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M E M O R A N D U M

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TO: Interested Persons
FROM: Ryan Long, Fiscal Analyst, 303-866-2066
SUBJECT: Regional Transportation Authorities

Summary

This memorandum provides information concerning regional transportation authorities (RTAs). Specifically, it provides an overview of state laws pertaining to RTAs, RTAs currently established, powers of and financing mechanisms available to RTAs, and sales and use taxes levied in each of the five currently operational RTAs.

Regional Transportation Authorities

Under Colorado law, municipalities, counties, and special districts can join together in a “combination” to create a regional transportation authority (RTA) to address transportation needs within a specific geographic region. The state of Colorado, acting through the Transportation Commission and with approval from the Governor, may also join a contract creating an RTA.

Establishment of an RTA. To establish an RTA, the combination of governments seeking to create it must submit a copy of their contract to the Colorado Department of Transportation (CDOT) for review and comment, as well as to any affected public highway authority, county or municipality that borders the proposed RTA. A copy of the contract must also be sent to the Regional Transportation District (RTD), which creates and maintains a transit system primarily in the Denver metropolitan area, if it borders the proposed RTA. These contracts include information on the name and purpose of the authority, the establishment and operations of the board of directors, the boundaries of the authority, and the term of the contract. No municipality, county, or special district may enter into a contract establishing an RTA without holding at least two public hearings. In order to take effect, a contract must be approved by the registered voters within the boundaries of the district.

RTA authority. RTAs have the authority, through a board, to finance, construct, operate, or maintain regional transportation systems within or outside their boundaries. RTAs must be governed by a board of directors with at least five elected officials from the members of the combination of governments, and must include at least one elected official from each member. An RTA board may adopt bylaws, make and pass orders and resolutions necessary for the governance of the authority, maintain offices and hire employees, and amend the contract that created the authority.

An RTA is prohibited from constructing a transportation system outside of its boundaries or within the boundaries of a municipality or county without the consent of that entity's governing body. If the RTA's proposed transportation system affects, alters, or negatively impacts the road systems controlled by CDOT, RTD, or any bordering entities, the impacted entity may enter into an intergovernmental agreement with the RTA to address the identified services before a proposal is submitted to registered electors. If no agreement is established, the transportation project affecting the other entity must be taken off of the list of projects specified in the contract.

RTA boards may also create local improvement districts (LIDs) within their boundaries to facilitate the financing, construction, operation, or maintenance of regional transportation system improvements. The LID is a localized geographic area in which improvements are constructed, and revenue for these projects is primarily raised through a special assessment process. To establish an LID, the RTA board must receive a petition from the owners of the property that will bear the majority of the cost assessment on the proposed improvements, as well as a petition from registered electors in the proposed district.

RTA financing. State law authorizes RTAs to establish, collect, and increase or decrease tolls, rates, and charges to finance a transportation system. RTAs may also levy sales taxes, impose an annual motor vehicle registration fee, levy a visitor benefit tax, impose a uniform mill levy, establish regional transportation activity enterprises, and issue bonds, as shown in Table 1. RTA taxation questions and multi-year debt questions must be submitted to the registered electors residing within the authority's boundaries for approval. Unless specified in an intergovernmental agreement, any funds made available for an RTA's transportation system may not be used to supplant existing or budgeted CDOT funding for any portion of the state highway system within the territory of any RTA or any transportation planning region.

**Table 1
Financing Mechanisms for Regional Transportation Authorities**

Financing Mechanism	Provisions	Statutory Citation
Sales or Use Tax	RTAs may levy a sales or use tax, or both, of not more than 1 percent upon every transaction with respect to which a sales or use tax is levied by the state. If a member of the RTA is located within more than one authority, the total sales and/or use tax may not exceed 1 percent. The RTA may levy a sales or use tax at differing rates in designated parts of the authority. However, if the authority includes territory within the RTD's boundaries, the rate of the tax must be levied in such a way that the rate of tax within the territory of any single member of the combination is uniform.	Section 43-4-605 (1)(j)(l), C.R.S.
Annual Motor Vehicle Registration Fee	RTAs may impose an annual motor vehicle registration fee of not more than \$10 for each motor vehicle registered within any or all portions of the RTA boundaries. If a motor vehicle is registered in a county that is a member of more than one RTA, the total motor vehicle registration fees for that vehicle may not exceed \$10.	Section 43-4-605 (1)(i), C.R.S.

