House Transportation, Housing & Local Government

04/23/2024 01:30 PM

SB24-184 Support Surface Transp Infrastructure Development

Typed Text of Testimony Submitted

Name, Position, Representing	**Typed Text of Testimony**
Jennifer Holloway For Craig Chamber of Commerce & Moffat County Visitor Center	Honorable Members of the Colorado House of Representatives, I'm Jennifer Holloway, Director of the Craig Chamber of Commerce & Moffat County Visitor Center. We wholeheartedly support Colorado Senate Bill 24-184, recognizing the importance of rail transportation in transitioning from coal to a sustainable future. This bill offers a lifeline for Craig, Moffat County, and the Yampa Valley region through mountain rail development. Reestablishing passenger rail from Denver to Craig, with stops at Steamboat and Hayden, is not just about infrastructure—it's about revitalizing our economy. Our community's reliance on coal has shaped our economy, but we're committed to a just transition. Passenger rail connects us to job opportunities, education, and services, easing commuting stress and stimulating economic growth. It also attracts tourists, boosting revenue for local businesses. Passenger rail ensures access for industry, crucial for attracting new businesses. By promoting eco-friendly transportation, we align with Colorado's climate goals while fostering opportunity for all residents. Please support mountain rail development, honoring our past while paving the way for a brighter future. Sincerely, Jennifer Holloway Director, Craig Chamber of Commerce

2018 FAA BILL REVENUE DIVERSION AMENDMENT

Section 159 of Public Law No. 115-254. Effective date – 10-5-18

Adds a new subparagraph (v) to 49 USC 40116(d)(2)(A).

Section 159. STATE TAXATION.

(a) IN GENERAL.—Section 40116(d)(2)(A) of title 49, United States Code, is amended by adding at the end the following:

"(v) except as otherwise provided under section 47133, levy or collect a tax, fee, or charge, first taking effect after the date of enactment of this clause, upon any business located at a commercial service airport or operating as a permittee of such an airport that is not generally imposed on sales or services by that State, political subdivision, or authority unless wholly utilized for airport or aeronautical purposes.".

(b) RULE OF CONSTRUCTION.—Nothing in this section or an amendment made by this section shall affect a change to a rate or other provision of a tax, fee, or charge under section 40116 of title 49, United States Code, that was enacted prior to the date of enactment of this Act. Such provision of a tax, fee, or charge shall continue to be subject to the requirements to which such provision was subject under that section as in effect on the day before the date of enactment of this Act.

AMERICAN CAR RENTAL ASSOCIATION

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STATEMENT OF THE AMERICAN CAR RENTAL ASSOCIATION
BEFORE THE
COLORADO HOUSE COMMITTEE ON TRANSPORTATION, HOUSING AND LOCAL GOVERNMENT

OPPOSITION TO CURRENT VERSION OF SB24-184

APRIL 23, 2024

Chair Froelich, Vice Chair Lindsay, and Members of the Colorado House Transportation, Housing and Local Government Committee -- The American Car Rental Association (ACRA) respectfully opposes the funding mechanism currently in SB24-184 which would impose on car and truck renters in Colorado a new state short-term car and truck rental excise tax of $3.00 per day. ACRA appreciates the sponsors' engagement and looks forward to continued conversations on identify an alternative funding source.

ACRA is the national representative for over 98% of our nation's car rental industry and a large percentage of the nation's truck rental industry. ACRA's membership is comprised of over 300 car and truck rental companies, including all of the brands you would recognize such as Alamo, Avis, Budget, Dollar, Enterprise, Fox, Hertz, National, Sixt, Thrifty and U-Haul. ACRA members also include many system licensees and franchisees, mid-size, regional and independent car rental companies as well as smaller operators. ACRA members entered into over 3 million car and truck rental contracts in Colorado in 2023 at over 300 rental locations across the state.

