR THE PURPOSE OF PROVIDING GRANTS TO ELIGIBLE TRANSIT AGENCIES TO OFFER EITHER:

(I) FREE TRANSIT SERVICES FOR A MINIMUM OF THIRTY DAYS DURING OZONE SEASON; OR

(II) YEAR-ROUND FARE FREE TRANSIT SERVICES TO YOUTH RIDERS; AND

(b) TO PROVIDE GRANTS TO THE REGIONAL TRANSPORTATION DISTRICT FOR THE PURPOSE OF PROVIDING YEAR-ROUND FARE FREE TRANSIT SERVICES TO YOUTH RIDERS.

(3) THE OFFICE SHALL ADMINISTER THE PROGRAM AND AWARD GRANTS IN ACCORDANCE WITH THIS SECTION AND THE POLICIES DEVELOPED BY THE OFFICE PURSUANT TO SUBSECTION (7) OF THIS SECTION. SUBJECT TO AVAILABLE APPROPRIATIONS, GRANTS ARE PAID OUT OF THE FUND.

(4) (a) TO RECEIVE A GRANT, CASTA OR THE REGIONAL TRANSPORTATION DISTRICT MUST SUBMIT AN APPLICATION TO THE OFFICE IN ACCORDANCE WITH THE REQUIREMENTS OF THIS SECTION AND THE POLICIES ESTABLISHED BY THE OFFICE IN ACCORDANCE WITH SUBSECTION (7) OF THIS SECTION.

(b) THE OFFICE SHALL AWARD A GRANT OF FOUR MILLION FIVE HUNDRED THOUSAND DOLLARS TO CASTA AND FIVE MILLION DOLLARS TO THE REGIONAL TRANSPORTATION DISTRICT.

(c) CASTA, THE REGIONAL TRANSPORTATION DISTRICT, OR AN ELIGIBLE TRANSIT AGENCY THAT RECEIVES A GRANT FROM CASTA IS NOT REQUIRED TO EXPEND A GRANT IN THE YEAR IN WHICH IT IS RECEIVED AND RETAINS THE GRANT AMOUNT UNTIL IT IS EXPENDED; EXCEPT THAT ANY GRANT AGREEMENT PURSUANT TO THIS SECTION EXPIRES ON JUNE 30, 2026.

(5) (a) CASTA MAY USE THE MONEY TO ESTABLISH A GRANT PROGRAM FOR ELIGIBLE TRANSIT AGENCIES IN ACCORDANCE WITH THIS SECTION. CASTA MAY USE A PORTION OF THE GRANT MONEY TO PAY ITS DIRECT AND INDIRECT COSTS IN ADMINISTERING THE GRANT PROGRAM INCLUDING REASONABLE COSTS TO CREATE A STATEWIDE MARKETING CAMPAIGN FOR USE BY ELIGIBLE TRANSIT AGENCIES.

(b) TO RECEIVE A GRANT FROM CASTA, AN ELIGIBLE TRANSIT AGENCY MUST SUBMIT AN APPLICATION TO CASTA THAT SPECIFIES WHETHER IT IS APPLYING FOR A GRANT TO PROVIDE FREE TRANSIT SERVICES FOR A MINIMUM OF THIRTY DAYS DURING OZONE SEASON OR YEAR-ROUND FARE FREE TRANSIT SERVICES TO YOUTH RIDERS. AN ELIGIBLE TRANSIT AGENCY MAY NOT RECEIVE A GRANT FOR BOTH PURPOSES IN ANY CALENDAR YEAR. IN ADDITION THE APPLICATION MUST ALSO DESCRIBE, AT A MINIMUM, EITHER:

(I) FOR A GRANT APPLICATION TO PROVIDE FREE TRANSIT SERVICES FOR A MINIMUM OF THIRTY DAYS DURING OZONE SEASON, THE FREE TRANSIT SERVICES THAT WILL BE NEWLY PROVIDED, EXPANDED TO INCLUDE ADDITIONAL FREE TYPES OF SERVICE, EXPANDED TO INCLUDE ADDITIONAL FREE ROUTES, OR PROVIDED MORE FREQUENTLY WITH THE GRANT MONEY, INDICATE TO WHAT EXTENT THE ELIGIBLE TRANSIT AGENCY WILL MATCH THE GRANT MONEY WITH OTHER MONEY, AND COMMIT TO PROVIDING THE NEW OR EXPANDED FREE SERVICES FOR AT LEAST THIRTY DAYS DURING THE OZONE SEASON; OR

