

STATE SUMMARY OF COUNTY TRANSPORTATION FUNDING AND FINANCE

COLORADO COUNTIES

FUNDING SOURCES FOR COUNTY TRANSPORTATION PROJECTS

From State Funding:

- Counties receive monies from the state Highway Users Tax Fund (HUTF). The HUTF contains all motor fuel excise taxes, other motor vehicle-related taxes collected by the state and certain other state revenues. Counties receive a share of HUTF which is determined by a statutory formula, allocating 60 percent of the funds to the state, 22 percent to counties and 18 percent to municipalities.
- County shares must be used for highway-related purposes and are deposited in the County Road and Bridge Fund. In FY 2013, out of a total of \$940 million HUTF revenues, counties received about 20 percent, or \$185 million.
- Funding Advancement for Surface Transportation and Economic Recovery (FASTER), a state program providing a funding source for state, county and city road projects using money collected from a road safety fee on vehicle registration based upon vehicle weight.

From Federal Funding:

- Counties in Colorado are eligible for federal off-system bridge grants for rehabilitation or replacement of bridges that are either functionally obsolete or structurally deficient. The program is administered by the Colorado Department of Transportation, in cooperation with the Special Highway Committee (a committee comprised of county and municipal appointees).

From County Funding:

- Nearly all counties in Colorado have a road and bridge mill levy. Property taxes generated by this mill levy are deposited in the County Road and Bridge Fund.
- Counties may impose impact fees on new developments to fund transportation improvements that are necessitated by the new development.
- Counties are empowered to form local improvement districts and public improvement districts to finance transportation improvements.

Share of County Owned Road Miles Out of Public Roads Statewide	66%
Share of County Owned Bridges Out of Public Bridges Statewide	40%
Share of Structurally Deficient Bridges Out of County Owned Bridges	7%

COUNTY FINANCIAL AUTHORITY

	County Authority	Limitations
Levy Property Taxes	X	Counties have a property tax rate limitation and a property tax expenditure limitation.
Levy Personal Property Taxes	X	
Levy Local Option Sales Taxes	X	Counties may levy a sales tax at rate of 0.5% each for the purpose of construction and maintenance of mass transit systems with approval of a majority of voters in a referendum.
Levy a Local Gas Tax		
Charge a Motor Vehicle License or Registration Fee	X	These fees are set in statute. Counties are unable to raise or lower them.
Form Special Districts for Transportation	X	

COUNTIES FACE THE FOLLOWING CHALLENGES IN FUNDING AND FINANCING TRANSPORTATION PROJECTS

- Both the state and county governments face difficulties raising taxes for additional transportation revenue. The Taxpayer Bill of Rights (TABOR) requires any increases in tax rates to go to the voters in a referendum. This has prevented an increase to the state sales and gas tax in the last 20 years and created a backlog of a billion dollars in transportation needs.
- Natural disasters such as floods cause major infrastructure damage to roads in Colorado including county roads. The floods in 2013 caused between \$300-400 million in infrastructure damage statewide.

NEW FUNDING AND FINANCING SOLUTIONS FOR COUNTIES

- FASTER provides a dedicated funding source for highway safety projects. The program imposes a road safety fee ranging from \$16–39 on vehicle registration based upon vehicle weight. Monies collected are used for construction, reconstruction or maintenance projects that the State Transportation Commission, a county or municipality determine are needed to enhance the safety of state highways, county roads or city streets. FASTER safety funding allocates about \$150 million annually to state and local road safety projects based on the existing HUTF distribution formula for allocating funds; 60 percent goes to the state, 22 percent to counties and 18 percent to municipalities.