ACRA urges this Committee to adjust the funding mechanism in SB184 for the following reasons:

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1. SB184's funding mechanism will be viewed as a new tax by Colorado voters – approximately 50% of car and truck rentals in Colorado are "local", non-airport rentals by Coloradans;

2. SB184's funding mechanism is regressive and possibly duplicative:

    a. Middle- and low-income Coloradans renting cars and trucks will pay higher rental fees and higher insurance rates.

    b. Front Range Passenger Rail District Board has publicly stated they are reviewing a ballot question for a tax increase and RTD continues to charge the FasTracks tax and has more than $190M in their savings account.

    c. As reported in an April 11, 2024, Colorado Sun news article, "The Front Range Passenger Rail District board may decide this month whether to seek voter approval this November of a new sales tax raising up to $500 million a year to jump-start rail transit to Boulder and up and down the I-25 corridor, the district general manager said at a Colorado Sun event."

    d. In 2023 the General Assembly added dedicated tax payer funds to the Instructure and Investment Jobs Act Cash Fund for the Front Range Passenger Rail.

3. The assessment proposed by this bill will put upward pressure on both truck and car rental rates in Colorado and personal vehicle insurance rates for citizens in the state.

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4. The funding mechanism in SB184 violates Colorado law:

    a. Proponents of SB184 say the car and truck rental assessment is not a tax because proceeds don't go to the general fund; However, the assessment is also not, by definition, a fee, because those paying the $3 may not benefit from the projects it will fund.

    b. Per the Colorado Supreme Court's decision in the 2018 *City of Aspen* case, a fee must have a direct benefit to the fee payer - an individual renting a U-Haul in Grand Junction does not receive a benefit from Bustang or passenger rail.

    c. As a result, a ballot measure seeking voter approval is required. In fact, two Coloradans have already filed petitions under Proposition 117 challenging the car and truck rental assessment embedded in SB184 as a "tax policy change" that requires approval of Colorado voters through a ballot initiative prior to adoption.

5. SB184's funding mechanism also violates federal law:

    a. A federal law was enacted in 2018 that prohibits states, counties and municipalities from imposing taxes or fees on entities doing business at airports unless the revenues are used on the airport;

    b. The federal law was necessary to prevent state's imposing burdensome and regressive taxes and fees on renters of cars and trucks to pay for local projects that do not have a direct nexus to car and truck rental industries – exactly the type of proposal under consideration today;

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c. Since the federal law was enacted in 2018, no state has adopted a statewide discriminatory tax or fee on car and truck renters – Congress drew a "line in the sand" in 2018 and no state has crossed that line since then;

d. If a federal count were asked to review the 2018 federal law with respect to the SB184 financing mechanism, it is likely the court would find the mechanism violates the 2018 law; that would result in all Colorado airports being cut off from federal Airport Improvement Program (AIP) funds because SB184 violated the anti-revenue diversion assurance an airport must make before receiving AIP funds; **Colorado airports received over $41.5 million in AIP funds in 2023**;

For the reasons above, ACRA respectfully **opposes** the current funding mechanism embodied in SB24-184 and welcomes continued discussions with the sponsors that ACRA hopes will result in amendments that remove the tax burden on car and truck renters.

I am happy to answer questions about the impacts of this bill on the car and truck rental industry. Thank you.

BOULDER COUNTY
YOUNG DEMOCRATS
COLORADO

Members of the House Transportation, Housing & Local Government Committee,

On behalf of the Boulder County Young Democrats, we write in support of SB24-184 (Support Surface Transportation Infrastructure Development).

As residents of Boulder County, the proposed passenger rail connecting Union Station to Boulder and Longmont, up through Fort Collins and down to Trinidad will be invaluable to all Front Range communities.

By providing significant funding and operational flexibility for local governments on the development of transit and rail infrastructure, SB24-184 has the potential to bring Northern Colorado's transportation capacity to levels fitting our growing population. The emphasis on expanding transit and rail networks not only has the potential to significantly alleviate traffic congestion but also to improve safety, reduce carbon emissions, and enhance accessibility for all residents.

The bill's dedicated funding sources for rail and expanded transit projects is crucial for building a comprehensive, integrated transportation system that can, in the coming years, meet the diverse needs of communities from Fort Collins to Pueblo; Denver to Craig.

As many communities within Boulder County have long been underserved by public transportation infrastructure, the commitment of funding with a focus on completing long overdue passenger rail lines would greatly benefit Boulder County and Northern Colorado. These expansions, coupled with improvements to existing local transportation initiatives, will enhance connectivity within our communities that has long been awaited.