(II) FOR A GRANT APPLICATION TO PROVIDE YEAR-ROUND FARE FREE TRANSIT SERVICES TO YOUTH RIDERS, THE FREE TRANSIT SERVICES THAT WILL BE NEWLY PROVIDED TO YOUTH RIDERS WITH THE GRANT MONEY, THE ELIGIBLE TRANSIT AGENCY'S CURRENT YOUTH RIDERSHIP, AND THE METHOD THAT THE ELIGIBLE TRANSIT AGENCY USES TO TRACK YOUTH RIDERS.

(c)(I) AN ELIGIBLE TRANSIT AGENCY THAT RECEIVES A GRANT THROUGH CASTA MAY USE THE GRANT MONEY AS SPECIFIED IN SUBSECTION (5)(c)(II) OR (5)(c)(III) OF THIS SECTION, AS APPLICABLE.

(II) AN ELIGIBLE TRANSIT AGENCY THAT RECEIVES A GRANT TO PROVIDE FREE TRANSIT SERVICES DURING THE OZONE SEASON MAY USE GRANT MONEY TO COVER THE COSTS ASSOCIATED WITH PROVIDING NEW OR EXPANDED FREE TRANSIT SERVICES WITHIN ITS SERVICE AREA DURING OZONE SEASON, INCLUDING OFFERING ADDITIONAL FREE SERVICES OR FREE ROUTES OR INCREASING THE FREQUENCY OF SERVICE ON ROUTES FOR WHICH THE ELIGIBLE TRANSIT AGENCY CURRENTLY OFFERS FREE SERVICE. GRANT MONEY MAY BE USED TO REPLACE FARE BOX REVENUE AND TO PAY FOR OTHER EXPENSES NECESSARY TO IMPLEMENT AND MEASURE THE EFFECTIVENESS OF THE PROGRAM, INCLUDING REASONABLE MARKETING EXPENSES INCURRED TO RAISE AWARENESS OF FREE SERVICE AND INCREASE RIDERSHIP, EXPENSES INCURRED IN CONDUCTING RIDER SURVEYS TO BETTER MEASURE THE IMPACT OF THE PROGRAM ON RIDERSHIP AND VEHICLE MILES TRAVELED IN PRIVATE MOTOR VEHICLES, AND EXPENSES ASSOCIATED WITH AN INCREASE IN RIDERSHIP AS A RESULT OF THE PROGRAM. AN ELIGIBLE TRANSIT AGENCY SHALL NOT USE GRANT MONEY TO OFFSET OR REPLACE FUNDING FOR FREE TRANSIT SERVICES THAT THE ELIGIBLE TRANSIT AGENCY OFFERS AS OF JANUARY 1 OF THE FUNDING YEAR; EXCEPT THAT AN ELIGIBLE TRANSIT AGENCY MAY USE GRANT MONEY THAT WAS NOT EXPENDED IN THE YEAR IN WHICH IT WAS RECEIVED OR GRANT MONEY FROM A GRANT AWARDED FOR A SUBSEQUENT YEAR TO CONTINUE FUNDING FOR ANY SUCH FREE TRANSIT SERVICES THAT WERE PREVIOUSLY FUNDED WITH GRANT MONEY.

