

Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 10-0670.01 Jason Gelender

HOUSE BILL 10-1243

HOUSE SPONSORSHIP

McFadyen, Massey, May, Scanlan

SENATE SPONSORSHIP

Gibbs, Tapia, Williams

House Committees

Transportation & Energy
Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE POWERS OF A SPECIAL DISTRICT THAT PROVIDES**
102 **TRANSPORTATION-RELATED SERVICES, AND, IN CONNECTION**
103 **THEREWITH, AUTHORIZING A SPECIAL DISTRICT THAT PROVIDES**
104 **SUCH SERVICES TO LEVY A VOTER-APPROVED SALES TAX AND TO**
105 **JOIN A REGIONAL TRANSPORTATION AUTHORITY.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Section 1 of the bill:

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

HOUSE
3rd Reading Unamended
April 5, 2010

HOUSE
Amended 2nd Reading
April 1, 2010

- ! Authorizes a special district that is a metropolitan district organized with street improvement, safety protection, or transportation powers, as defined by existing law, to levy, with voter approval, a uniform sales tax in any unincorporated territory of the district;
- ! Requires proceeds of any sales tax levied to be used only to fund transportation-related safety protection and street improvement in areas of the metropolitan district in which the tax is levied and transportation, as described in, and limited by, specified existing statutory provisions;
- ! Requires the department of revenue to collect, administer, and enforce any sales tax levied; and
- ! Specifies that revenues raised by a metropolitan district through the levy of a sales tax are in addition to and shall not be used to supplant any state funding that the district or any county, municipality, regional transportation authority, or other governmental entity that has transportation-related powers and that includes territory located within the district would otherwise be entitled to receive from the state.

Section 2 of the bill authorizes a special district that is organized with street improvement, safety protection, or transportation powers, as defined by existing law, to join a regional transportation authority.

Sections 3 and 4 of the bill make conforming amendments.

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

2 **SECTION 1.** 30-20-604.5 (1), Colorado Revised Statutes, is
 3 amended to read:

4 **30-20-604.5. District sales tax.** (1) The board of any county
 5 ~~having a population greater than one hundred thousand~~ or of any city that
 6 has been authorized to become a city and county pursuant to an
 7 amendment to the state constitution that has been approved by the
 8 registered electors of the state of Colorado and that subsequently becomes
 9 a city and county ~~regardless of population~~, for the purpose of funding all
 10 or a portion of the cost of any improvements constructed or transportation
 11 services provided pursuant to section 30-20-603 (1) (a), (1) (a.5), and (1)
 12 (c), may levy a sales tax throughout the district upon every transaction or

1 other incident with respect to which a sales tax is authorized pursuant to
2 section 29-2-105, C.R.S.; except that such tax may be levied only upon
3 those transactions specified in section 39-26-104 (1) (a), (1) (b), (1) (e),
4 and (1) (f), C.R.S. The board may, in its discretion, levy or continue to
5 levy a sales tax on the sales of low-emitting motor vehicles, power
6 sources, or parts used for converting such power sources as specified in
7 section 39-26-719 (1), C.R.S.

8 **SECTION 2.** Part 11 of article 1 of title 32, Colorado Revised
9 Statutes, is amended BY THE ADDITION OF A NEW SECTION to
10 read:

11 **32-1-1106. Special financial provisions - metropolitan districts**
12 **that provide street improvement, safety protection, or transportation**
13 **services.** (1) IN ADDITION TO THE POWERS SPECIFIED IN SECTION
14 32-1-1101, THE BOARD OF A METROPOLITAN DISTRICT ORGANIZED WITH
15 STREET IMPROVEMENT, SAFETY PROTECTION, OR TRANSPORTATION
16 POWERS AS DESCRIBED IN SECTION 32-1-1004 (2) (d), (2) (f), (2) (h), AND
17 (5) HAS THE POWER, FOR AND ON BEHALF OF THE DISTRICT, TO LEVY A
18 UNIFORM SALES TAX, AT A RATE DETERMINED BY THE BOARD, UPON EVERY
19 TRANSACTION OR OTHER INCIDENT WITH RESPECT TO WHICH A SALES TAX
20 IS LEVIED BY THE STATE THAT OCCURS WITHIN ANY AREA OF THE DISTRICT
21 THAT IS NOT ALSO WITHIN THE BOUNDARIES OF AN INCORPORATED
22 MUNICIPALITY SUBJECT TO THE FOLLOWING LIMITATIONS:

23 (a) THE BOARD MAY LEVY THE TAX ONLY IF THE QUESTION OF
24 LEVYING THE TAX IS SUBMITTED TO AND APPROVED BY A MAJORITY OF THE
25 REGISTERED ELECTORS OF THE PORTION OF THE DISTRICT IN WHICH THE
26 TAX IS TO BE LEVIED VOTING AT A REGULAR DISTRICT ELECTION OR AT A
27 SPECIAL ELECTION HELD ON THE TUESDAY AFTER THE FIRST MONDAY OF

