

Second Regular Session  
Sixty-seventh General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 10-0670.01 Jason Gelender

HOUSE BILL 10-1243

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HOUSE SPONSORSHIP

McFadyen, Massey, May, Scanlan

SENATE SPONSORSHIP

Gibbs, Tapia, Williams

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House Committees

Transportation & Energy

Senate Committees

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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.

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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.

- ! 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.** Part 11 of article 1 of title 32, Colorado Revised  
 3 Statutes, is amended BY THE ADDITION OF A NEW SECTION to  
 4 read:

5           **32-1-1106. Special financial provisions - metropolitan districts**  
 6 **that provide street improvement, safety protection, or transportation**  
 7 **services.** (1) IN ADDITION TO THE POWERS SPECIFIED IN SECTION  
 8 32-1-1101, THE BOARD OF A METROPOLITAN DISTRICT ORGANIZED WITH  
 9 STREET IMPROVEMENT, SAFETY PROTECTION, OR TRANSPORTATION  
 10 POWERS AS DESCRIBED IN SECTION 32-1-1004 (2) (d), (2) (f), (2) (h), AND  
 11 (5) HAS THE POWER, FOR AND ON BEHALF OF THE DISTRICT, TO LEVY A  
 12 UNIFORM SALES TAX, AT A RATE DETERMINED BY THE BOARD, UPON EVERY

1 TRANSACTION OR OTHER INCIDENT WITH RESPECT TO WHICH A SALES TAX  
2 IS LEVIED BY THE STATE THAT OCCURS WITHIN ANY AREA OF THE DISTRICT  
3 THAT IS NOT ALSO WITHIN THE BOUNDARIES OF AN INCORPORATED  
4 MUNICIPALITY SUBJECT TO THE FOLLOWING LIMITATIONS:

5 (a) THE BOARD MAY LEVY THE TAX ONLY IF THE QUESTION OF  
6 LEVYING THE TAX IS SUBMITTED TO AND APPROVED BY A MAJORITY OF THE  
7 REGISTERED ELECTORS OF THE PORTION OF THE DISTRICT IN WHICH THE  
8 TAX IS TO BE LEVIED VOTING AT A REGULAR DISTRICT ELECTION OR AT A  
9 SPECIAL ELECTION HELD ON THE TUESDAY AFTER THE FIRST MONDAY OF  
10 NOVEMBER IN AN EVEN-NUMBERED YEAR OR ON THE TUESDAY AFTER THE  
11 FIRST MONDAY OF NOVEMBER IN AN ODD-NUMBERED YEAR IN  
12 ACCORDANCE WITH THE PROVISIONS OF THIS ARTICLE AND SECTION 20 OF  
13 ARTICLE X OF THE STATE CONSTITUTION. THE BALLOT ISSUE SHALL  
14 PROVIDE THAT THE TAX TO BE LEVIED SHALL BE IN ADDITION TO ANY  
15 OTHER TAXES LEVIED BY THE DISTRICT. THE DISTRICT SHALL PAY ALL  
16 COSTS OF THE ELECTION, AND NO DISTRICT MONEYS MAY BE USED TO URGE  
17 OR OPPOSE PASSAGE OF THE BALLOT ISSUE SUBMITTED AT THE ELECTION.

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

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

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

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

26 (2) (a) THE COLLECTION, ADMINISTRATION, AND ENFORCEMENT OF  
27 ANY SALES TAX LEVIED BY A METROPOLITAN DISTRICT PURSUANT TO

1 SUBSECTION (1) OF THIS SECTION SHALL BE PERFORMED BY THE EXECUTIVE  
2 DIRECTOR OF THE DEPARTMENT OF REVENUE IN THE SAME MANNER AS  
3 THAT FOR THE COLLECTION, ADMINISTRATION, AND ENFORCEMENT OF THE  
4 STATE SALES TAX LEVIED PURSUANT TO ARTICLE 26 OF TITLE 39, C.R.S.,  
5 INCLUDING, WITHOUT LIMITATION, THE RETENTION BY A VENDOR OF THE  
6 PERCENTAGE OF THE AMOUNT REMITTED TO COVER THE VENDOR'S  
7 EXPENSE IN THE COLLECTION AND REMITTANCE OF THE SALES TAX AS  
8 PROVIDED IN SECTION 39-26-105, C.R.S. THE EXECUTIVE DIRECTOR  
9 SHALL MAKE MONTHLY DISTRIBUTIONS OF SALES TAX COLLECTIONS TO  
10 THE DISTRICT. THE DISTRICT SHALL PAY THE NET INCREMENTAL COST  
11 INCURRED BY THE DEPARTMENT IN THE ADMINISTRATION AND COLLECTION  
12 OF THE SALES TAX.