(III) AN ELIGIBLE TRANSIT AGENCY THAT RECEIVES A GRANT TO PROVIDE YEAR-ROUND FARE FREE TRANSIT SERVICES TO YOUTH RIDERS MAY USE GRANT MONEY TO PROVIDE OPERATING SUPPORT FOR ITS TRANSIT OPERATIONS AND GENERAL TRANSIT PROGRAMS AND TO PAY FOR OTHER EXPENSES NECESSARY TO IMPLEMENT AND MEASURE THE EFFECTIVENESS OF THE PROGRAM, INCLUDING REASONABLE MARKETING EXPENSES INCURRED TO RAISE AWARENESS OF FREE SERVICE AND INCREASE RIDERSHIP, EXPENSES INCURRED IN CONDUCTING RIDER SURVEYS TO BETTER MEASURE THE IMPACT OF THE PROGRAM ON RIDERSHIP AND VEHICLE MILES TRAVELED IN PRIVATE MOTOR VEHICLES, AND EXPENSES ASSOCIATED WITH AN INCREASE IN RIDERSHIP AS A RESULT OF THE PROGRAM SO LONG AS THE ELIGIBLE TRANSIT AGENCY PROVIDES UNINTERRUPTED FARE FREE YEAR-ROUND TRANSIT SERVICES FOR YOUTH RIDERS.

(d) IN AWARDING GRANTS PURSUANT TO THIS SUBSECTION (5), CASTA SHALL:

(I) FOR A RECIPIENT OF A GRANT TO PROVIDE FREE TRANSIT SERVICES DURING THE OZONE SEASON:

(A) ALLOCATE MONEY AMONG APPLICANTS WITH THE GOALS OF REDUCING OZONE

FORMATION, INCREASING RIDERSHIP ON TRANSIT, AND REDUCING VEHICLE MILES TRAVELED IN THE STATE; AND

(B) CONSIDER THE EXTENT TO WHICH THE APPLICANT WILL MATCH GRANT MONEY WITH OTHER MONEY; AND

(II) FOR A RECIPIENT OF A GRANT TO PROVIDE YEAR-ROUND FARE FREE TRANSIT TO YOUTH RIDERS:

(A) ALLOCATE MONEY AMONG APPLICANTS WITH THE GOALS OF INCREASING YOUTH RIDERSHIP ON TRANSIT, REDUCING OZONE FORMATION, AND REDUCING VEHICLE MILES TRAVELED IN THE STATE; AND

(B) CONSIDER DISTRIBUTING GRANT MONEY USING A FORMULA DEVELOPED BY CASTA THAT TAKES INTO ACCOUNT YOUTH RIDERSHIP IN THE SERVICE AREA OF THE APPLICANT AND THE EXTENT TO WHICH THE APPLICANT WILL MATCH GRANT MONEY WITH OTHER MONEY; EXCEPT THAT AN APPLICANT IS NOT REQUIRED TO MATCH GRANT MONEY TO BE ELIGIBLE TO RECEIVE A GRANT.

(e)(I) EACH ELIGIBLE TRANSIT AGENCY THAT RECEIVES A GRANT SHALL REPORT ON THE USE OF THE MONEY TO CASTA IN ACCORDANCE WITH POLICIES ESTABLISHED BY CASTA AND THE OFFICE. THE REPORT MUST INCLUDE THE INFORMATION SPECIFIED IN SUBSECTION (5)(e)(II) OR (5)(e)(III) OF THIS SECTION, AS APPLICABLE.

(II) FOR A RECIPIENT OF A GRANT TO PROVIDE FREE TRANSIT SERVICES DURING THE OZONE SEASON, THE REPORT REQUIRED IN THIS SUBSECTION (5)(e) MUST INCLUDE, AT A MINIMUM, INFORMATION ON HOW THE GRANT MONEY WAS SPENT; THE FREE SERVICES THAT WERE OFFERED USING THE GRANT MONEY; AND ESTIMATES OF THE CHANGE IN RIDERSHIP DURING THE PERIOD THAT FREE SERVICES WERE OFFERED COMPARED TO PREVIOUS MONTHS, THE SAME MONTH IN PREVIOUS YEARS, AND THE MONTHS AFTER THE PROGRAM CONCLUDED. THE REPORT MAY INCLUDE ADDITIONAL INFORMATION, INCLUDING A NARRATIVE ANALYSIS, TO PROVIDE CONTEXT ON THE RIDERSHIP DATA INCLUDED IN THE REPORT.

