Colorado Counties

State Summary of Transportation Funding and Finance

## **Transportation and Financial Authority:**

Counties have authority to:

• Levy real property taxes.

• Counties may set up special improvement districts in which fees and ad valorem taxes are levied to pay for local improvements like curb and gutter.

• A county may not levy property taxes on intangible personal property. As a subset of general ad valorem taxation, taxes on tangible personal property are levied after such property is assessed at 29 percent of its actual value.

• Levy general sales and use taxes.

• Levy a sales tax, a use tax, or both at rates of 0.5 percent each for the purpose of construction and maintenance of mass transportation systems as long as each tax receives the approval of a majority of qualified voters in an election.

Counties do not have evident authority to:

• Levy any noteworthy license taxes not already listed.

Mandated/Authorized Transportation Services:

• County commissions may provide for the lighting of public streets within the corporate county boundaries. The commission may fund the lighting by assessing the value of constructing, operating, and maintaining the lights against property which benefits from the streetlights.

• The county commission has the authority to operate a mass transit system either alone or jointly with other governmental units. The county may charge reasonable rates for use of the system, provide for the acquisition, maintenance, and development of the system, and to receive contributions and gifts to support the system.

• The county commission may acquire land for airstrips and airports, including leasing the land.

## **Funding Sources for County Transportation Projects:**

• Counties receive monies from the state Highway Users Tax Fund (HUTF), into which all motor fuel excise taxes, other motor vehicle-related taxes collected by the state and certain other state revenues are deposited. Counties receive a share determined by statutory formula. County shares must be used for highway-related purposes and are deposited in the County Road and Bridge Fund.

• In Fiscal Year 2013, out of a total of $940 million HUTF revenues, counties received about 20 percent, or $185 million.

## **Challenges in Funding and Financing Transportation Projects:**

• Taxpayer Bill of Rights (TABOR) requires any increases in tax rates must 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.

• Recent floods have caused between $300-400 million in infrastructure damage.

## **Innovative Solutions to Funding and Financing Challenges:**

• FASTER (SB 09-108) provides a dedicated funding source for highway safety improvements. A road safety fee ranging from $16–39 has been imposed 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 a state highway, county road or city street. 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 of 60 percent to the state, 22 percent to counties and 18 percent to municipalities.