Financing Mechanism	Provisions	Statutory Citation
Visitor Benefit Tax	RTAs may levy a visitor benefit tax on those purchasing overnight rooms or accommodations within the RTA's boundaries. The visitor benefit tax may not exceed 2 percent of the price of the overnight room or accommodation. Further, at least 75 percent of the revenue derived from the tax must be used by the RTA to finance, construct, operate, and maintain the RTA's regional transportation system and to provide incentives to overnight visitors to use public transportation. No more than one-third of the RTA's total revenues may be derived from this tax.	Section 43-4-605 (1)(i.5), C.R.S.
Mill Levy*	RTAs may impose a uniform mill levy of up to five mills on all taxable property within the territory of the authority. Imposing such a levy does not affect the power of an authority to establish LIDs and impose special assessments.	Section 43-4-605 (1)(j.5)(l), C.R.S.
Regional Transportation Activity Enterprises	RTAs may establish one or more enterprises. The enterprise must be owned by the entire authority, and may not be combined with another enterprise owned by a separate RTA. Enterprises may issue or reissue revenue bonds, and contract with other governmental or private entities for loans and grants related to the enterprise's functions.	Section 43-4-606, C.R.S.
Bonds	Pursuant to a resolution of its board, an RTA may issue bonds for any of its corporate purposes.	Section 43-4-609, C.R.S.

Source: Legislative Council Staff.

*This provision is currently set to repeal January 1, 2029. The only RTA that has imposed a mill levy is the San Miguel Authority for Regional Transportation.

Current RTAs. The following five RTAs are currently operating in Colorado:

- Gunnison Valley Transportation Authority;
- Pikes Peak Rural Transportation Authority;
- Roaring Fork Transportation Authority;
- San Miguel Authority for Regional Transportation; and
- South Platte Valley Regional Transportation Authority.

The Baptist Road Rural Transportation Authority, which was created to provide a funding mechanism for improvements to Baptist Road in a portion of Monument, Colorado, was dissolved in December 2016 after raising sufficient funding to pay off bonds.

Table 2 summarizes the current and former RTAs in Colorado, including membership and respective sales, use, and property tax rates. The scope and types of projects in RTAs can vary widely. For example, the Roaring Fork Transportation Authority operates the largest RTA public transit system, and utilizes 106 buses with 153 bus stops and 14 park-and-ride lots. RTAs also engage in large capital projects, such as the \$4 million Chestnut Street Bridge Replacement undertaken in 2016 by the Pikes Peak Rural Transportation Authority.

**Table 2
Regional Transportation Authority Sales, Use and Property Tax Rates**

Authority	Member Municipalities and Counties	Sales Tax Rate	Use Tax Rate	Property Tax
Gunnison Valley Rural Transportation Authority	Gunnison County, excluding the municipalities of Marble, Ohio, Pitkin, and Somerset	1.0%	None	None
Pikes Peak Rural Transportation Authority	El Paso County, excluding the municipalities of Calhan, Fountain, Monument, and Palmer Lake	1.0%	1.0%	None
Roaring Fork Transportation Authority	Cities of Basalt and New Castle	0.8%	0.8%	None
	Cities of Carbondale and Glenwood Springs	1.0%	1.0%	None
	Cities of Aspen and Snowmass Village, and unincorporated Pitkin County	0.4%	0.4%	None
	Areas of unincorporated Eagle County in the El Jebel area and outside the city limits of Carbondale	0.6%	0.6%	None
San Miguel Authority for Regional Transportation	City of Telluride and eastern San Miguel County (excluding towns of Ophir and Sawpit)	0.25%	None	0.75 mills
South Platte Valley Regional Transportation Authority	City of Sterling	0.1%	0.1%	None
Former Regional Transportation Authorities				
Authority	Member Municipalities and Counties	Sales Tax Rate	Use Tax Rate	Property Tax
Baptist Road Rural Transportation Authority*	A portion of the city of Monument	1.0%	1.0%	None

Source: Colorado Department of Revenue.

*The Baptist Road Rural Transportation Authority stopped collecting sales and use tax on July 1, 2016, and was dissolved in December 2016.