(III) FOR A RECIPIENT OF A GRANT TO PROVIDE YEAR-ROUND FARE FREE TRANSIT TO YOUTH RIDERS, THE REPORT REQUIRED IN THIS SUBSECTION (5)(e) MUST INCLUDE, AT A MINIMUM, ESTIMATES OF THE CHANGE IN YOUTH RIDERSHIP DURING THE YEAR IN WHICH FARE FREE SERVICES WERE OFFERED TO YOUTH RIDERS COMPARED TO PREVIOUS YEARS, ANY CHANGES THAT THE ELIGIBLE TRANSIT AGENCY WOULD MAKE IN HOW IT PROVIDES FARE FREE TRANSIT SERVICES TO YOUTH RIDERS OR IN ITS USE OF THE GRANT MONEY BASED ON ITS EXPERIENCES, AND HOW THE ELIGIBLE TRANSIT AGENCY MARKETED THE FARE FREE TRANSIT SERVICES FOR YOUTH RIDERS. THE REPORT MAY INCLUDE ADDITIONAL INFORMATION, INCLUDING A NARRATIVE ANALYSIS, TO PROVIDE CONTEXT ON THE RIDERSHIP DATA INCLUDED IN THE REPORT.

(IV) EACH ELIGIBLE TRANSIT AGENCY THAT RECEIVES A GRANT THROUGH CASTA SHALL SUBMIT ITS REPORT TO CASTA BY NOVEMBER 1, 2024, AND BY NOVEMBER 1 OF EACH YEAR THEREAFTER.

(f) BY DECEMBER 1, 2024, AND BY DECEMBER 1 OF EACH YEAR THEREAFTER, CASTA SHALL SUBMIT A REPORT TO THE OFFICE COMPILING AND SUMMARIZING THE

REPORTED INFORMATION FOR ALL ELIGIBLE TRANSIT AGENCIES THAT RECEIVED A GRANT THROUGH CASTA.

(g) (I) CASTA SHALL DEVELOP AND PUBLICIZE POLICIES FOR THE GRANT, INCLUDING THE PROCESS AND DEADLINES FOR AN ELIGIBLE TRANSIT AGENCY TO APPLY FOR AND RECEIVE A GRANT, THE INFORMATION AND DOCUMENTATION REQUIRED FOR THE APPLICATION, REPORTING REQUIREMENTS AND DEADLINES, AND ANY ADDITIONAL REQUIREMENTS NECESSARY TO ADMINISTER THE GRANT.

(II) IN ADDITION TO THE REQUIREMENTS SPECIFIED IN SUBSECTION (5)(g)(I) OF THIS SECTION, CASTA SHALL PROVIDE NOTICE THAT IF A TRANSIT AGENCY IS APPLYING FOR A GRANT TO PROVIDE FREE TRANSIT SERVICES DURING THE OZONE SEASON, THE ELIGIBLE TRANSIT AGENCY MUST IDENTIFY ANY PERIOD OTHER THAN JUNE 1 TO AUGUST 31 OF A CALENDAR YEAR FOR ITS OZONE SEASON IN THE APPLICATION.

(6) (a) THE REGIONAL TRANSPORTATION DISTRICT MAY USE GRANT MONEY TO PROVIDE OPERATING SUPPORT FOR ITS TRANSIT OPERATIONS AND GENERAL TRANSIT PROGRAMS AND TO PAY FOR OTHER EXPENSES NECESSARY TO IMPLEMENT AND MEASURE THE EFFECTIVENESS OF THE PROGRAM, INCLUDING REASONABLE MARKETING EXPENSES INCURRED TO RAISE AWARENESS OF FREE SERVICE AND INCREASE RIDERSHIP, EXPENSES INCURRED IN CONDUCTING RIDER SURVEYS TO BETTER MEASURE THE IMPACT OF THE PROGRAM ON RIDERSHIP AND VEHICLE MILES TRAVELED IN PRIVATE MOTOR VEHICLES, AND EXPENSES ASSOCIATED WITH AN INCREASE IN RIDERSHIP AS A RESULT OF THE PROGRAM SO LONG AS THE REGIONAL TRANSPORTATION DISTRICT PROVIDES UNINTERRUPTED FARE FREE YEAR-ROUND TRANSIT SERVICES FOR YOUTH RIDERS.