We urge the members of the House Transportation, Housing & Local Government Committee to support Senate Bill 24-184 as a crucial first step towards creating the more accessible, sustainable, and interconnected transportation system that Colorado deserves.

Thank you for your consideration of SB24-184.

Sincerely,

Andrew Barton
Vice Chair, Policy Advocacy
Boulder County Young Democrats

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March 21, 2024

Via E-Mail

Sharon Faulkner
Executive Director
American Car Rental Association
P.O. Box 584
Long Lake, NY 12847

Re: Analysis of Proposed Colorado Congestion Impact Fee

Dear Ms. Faulkner:

The American Car Rental Association asked us to review Colorado Senate Bill S.B. 24-184 (the "Bill"), which would impose a new "Congestion Impact Fee" on short-term rentals of motor vehicles within the state.[1]

We conclude that the proposed Congestion Impact Fee is preempted by federal law – specifically, the prohibition clause of the Federal Aviation Administration Reauthorization Act of 2018 ("FAA Reauthorization Act").[2] This federal statute provides that states may not impose new fees on airport vehicle rental businesses after October 5, 2018 if the state does not generally impose the fee on all services and the funds derived from the fee are not *wholly* used for airport or aeronautical purposes.[3]

For the reasons discussed below, the Congestion Impact Fee will run afoul of the FAA Reauthorization Act if applied to airport-based rentals. This violation of the federal statute results in a violation of the Supremacy Clause of the United States Constitution that prohibits states from adopting laws that are contrary to federal statutes.[4]

[1] Colo. S.B. 24-184 (2024) available at: https://leg.colorado.gov/bills/sb24-184 (last visited March 30, 2024).
[2] 49 U.S.C. 40116(d)(2)(A)(v).
[3] Pub. L. No. 115-254, § 159(a), 132 Stat. 3220 (2018) (codified at 49 U.S.C. § 40116(d)(2)(A)(v)).
[4] The Supremacy Clause of the U.S. Constitution provides that Federal laws "shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the Contrary notwithstanding." U.S. Const., art. VI, cl. [2]. *See e.g., Wolf v. Central Oregon & Pacific R.R., Inc.*, 216 P.3d 316, 320 (2009) (holding that the Supremacy Clause means that "[s]tate laws that conflict with or are expressly preempted by federal law are, thus, 'without effect.'") (citations omitted); *McCulloch v. Maryland*, 17 U.S. 316, 436, 4 L.Ed. 579 (1819) (states have "no power" to enact laws interfering with "the operations of the constitutional laws enacted by Congress"; such a state law "is unconstitutional and void").

I. Colorado's Daily Vehicle Rental Fee

Since 2009, Colorado imposes a Daily Vehicle Rental Fee of $2 per day on all short-term vehicle rentals under 30 days.[5] The Daily Vehicle Rental Fee is adjusted annually for inflation.[6] The Daily Vehicle Rental Fee also applies to car-sharing programs for any short-term vehicle rental of 24 hours or longer that is enabled by the car sharing program.[7]

The Daily Vehicle Rental Fee is credited to the highway users tax fund and allocated between state agencies, counties, and municipalities using a statutory formula.[8] The state highway users fund can be used for a variety of enumerated purposes, including paying for state patrol, maintaining the state highway system and general department of transportation operating expenses.[9] Because the Daily Vehicle Fee has been imposed since 2009, it is not preempted by the FAA Reauthorization Act's prohibition against new fees.

II. Proposed Congestion Impact Fee

The Bill authorizes the Congestion Impact Fee, as a new user fee to be imposed by the Colorado High-Performance Transportation Enterprise ("Transportation Enterprise"), a division of the Colorado Department of Transportation operated as a business with a mission to "actively seek out opportunities for public-private partnerships for the purpose of completing surface transportation infrastructure projects."[10] "Surface transportation infrastructure" means a highway, a bridge other than a designated bridge, or any other infrastructure, facility, or equipment used primarily or in large part to transport people on systems that operate on or are affixed to the ground.[11]