13 (b) (I) A QUALIFIED PURCHASER MAY PROVIDE A DIRECT PAYMENT  
14 PERMIT NUMBER ISSUED PURSUANT TO SECTION 39-26-103.5, C.R.S., TO  
15 A VENDOR OR RETAILER THAT IS LIABLE AND RESPONSIBLE FOR  
16 COLLECTING AND REMITTING ANY SALES TAX LEVIED ON A SALE MADE TO  
17 THE QUALIFIED PURCHASER PURSUANT TO THE PROVISIONS OF THIS  
18 ARTICLE. A VENDOR OR RETAILER THAT HAS RECEIVED A DIRECT  
19 PAYMENT PERMIT NUMBER IN GOOD FAITH FROM A QUALIFIED PURCHASER  
20 SHALL NOT BE LIABLE OR RESPONSIBLE FOR COLLECTION AND REMITTANCE  
21 OF ANY SALES TAX LEVIED ON A SALE THAT IS PAID FOR DIRECTLY FROM  
22 THE QUALIFIED PURCHASER'S FUNDS AND NOT THE PERSONAL FUNDS OF AN  
23 INDIVIDUAL.

24 (II) A QUALIFIED PURCHASER THAT PROVIDES A DIRECT PAYMENT  
25 PERMIT NUMBER TO A VENDOR OR RETAILER SHALL BE LIABLE AND  
26 RESPONSIBLE FOR THE AMOUNT OF SALES TAX LEVIED ON A SALE MADE TO  
27 THE QUALIFIED PURCHASER PURSUANT TO THE PROVISIONS OF THIS

1 ARTICLE IN THE SAME MANNER AS LIABILITY WOULD BE LEVIED ON A  
2 QUALIFIED PURCHASER FOR STATE SALES TAX PURSUANT TO SECTION  
3 39-26-105 (3), C.R.S.

4 (3) REVENUES RAISED BY A METROPOLITAN DISTRICT THROUGH  
5 THE LEVY OF A SALES TAX PURSUANT TO SUBSECTION (1) OF THIS SECTION  
6 SHALL BE IN ADDITION TO AND SHALL NOT BE USED TO SUPPLANT ANY  
7 STATE FUNDING THAT THE DISTRICT OR ANY COUNTY, MUNICIPALITY,  
8 REGIONAL TRANSPORTATION AUTHORITY, OR OTHER GOVERNMENTAL  
9 ENTITY THAT HAS TRANSPORTATION-RELATED POWERS AND THAT  
10 INCLUDES TERRITORY LOCATED WITHIN THE DISTRICT WOULD OTHERWISE  
11 BE ENTITLED TO RECEIVE FROM THE STATE OR ANY OTHER LOCAL  
12 GOVERNMENT, INCLUDING, BUT NOT LIMITED TO, ANY EXISTING OR  
13 BUDGETED DEPARTMENT OF TRANSPORTATION FUNDING OF ANY PORTION  
14 OF THE STATE HIGHWAY SYSTEM WITHIN THE TERRITORY OF THE  
15 AUTHORITY.

16 **SECTION 2.** 43-4-602 (4), Colorado Revised Statutes, is  
17 amended, and the said 43-4-602 is further amended BY THE ADDITION  
18 OF A NEW SUBSECTION, to read:

19 **43-4-602. Definitions.** As used in this part 6, unless the context  
20 otherwise requires:

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

23 In addition, "combination" may include:

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

1 (b) The state to the extent authorized by section 43-4-603 (5).  
2 (16.7) "SPECIAL DISTRICT" HAS THE SAME MEANING AS PROVIDED  
3 IN SECTION 32-1-103 (20), C.R.S.

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

6 **43-4-603. Creation of authorities.** (3) No municipality, ~~or~~  
7 county, OR SPECIAL DISTRICT shall enter into a contract establishing an  
8 authority without holding at least two public hearings thereon in addition  
9 to other requirements imposed by law for public notice. The  
10 municipality, ~~or~~ county, OR SPECIAL DISTRICT shall give notice of the  
11 time, place, and purpose of the public hearing by publication in a  
12 newspaper of general circulation in the municipality, ~~or~~ county, OR  
13 SPECIAL DISTRICT, as the case may be, at least ten days prior to the date  
14 of the public hearing.

15 **SECTION 4.** 43-4-611 (2), Colorado Revised Statutes, is  
16 amended to read:

17 **43-4-611. Powers of governmental units.** (2) To assist in the  
18 financing, construction, operation, or maintenance of a regional  
19 transportation system, any county, ~~or~~ municipality, OR SPECIAL DISTRICT  
20 that is a member of a combination may, by contract, pledge to the  
21 authority all or a portion of the revenues it receives from the highway  
22 users tax fund or from any other legally available funds. The authority  
23 shall apply revenues that it receives pursuant to the pledge to the  
24 financing, construction, operation, or maintenance of any regional  
25 transportation system. The authority may refuse to accept any revenues  
26 that would cause a member of the combination to exceed its allowable  
27 fiscal year spending under section 20 of article X of the state constitution

1 and that could result in a refund of excess revenues under said section 20.

2           **SECTION 5. Act subject to petition - effective date.** This act  
3 shall take effect at 12:01 a.m. on the day following the expiration of the  
4 ninety-day period after final adjournment of the general assembly (August  
5 11, 2010, if adjournment sine die is on May 12, 2010); except that, if a  
6 referendum petition is filed pursuant to section 1 (3) of article V of the  
7 state constitution against this act or an item, section, or part of this act  
8 within such period, then the act, item, section, or part shall not take effect  
9 unless approved by the people at the general election to be held in  
10 November 2010 and shall take effect on the date of the official  
11 declaration of the vote thereon by the governor.