(b) ON OR BEFORE DECEMBER 1 OF EACH YEAR FOR WHICH THE REGIONAL TRANSPORTATION DISTRICT RECEIVES A GRANT, THE REGIONAL TRANSPORTATION DISTRICT SHALL SUBMIT A REPORT TO THE OFFICE ON THE IMPLEMENTATION OF THE PROGRAM IN ACCORDANCE WITH THE POLICIES ESTABLISHED BY THE OFFICE. THE REPORT MUST INCLUDE, AT A MINIMUM, ESTIMATES OF THE CHANGE IN YOUTH RIDERSHIP DURING THE YEAR IN WHICH FARE FREE SERVICES WERE OFFERED TO YOUTH RIDERS COMPARED TO PREVIOUS YEARS, ANY CHANGES THAT THE REGIONAL TRANSPORTATION DISTRICT WOULD MAKE IN HOW IT PROVIDES FARE FREE TRANSIT SERVICES TO YOUTH RIDERS OR IN ITS USE OF THE GRANT MONEY BASED ON ITS EXPERIENCES, AND HOW THE REGIONAL TRANSPORTATION DISTRICT MARKETED THE FARE FREE TRANSIT SERVICES FOR YOUTH RIDERS. THE REPORT MAY INCLUDE ADDITIONAL INFORMATION, INCLUDING A NARRATIVE ANALYSIS, TO PROVIDE CONTEXT ON THE RIDERSHIP DATA INCLUDED IN THE REPORT.

(c) THE STATE AUDITOR SHALL AUDIT THE REGIONAL TRANSPORTATION DISTRICT'S USE OF THE GRANT MONEY AS PART OF ITS PERFORMANCE AUDIT OF THE REGIONAL TRANSPORTATION DISTRICT CONDUCTED PURSUANT TO SECTION 32-9-115 (3).

(7) THE OFFICE SHALL ESTABLISH AND PUBLICIZE POLICIES FOR THE PROGRAM. AT A MINIMUM, THE POLICIES MUST ADDRESS THE PROCESS AND ANY DEADLINES FOR APPLYING FOR AND RECEIVING A GRANT UNDER THE PROGRAM, THE INFORMATION AND DOCUMENTATION REQUIRED FOR THE APPLICATION, REPORTING REQUIREMENTS

AND DEADLINES, AND ANY ADDITIONAL POLICIES NECESSARY TO ADMINISTER THE PROGRAM.

(8) (a) THE ZERO FARE TRANSIT FUND IS HEREBY CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF MONEY TRANSFERRED TO THE FUND PURSUANT TO SECTION 24-38.5-114 (8)(e), AS IT EXISTED PRIOR TO ITS REPEAL ON JULY 1, 2024, MONEY TRANSFERRED TO THE FUND PURSUANT TO SECTION 43-4-1103 (2)(e), ANY OTHER MONEY THAT THE GENERAL ASSEMBLY APPROPRIATES OR TRANSFERS TO THE FUND, AND ANY GIFTS, GRANTS, OR DONATIONS CREDITED TO THE FUND PURSUANT TO SUBSECTION (9) OF THIS SECTION.

(b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO THE FUND.

(c) MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE OFFICE FOR THE PURPOSES SPECIFIED IN THIS SECTION.

(d) ANY MONEY THAT IS TRANSFERRED FROM THE OZONE SEASON TRANSIT GRANT PROGRAM FUND TO THE FUND ON JUNE 30, 2024, PURSUANT TO SECTION 24-38.5-114 (8)(e), AS IT EXISTED PRIOR TO ITS REPEAL ON JULY 1, 2024, THAT IS OBLIGATED OR ENCUMBERED WHEN IT IS TRANSFERRED SHALL BE USED FOR THE SAME PURPOSE FOR WHICH IT WAS OBLIGATED OR ENCUMBERED PURSUANT TO SECTION 24-38.5-114, AS IT EXISTED PRIOR TO ITS REPEAL ON JULY 1, 2024.

(e) ON JUNE 30, 2026, THE STATE TREASURER SHALL TRANSFER ANY UNEXPENDED AND UNENCUMBERED MONEY REMAINING IN THE FUND THAT WAS TRANSFERRED PURSUANT TO SECTION 43-4-1103 (2)(e) TO THE PORTION OF THE MULTIMODAL TRANSPORTATION OPTIONS FUND THAT IS ALLOCATED PURSUANT TO SECTION 43-4-1103 (2)(a)(I)(A).