The Congestion Impact Fee can be imposed in maximum amounts of up to $3 per day on the short-term rental of a motor vehicle that is powered by an internal combustion engine and up to $2 per day for electric and hybrid-electric vehicles.[12] The Congestion Impact Fee is adjusted for inflation and can be decreased if the Transportation Enterprise determines that the rates may generate more revenue than needed to pay the overall costs of providing services.[13] The Congestion Impact Fee is collected by the Colorado Department of Revenue in the same manner as the Daily Vehicle Rental Fee and then forwarded to the state Treasurer for distribution to the transportation special fund.[14]

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[5] Colo. Stat. §§ 43-4-804(b)(I)(A). Unlike the Congestion Impact Fee, the Daily Vehicle Fee is not a user fee imposed by a specific state agency. Colo. Dept. Rev. Form DR 1777. A "short-term vehicle rental" means the rental of any motor vehicle with a gross vehicle weight rating of twenty-six thousand pounds or less that is rented within Colorado for a period of not more than thirty days. Colo. Stat. § 43-4-804(b)(I)(B).

[6] Colo. Stat. § 43-4-804(b)(I)(A), (1)(b)(IV)(A). The fee is required to be separately stated on rental invoices as a "Colorado Road Safety Program Fee."

[7] *Id.* A "Car sharing program" means a person that is in the business of operating an online platform to connect third-party vehicle owners with third-party vehicle drivers to enable peer-to-peer car sharing within Colorado. Colo. Stat. § 6-1-1202(4)(a).

[8] Colo. Stat. §§ 43-4-201(1)(a), (3)(a)(II), 43-4-804(1).

[9] Colo. Stat. § 43-4-206(1).

[10] Colo. Stat. § 43-4-806(1)(c).

[11] Colo. Stat. § 43-8-804(22). Emphasis added.

[12] Prop. Colo. Stat. 43-4-806(7.6)(a)(I)(Colo. S.B. 24-184 (2024) as introduced).

[13] *Id.*

[14] Prop. Colo. Stat. 43-4-806(7.6)(b)(Colo. S.B. 24-184 (2024) as introduced).

The Transportation Enterprise may expend moneys in the transportation special fund to pay bond obligations, to fund *surface transportation infrastructure projects*, and for the acquisition of land to the extent required in connection with any surface transportation infrastructure project.[15] The Bill also contains legislative declarations that tie the Transportation Enterprise's creation of "diverse multimodal transportation options" to a reduction in road traffic congestion and the degradation of existing surface transportation infrastructure.[16] The Bill's legislative declarations specifically state that the funds from the Congestion Impact Fee "are imposed *for the specific purpose* of allowing the Transportation Enterprise to defray the costs of completing, operating, and maintaining the *surface transportation infrastructure network*."[17] The Bill contains no provisions to limit the fees collected from airport-based rentals for use in airport-related infrastructure project.

III. AHTA and FAA Reauthorization Act

The Anti-Head Tax Act (AHTA)[18] and FAA Reauthorization Act limit the ability of states and localities, including Colorado, to tax vehicle rentals at airports. The AHTA, enacted by Congress in 1994, prevents state authorities from imposing an undue burden on airlines, passengers, and related businesses engaged in interstate commerce, and preserves revenue from airport-related taxes and fees for the support of airport and aeronautical activities.[19] The AHTA prohibits "unreasonable burdens and discrimination against interstate commerce," including "a tax, fee, or charge, first taking effect after August 23, 1994, exclusively upon any business located at a commercial service airport or operating as a permittee of such an airport other than a tax, fee, or charge wholly utilized for airport or aeronautical purposes." (the "Prohibition Clause")[20]

In 2018, Congress expanded the scope of the AHTA by adopting the FAA Reauthorization Act, which clarifies that states may not impose a "levy or collect a tax, fee, or charge, first taking effect after the date of enactment of this clause, upon any business located at a commercial service airport or operating as a permittee of such an airport that is not generally imposed on sales or services by that State, political subdivision, or authority unless wholly utilized for airport or aeronautical purposes."[21] Thus, "discriminatory fees" are prohibited as of October 5, 2018, the enactment date of the FAA Reauthorization Act.[22]