1 NOVEMBER IN AN EVEN-NUMBERED YEAR OR ON THE TUESDAY AFTER THE
2 FIRST MONDAY OF NOVEMBER IN AN ODD-NUMBERED YEAR IN
3 ACCORDANCE WITH THE PROVISIONS OF THIS ARTICLE AND SECTION 20 OF
4 ARTICLE X OF THE STATE CONSTITUTION. THE BALLOT ISSUE SHALL
5 PROVIDE THAT THE TAX TO BE LEVIED SHALL BE IN ADDITION TO ANY
6 OTHER TAXES LEVIED BY THE DISTRICT. THE DISTRICT SHALL PAY ALL
7 COSTS OF THE ELECTION, AND NO DISTRICT MONEYS MAY BE USED TO URGE
8 OR OPPOSE PASSAGE OF THE BALLOT ISSUE SUBMITTED AT THE ELECTION.

9 (b) THE NET REVENUES OF ANY SALES OR USE TAX LEVIED MAY BE
10 USED ONLY TO FUND ONE OR MORE OF THE FOLLOWING:

11 (I) SAFETY PROTECTION, AS DESCRIBED IN SECTION 32-1-1004 (2)
12 (d), IN AREAS OF THE DISTRICT IN WHICH THE TAX IS TO BE LEVIED;

13 (II) STREET IMPROVEMENT, AS DESCRIBED IN SECTION 32-1-1004
14 (2) (f), IN AREAS OF THE DISTRICT IN WHICH THE TAX IS TO BE LEVIED; OR

15 (III) TRANSPORTATION, AS DESCRIBED IN, AND LIMITED BY THE
16 PROVISIONS OF, SECTION 32-1-1004 (2) (h) AND (5).

17 (2) (a) THE COLLECTION, ADMINISTRATION, AND ENFORCEMENT OF
18 ANY SALES TAX LEVIED BY A METROPOLITAN DISTRICT PURSUANT TO
19 SUBSECTION (1) OF THIS SECTION SHALL BE PERFORMED BY THE EXECUTIVE
20 DIRECTOR OF THE DEPARTMENT OF REVENUE IN THE SAME MANNER AS
21 THAT FOR THE COLLECTION, ADMINISTRATION, AND ENFORCEMENT OF THE
22 STATE SALES TAX LEVIED PURSUANT TO ARTICLE 26 OF TITLE 39, C.R.S.,
23 INCLUDING, WITHOUT LIMITATION, THE RETENTION BY A VENDOR OF THE
24 PERCENTAGE OF THE AMOUNT REMITTED TO COVER THE VENDOR'S
25 EXPENSE IN THE COLLECTION AND REMITTANCE OF THE SALES TAX AS
26 PROVIDED IN SECTION 39-26-105, C.R.S. THE EXECUTIVE DIRECTOR
27 SHALL MAKE MONTHLY DISTRIBUTIONS OF SALES TAX COLLECTIONS TO

1 THE DISTRICT. THE DISTRICT SHALL PAY THE NET INCREMENTAL COST
2 INCURRED BY THE DEPARTMENT IN THE ADMINISTRATION AND COLLECTION
3 OF THE SALES TAX.

4 (b) (I) A QUALIFIED PURCHASER MAY PROVIDE A DIRECT PAYMENT
5 PERMIT NUMBER ISSUED PURSUANT TO SECTION 39-26-103.5, C.R.S., TO
6 A VENDOR OR RETAILER THAT IS LIABLE AND RESPONSIBLE FOR
7 COLLECTING AND REMITTING ANY SALES TAX LEVIED ON A SALE MADE TO
8 THE QUALIFIED PURCHASER PURSUANT TO THE PROVISIONS OF THIS
9 ARTICLE. A VENDOR OR RETAILER THAT HAS RECEIVED A DIRECT
10 PAYMENT PERMIT NUMBER IN GOOD FAITH FROM A QUALIFIED PURCHASER
11 SHALL NOT BE LIABLE OR RESPONSIBLE FOR COLLECTION AND REMITTANCE
12 OF ANY SALES TAX LEVIED ON A SALE THAT IS PAID FOR DIRECTLY FROM
13 THE QUALIFIED PURCHASER'S FUNDS AND NOT THE PERSONAL FUNDS OF AN
14 INDIVIDUAL.