(9) THE OFFICE MAY SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR THE PURPOSES OF THIS SECTION. THE OFFICE SHALL TRANSMIT ALL MONEY RECEIVED THROUGH GIFTS, GRANTS, OR DONATIONS TO THE STATE TREASURER, WHO SHALL CREDIT THE MONEY TO THE FUND.

(10) ON OR BEFORE DECEMBER 31 OF EACH YEAR OF THE PROGRAM, THE OFFICE SHALL SUBMIT A REPORT ON THE IMPLEMENTATION OF THE PROGRAM TO THE HOUSE OF REPRESENTATIVES TRANSPORTATION, HOUSING AND LOCAL GOVERNMENT COMMITTEE AND THE SENATE TRANSPORTATION AND ENERGY COMMITTEE, OR THEIR SUCCESSOR COMMITTEES. THE REPORT MUST SUMMARIZE AND COMPILE THE INFORMATION SUBMITTED TO THE OFFICE PURSUANT TO SUBSECTIONS (5)(e) AND (6)(b) OF THIS SECTION.

SECTION 4. In Colorado Revised Statutes, 43-4-1103, **add** (2)(e) as follows:

43-4-1103. Multimodal transportation options fund - creation - revenue sources for fund - use of fund. (2) (e) ON JULY 1, 2024, THE STATE TREASURER SHALL TRANSFER TEN MILLION DOLLARS TO THE ZERO FARE TRANSIT FUND CREATED IN SECTION 24-38.5-114 FROM THE PORTION OF THE FUND THAT IS ALLOCATED TO THE COMMISSION PURSUANT TO SUBSECTION (2)(a)(I)(A) OF THIS SECTION.

SECTION 5. In Colorado Revised Statutes, 43-4-605, **amend** (1)(i.5)(I) introductory portion and (1)(i.5)(III) as follows:

43-4-605. Powers of the authority - inclusion or exclusion of property - determination of regional transportation system alignment - fund created - repeal. (1) In addition to any other powers granted to an authority pursuant to this part 6, an authority has the following powers:

(i.5) (I) Subject to the provisions of section 43-4-612, to impose, in all or any designated portion of the members of the combination or of the members of the transportation planning organization exercising the powers of an authority as authorized by section 43-4-622, a visitor benefit tax on persons who purchase overnight rooms or accommodations; ~~in any amount that would not cause the aggregate amount of the visitor benefit tax and any lodging tax imposed on such overnight rooms or accommodations to exceed two percent of the price of such overnight rooms or accommodations;~~ except that the authority shall not impose a visitor benefit tax on overnight rooms or accommodations that are in any territory:

(III) Notwithstanding the provisions of subparagraph (I) of this paragraph (i.5), an authority may derive no more than ~~one third~~ ONE HALF of its total revenues from the visitor benefit tax.

SECTION 6. In Colorado Revised Statutes, 24-75-219, **add** (8) as follows:

24-75-219. Transfers - transportation - capital construction - definitions - repeal. (8) ON JULY 1, 2022, THE STATE TREASURER TRANSFERRED SIX MILLION FIVE HUNDRED THOUSAND DOLLARS FROM THE GENERAL FUND TO THE STATE HIGHWAY FUND PURSUANT TO SUBSECTION (7)(h) of this section, as it existed prior to its repeal on July 1, 2023, which required that the department use such amount for an environmental study on relocating the consolidated main rail line away from interstate highway 25 in connection with the development of the Burnham Yard rail property. Beginning on the effective date of this section, the department shall instead use such amount that was transferred to the state highway fund for the purpose of site preparation, site enhancements, planning, and facilitating a track alignment that preserves buildable land while promoting transit and rail capacity and increasing safety in connection with the development of the Burnham Yard rail property, as the department has determined that supporting the regional transportation district's right-of-way expansion, rather than relocating the main rail line, is the most important transit need on the site.

SECTION 7. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for the support and maintenance of the departments of the state and state institutions.

Approved: May 16, 2024