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[15] Colo. Stat. § 43-4-806(3)(d).
[16] Prop. Colo. Stat. 43-4-806(a) (Colo. S.B. 24-184 (2024) as introduced).
[17] Prop. Colo. Stat. § 43-4-804(1.5)(b)(I)(Colo. S.B. 24-184 § 1 (2024) as introduced). Emphasis added.
[18] 49 U.S.C. § 40116.
[19] 49 U.S.C. 40116; *Aloha Airlines, Inc. v. Director of Taxation of Hawaii*, 464 U.S. 7, 10 (1983).
[20] 49 U.S.C. 40116(2)(A)(iv). The term "airport" as used in the AHTA and FAA Reauthorization Act is defined as "a landing area used regularly by aircraft for receiving or discharging passengers or cargo." 49 U.S.C. § 40102(9). Meanwhile, "commercial service airport" means "a public airport in a State that the Secretary determines has at least 2,500 passenger boardings each year and is receiving scheduled passenger aircraft service." 49 U.S.C. § 47102(7). "Aeronautics" means the science and art of flight. 49 U.S.C. § 40102(a)(1).
[21] 49 U.S.C. § 40116(d)(2)(A)(v).
[22] The FAA Reauthorization Act clarifies that the Prohibition Clause in 49 U.S.C. § 40116(d)(2)(A)(v) does not "affect a change to a rate or other provision of a tax, fee, or charge under section 40116 of title 49, United States Code, that was enacted prior to the date of enactment of this Act." A tax, fee, or charge existing prior to the enactment of the Prohibition Clause "shall continue to be subject to the requirements to which such provision was subject under that section as in effect on the day before the date of enactment of this Act." 49 U.S.C. § 40116(d)(2)(A)(v). Accordingly, in order to meet the first element of the Prohibition Clause, a tax must be a new tax – one that is not merely an expansion of the rate or applicability of an existing tax.

A tax or fee is not banned if it is *generally imposed* on sales or services. The exclusion for "generally imposed" taxes allows for taxes and fees on a car rental business (or other businesses) that are imposed generally on other sales or services, rather than taxes and fees that are targeted. The FAA Reauthorization Act's prohibition against targeted taxes and fees is an extension of federal legislation that bans other targeted state and local taxes and fees on transportation and other industries.

For instance, the FAA Reauthorization Act's approach is the same as the approach taken in a long-standing federal statute that limits state and local taxation imposed on railroads – the Railroad Revitalization and Regulatory Act of 1976 (the "4-R Act").[23] The 4-R Act prohibits states from unreasonably burdening and discriminating against interstate commerce by imposing taxes that target rail carriers. The 4-R Act also allows for generally imposed taxes – those state and local taxes that do not target the industry.[24] Thus, a tax or fee that is only imposed on vehicle rental transactions and not imposed on other sales or services – is not "generally imposed."

This application of the FAA Reauthorization Act finds further support in application of the federal Internet Tax Freedom Act ("ITFA"), which is a federal statute that prohibits targeted state and local taxes on electronic commerce. The definition of "discriminatory taxes" is contained in ITFA § 1105(2)(A)(i) and (ii).[25] ITFA prohibits a state or local tax, or a rate of tax, from being imposed on electronic commerce that is "not generally imposed" on transactions that involve similar property, goods, services, or information accomplished through other means than the Internet. For example, in *Performance Marketing Association v. Hamer,* the Supreme Court of Illinois struck down Illinois' "click-through" nexus law as preempted by ITFA because the law imposed a use tax collection obligation on out-of-state retailers reaching a $10,000 sales threshold through marketing via website links while not imposing a similar use tax collection obligation on out-of-state retailers reaching the same sales threshold through broadcast or print marketing.[26]

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[23] 49 U.S.C.A. § 11501(b) provides that states, including a subdivision thereof or authority acting on behalf of, are prohibited from engaging in certain acts deemed to "unreasonably burden and discriminate against interstate commerce." There is a similar provision for motor carriers that "was patterned after and is virtually identical to [§ 306(b) of the 4-R Act]." *ABF Freight System, Inc. v. Tax Div. of the Arkansas Pub. Service Comm'n*, 787 F.2d 292, 293 n. 1 (8th Cir. 1986).