15 (II) A QUALIFIED PURCHASER THAT PROVIDES A DIRECT PAYMENT
16 PERMIT NUMBER TO A VENDOR OR RETAILER SHALL BE LIABLE AND
17 RESPONSIBLE FOR THE AMOUNT OF SALES TAX LEVIED ON A SALE MADE TO
18 THE QUALIFIED PURCHASER PURSUANT TO THE PROVISIONS OF THIS
19 ARTICLE IN THE SAME MANNER AS LIABILITY WOULD BE LEVIED ON A
20 QUALIFIED PURCHASER FOR STATE SALES TAX PURSUANT TO SECTION
21 39-26-105 (3), C.R.S.

22 (3) REVENUES RAISED BY A METROPOLITAN DISTRICT THROUGH
23 THE LEVY OF A SALES TAX PURSUANT TO SUBSECTION (1) OF THIS SECTION
24 SHALL BE IN ADDITION TO AND SHALL NOT BE USED TO SUPPLANT ANY
25 STATE FUNDING THAT THE DISTRICT OR ANY COUNTY, MUNICIPALITY,
26 REGIONAL TRANSPORTATION AUTHORITY, OR OTHER GOVERNMENTAL
27 ENTITY THAT HAS TRANSPORTATION-RELATED POWERS AND THAT

1 INCLUDES TERRITORY LOCATED WITHIN THE DISTRICT WOULD OTHERWISE
2 BE ENTITLED TO RECEIVE FROM THE STATE OR ANY OTHER LOCAL
3 GOVERNMENT, INCLUDING, BUT NOT LIMITED TO, ANY EXISTING OR
4 BUDGETED DEPARTMENT OF TRANSPORTATION FUNDING OF ANY PORTION
5 OF THE STATE HIGHWAY SYSTEM WITHIN THE TERRITORY OF THE
6 AUTHORITY.

7 **SECTION 3.** 43-4-602 (4), Colorado Revised Statutes, is
8 amended, and the said 43-4-602 is further amended BY THE ADDITION
9 OF A NEW SUBSECTION, to read:

10 **43-4-602. Definitions.** As used in this part 6, unless the context
11 otherwise requires:

12 (4) "Combination" means any two or more municipalities, two or
13 more counties, or one or more municipalities and one or more counties.

14 In addition, "combination" may include:

15 (a) ONE OR MORE SPECIAL DISTRICTS ORGANIZED WITH STREET
16 IMPROVEMENT, SAFETY PROTECTION, OR TRANSPORTATION POWERS
17 UNDER AND AS DEFINED IN ARTICLE 1 OF TITLE 32, C.R.S., AND ONE OR
18 MORE MUNICIPALITIES, COUNTIES, OR COUNTIES AND MUNICIPALITIES.

19 (b) The state to the extent authorized by section 43-4-603 (5).

20 (16.7) "SPECIAL DISTRICT" HAS THE SAME MEANING AS PROVIDED
21 IN SECTION 32-1-103 (20), C.R.S.

22 **SECTION 4.** 43-4-603 (3), Colorado Revised Statutes, is
23 amended to read:

24 **43-4-603. Creation of authorities.** (3) No municipality, or
25 county, OR SPECIAL DISTRICT shall enter into a contract establishing an
26 authority without holding at least two public hearings thereon in addition
27 to other requirements imposed by law for public notice. The

1 municipality, ~~or~~ county, OR SPECIAL DISTRICT shall give notice of the
2 time, place, and purpose of the public hearing by publication in a
3 newspaper of general circulation in the municipality, ~~or~~ county, OR
4 SPECIAL DISTRICT, as the case may be, at least ten days prior to the date
5 of the public hearing.

6 **SECTION 5.** 43-4-611 (2), Colorado Revised Statutes, is
7 amended to read:

8 **43-4-611. Powers of governmental units.** (2) To assist in the
9 financing, construction, operation, or maintenance of a regional
10 transportation system, any county, ~~or~~ municipality, OR SPECIAL DISTRICT
11 that is a member of a combination may, by contract, pledge to the
12 authority all or a portion of the revenues it receives from the highway
13 users tax fund or from any other legally available funds. The authority
14 shall apply revenues that it receives pursuant to the pledge to the
15 financing, construction, operation, or maintenance of any regional
16 transportation system. The authority may refuse to accept any revenues
17 that would cause a member of the combination to exceed its allowable
18 fiscal year spending under section 20 of article X of the state constitution
19 and that could result in a refund of excess revenues under said section 20.

20 **SECTION 6. Act subject to petition - effective date.** This act
21 shall take effect at 12:01 a.m. on the day following the expiration of the
22 ninety-day period after final adjournment of the general assembly (August
23 11, 2010, if adjournment sine die is on May 12, 2010); except that, if a
24 referendum petition is filed pursuant to section 1 (3) of article V of the
25 state constitution against this act or an item, section, or part of this act
26 within such period, then the act, item, section, or part shall not take effect
27 unless approved by the people at the general election to be held in

1 November 2010 and shall take effect on the date of the official
2 declaration of the vote thereon by the governor.