[24] Similar to § 306(b) there is no other qualifying language to this provision of the Prohibition Clause. Nor is there any indication in the legislative history of the FAA Reauthorization Act that the intention of the provision is to be contrary or anyway different than the language of the statute itself. Furthermore, as with § 306(b), the purpose of the Prohibition Clause is to prohibit discriminatory taxation. And like § 306(b), the Prohibition Clause has no intent requirement. Instead of railroads, the Prohibition Clause is designed to prohibit discriminatory taxes on "any business located at a commercial service airport or operating as a permittee of such airport," which includes car rental businesses. A state or local tax imposed on a railroad is only permissive under § 306(b) if it is imposed at a ratio or rate on "other commercial and industrial property" taxed by such taxing authority. Similarly, a state or local tax imposed on a business located at a commercial service airport or operating as a permittee of such airport is permissive under the Prohibition Act if it is generally imposed on *other* sales or services by such taxing authority.

[25] Pub. L. No. 105-277, Title XI, 112 Stat. 2681 (1998) (enacted as a statutory note to 47 U.S.C. § 151). ITFA § 1105(2)(A) defines the term "discriminatory tax," in relevant part as "any tax imposed by a State or political subdivision thereof on electronic commerce that – (i) is *not generally imposed* and legally collectible by such State or such political subdivision on transactions involving similar property, goods, services, or information accomplished through other means; (ii) is *not generally imposed* and legally collectible at the same rate by such State or such political subdivision on transactions involving similar property, goods, services, or information accomplished through other means, unless the rate is lower as part of a phase-out of the tax over not more than a 5-year period."

[26] *Performance Marketing Ass'n, Inc. v. Hamer*, 998 N.E.2d 54, 60 (Ill. 2013). The type of contractual relationship at issue in this case is known as "performance marketing." Performance marketing refers to marketing or advertising programs in which a person or organization which publishes or displays an advertisement (often referred to as an "affiliate" or "publisher") is paid by the retailer when a specific action, such as a sale, is completed. In performance marketing, the retailer tracks the success or "performance" of the marketing campaign, and sets the affiliate's compensation accordingly. Such contractual arrangements are not limited to the Internet. They are also

Analogous to ITFA's bar on a targeted tax on ecommerce unless the same tax applies to a similar transaction that is conducted through traditional commerce, the FAA Reauthorization Act bars a targeted tax or fee on businesses located at, or licensees of, a commercial service airport, including vehicle rental companies, unless the same tax or fee is generally imposed on *other* sales or services.

IV. The Proposed Congestion Impact Fee Violates the FAA Reauthorization Act

As applied to airport-based car rental companies, the proposed Congestion Impact Fee violates the FAA Reauthorization Act.[27] Under the FAA Reauthorization Act, a new state or local tax, fee, or charge is preempted if it: (i) first takes effect after October 5, 2018; (ii) is levied or collected "upon any business located at a commercial service airport or operating as a permittee of such an airport"; (iii) "is not generally imposed on sales or services by that State, political subdivision, or authority"; and (iv) does not provide that the proceeds thereof are "wholly utilized for airport or aeronautical purposes."[28]

The proposed Congestion Impact Fee violates the FAA Reauthorization Act because Colorado does not generally impose the Congestion Impact Fee on other services. A fee only on rental cars – whether only at the airport or anywhere within the state of Colorado – "is not generally imposed on sales or services by that State, political subdivision, or authority."[29] It targets and discriminates against rental cars by singling them out and charging those transactions while excluding nearly every other service.

Moreover, the funds from the proposed fee are not *wholly* used for airport services as defined by federal law. The Bill directs the proceeds from the Congestion Impact Fee to be used by the Transportation Enterprise, which is specifically tasked with developing "surface transportation infrastructure," namely a proposed new statewide train and bus network.[30] By its very terms, the Congestion Impact Fee is not "wholly utilized for airport or aeronautical purposes" as required by the exception to the prohibition cause of the FAA Reauthorization Act.[31]

Accordingly, Colorado will be unable to legally impose the Congestion Impact Fee on vehicle rental businesses operating at the state's airports because the fee violates federal law.[32]

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used in print and broadcast media, where promotional codes are used to generate and track sales. The case was brought by a performance marketing trade association concerned that its members advertising via the Internet vs. print and broadcast mediums were being taxed unequally.

[27] Pub. L. No. 115-254, § 159(a), 132 Stat. 3220 (2018) (codified at 49 U.S.C. § 40116(d)(2)(A)(v)).

[28] 49 U.S.C. 40116(d)(2)(A)(v).

[29] 49 U.S.C. § 40116(d)(2)(A)(v).

[30] Colo. Stat. § 43-4-803(23). Emphasis added.

[31] 49 U.S.C. 40116(d)(2)(A)(v).

[32] The Prohibition Clause also extends to locations of a business encompassed by the clause that are not located at a commercial service airport, *e.g.*, a car rental business' non-airport related business locations.

Sincerely,

Jeffrey A. Friedman
Partner, Eversheds Sutherland (US) LLP

April 23. 2024

Chair Froelich and Committee,

We are writing on behalf of the Mountain Rail Coalition (MRC) to express our strong support for SB24-184, assisting surface transportation infrastructure development by providing funding and operational flexibility needed for the development of diverse multimodal transit options including passenger rail infrastructure.

Mountain Rail Coalition members have been advocating for the re-purposing of Union Pacific's Northwest Colorado rail line since the announcement of coal-fired power plant retirements in Routt and Moffat Counties. It was not until CDOT's recent commitment of funds to create a Mountain Corridor Service Development Plan that the MRC came together with representation from Routt, Moffat, and Grand Counties and began to formalize as a Coalition. Our purpose is to serve as a liaison between communities along the mountain rail corridor and state and federal entities. We write to you today in this spirit.

Once membership is fully established, the MRC will have representation from all communities along the Northern Rocky Mountain rail corridor to support the creation and development of regular mountain passenger rail service from Denver's Union Station through Grand County and Routt County and into the City of Craig. Our project is synergistic with other efforts on Colorado's Front Range and we look forward to working positively and productively to ensure that Colorado is well-positioned to receive the millions of federal dollars available for the development of passenger rail service and infrastructure across the state.

In order to seize this once in a lifetime opportunity to bring transformative transportation solutions to our state, we need a statewide funding source. SB24-184 will create a needed and lasting funding mechanism that will allow Colorado to unlock federal dollars for passenger rail projects. In Northwest Colorado, passenger rail will provide much needed transportation alternatives for commuters, residents and visitors; support a just transition for coal impacted communities; improve access to attainable housing for employees in tourism-based communities; reduce traffic congestion and degradation of existing transportation infrastructure; and assist with the statewide effort to reduce greenhouse gas emissions on our already overburdened highway systems.

Mountain passenger rail service proposes using existing rail infrastructure which will soon lack freight movement due to the retirement of our coal-fired power plants. The community enthusiasm and support for passenger rail service is palpable from Craig to Winter Park and the Front Range. There are few examples of stakeholder alignment as instep as the communities located along the Northern Rocky Mountain rail corridor. We believe that the momentum created by SB24-184, with support from this strong coalition, will bring the mountain rail project to reality.

As tourism-based communities, we recognize the impact of the nominal fee on rental cars to our visitors. And we feel this is an appropriate tradeoff to leverage funds for passenger rail service development. Passenger rail has the promise of reducing congestion and lessening greenhouse gas emissions along the I-70 corridor and along Highway 40.

In closing, we reiterate our strong support for SB24-184 and are available to speak with you about the importance of this bill to our communities and economy.

Sincerely,

The Mountain Rail Coalition Steering Committee

Sonja Macys, Chair
County Commissioner, Routt County

Nick Kutrumbos, Vice Chair
Mayor, Town of Winter Park

Michael Buccino
City Councilor, City of Steamboat Springs

Randy George
County Commissioner, Grand County

Rob PErlman
EVP, Alterra Mountain Company

Mathew Mendisco
Town Manager, Town of Hayden

Jennifer Holloway
Executive Director
Craig Chamber of Commerce and Moffat Visitor Center

Tim Wohlgenant
Executive Director
Yampa Valley Community Foundation

Sarah Jones
Director of Social Responsibility
Steamboat Ski & Resort Corporation

Sky Foulkes
COO, Winter Park Resort