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Initiative #146: FINAL

Colorado Secretary of State

*Be it enacted by the people of the State of Colorado:*

**Section 1.** In Colorado Revised Statutes, 39-26-106, **add** (1)(c) as follows:

**39-26-106. Schedule of sales tax.** (1)(c) ON AND AFTER JULY 1, 2017, THERE IS IMPOSED UPON ALL SALES OF COMMODITIES AND SERVICES SPECIFIED IN SECTION 39-26-104 A TRANSPORTATION SAFETY SALES TAX AT THE RATE OF SIX AND TWO-TENTHS CENTS FOR EACH TEN DOLLARS OF COMMODITIES OR SERVICES SOLD, WHICH SHALL BE COMPUTED IN ACCORDANCE WITH SCHEDULES OR SYSTEMS APPROVED BY THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE. SAID SCHEDULES OR SYSTEMS SHALL BE DESIGNED SO THAT NO SUCH TAX IS CHARGED ON ANY SALE OF SEVENTEEN CENTS OR LESS.

**Section 2.** In Colorado Revised Statutes, 39-26-202, **add** (1)(b.5) as follows:

**39-26-202. Authorization of tax.** (1)(b.5) ON AND AFTER JULY 1, 2017, THERE IS IMPOSED AND SHALL BE COLLECTED FROM EVERY PERSON IN THIS STATE A TRANSPORTATION SAFETY USE TAX OR EXCISE AT THE RATE OF SIX AND TWO-TENTHS CENTS FOR EACH TEN DOLLARS OF STORAGE OR ACQUISITION CHARGES OR COSTS FOR THE PRIVILEGE OF STORING, USING, OR CONSUMING IN THIS STATE ANY ARTICLES OF TANGIBLE PERSONAL PROPERTY PURCHASED AT RETAIL.

**Section 3.** In Colorado Revised Statutes, 43-4-203, **add** (1)(d.5) as follows:

**43-4-203. Sources of revenue.** (1) All net revenue from the following sources shall be paid into and credited to the highway users tax fund as soon as received:

(d.5) FROM THE TRANSPORTATION SAFETY SALES AND USE TAX, IMPOSED PURSUANT TO SECTIONS 39-26-106(1)(c) AND 39-26-202(1)(b.5)), UP TO SEVEN HUNDRED THIRTY-NINE MILLION DOLLARS ANNUALLY, AS INCREASED EACH YEAR BY INFLATION PLUS THE PERCENTAGE CHANGE IN STATE POPULATION IN THE PRIOR CALENDAR YEAR, CONSISTENT WITH SECTION 20(7) OF ARTICLE X OF THE COLORADO CONSTITUTION.

**Section 4.** In Colorado Revised Statutes, 43-4-205, **add** (6.4) as follows:

**43-4-205. Allocation of fund.** (6.4) THE TRANSPORTATION SAFETY SALES AND USE TAX SHALL BE ALLOCATED AND EXPENDED AS FOLLOWS:

- (a) SIXTY PERCENT OF SUCH REVENUE SHALL BE PAID TO THE STATE HIGHWAY FUND AND SHALL BE EXPENDED AS PROVIDED IN SECTION 43-4-206, EXCEPT THAT TEN PERCENT OF THE REVENUE PAID TO THE STATE HIGHWAY FUND UNDER THIS PARAGRAPH (a) OF SUBSECTION (6.4) SHALL BE USED FOR TRANSIT-RELATED PROJECTS;
- (b) TWENTY-TWO PERCENT OF SUCH REVENUE SHALL BE PAID TO THE COUNTY TREASURERS OF THE RESPECTIVE COUNTIES, SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY, AND SHALL BE ALLOCATED AND EXPENDED AS PROVIDED IN SECTION 43-4-207, EXCEPT THAT A COUNTY MAY EXPEND NO MORE THAN FIFTEEN PERCENT OF THE TOTAL AMOUNT EXPENDED UNDER THIS PARAGRAPH (b) OF SUBSECTION (6.4) FOR TRANSIT-RELATED PROJECTS;
- (c) EIGHTEEN PERCENT OF SUCH REVENUE SHALL BE PAID TO THE CITIES AND INCORPORATED TOWNS, SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL ASSEMBLY, AND SHALL BE ALLOCATED AND EXPENDED AS PROVIDED IN SECTION 43-4-208 (2) (b) AND (6) (a), EXCEPT THAT A CITY OR UNINCORPORATED TOWN MAY EXPEND NO MORE THAN FIFTEEN PERCENT OF THE TOTAL AMOUNT EXPENDED UNDER THIS PARAGRAPH (c) OF SUBSECTION (6.4) FOR TRANSIT-RELATED PROJECTS;
- (d) DURING ANY THREE-YEAR PERIOD, THE STATE SHALL EXPEND A PORTION OF ITS ALLOCATED TRANSPORTATION SAFETY SALES AND USE TAX REVENUES ON ONE OR MORE TRANSPORTATION SAFETY AND CONGESTION RELIEF PROJECTS IN EACH OF THE STATE'S TRANSPORTATION DISTRICT, AS SET FORTH IN SECTION 43-1-106(2); AND
- (e) ANNUALLY, THE DEPARTMENT OF TRANSPORTATION SHALL DISCLOSE PROMINENTLY ON ITS WEBSITE THE DISTRICTS AND THE COUNTIES WHERE ALL STATE EXPENDITURES OF TRANSPORTATION SAFETY SALES AND USE TAX REVENUE WERE MADE DURING THE PREVIOUS FISCAL YEAR, IDENTIFYING SPECIFIC PROJECTS FUNDED.

**Section 5.** In Colorado Revised Statutes, **add** 43-4-202(3) as follows:

- (3) "TRANSPORTATION SAFETY AND CONGESTION RELIEF PROJECT" MEANS THE PLANNING, DESIGNING, ENGINEERING, ACQUISITION, INSTALLATION, CONSTRUCTION, REPAIR, RECONSTRUCTION, MAINTENANCE, OR OPERATION OF AN IMPROVEMENT TO RELIEVE CONGESTION

AFFECTING, OR PRESERVE THE SAFETY OF THE TRAVELLING PUBLIC ON, THAT PORTION OF A HIGHWAY OR BRIDGE THAT IS IMPROVED, DESIGNED, OR ORDINARILY USED FOR VEHICULAR TRAVEL.

**Section 6.** In Colorado Revised Statutes, add 43-4-203.5 as follows:

**43-4-203.5. Voter approval – spending and revenue limits.** BY ENACTING THE TRANSPORTATION SAFETY SALES AND USE TAX PURSUANT TO SECTIONS 39-26-106(1)(c) AND 39-26-202(1)(b.5) AT THE 2016 GENERAL ELECTION FOR THE PURPOSE OF FUNDING STATE AND LOCAL ROAD AND BRIDGE CONSTRUCTION AND REPAIR AS WELL AS TO FUND TRANSIT-RELATED PROJECTS, THE VOTERS OF COLORADO APPROVE THE COLLECTION, RETENTION, AND EXPENDITURE OF THE FULL AMOUNT OF REVENUE FROM THE TRANSPORTATION SAFETY SALES AND USE TAX AND ALSO EXEMPT SUCH REVENUE FROM ALL STATE AND LOCAL SPENDING AND REVENUE LIMITS, INCLUDING ALL LIMITS THAT APPLY TO THE STATE OF COLORADO AND TO ANY COUNTY, CITY, OR TOWN THAT RECEIVES REVENUE GENERATED BY THE TRANSPORTATION SAFETY SALES AND USE TAX.

**Section 7.** THE GENERAL ASSEMBLY MAY ENACT SUCH LEGISLATION AS WILL FACILITATE THE IMPOSITION AND COLLECTION OF, AND MAKE CONFORMING AMENDMENTS FOR PURPOSE OF IMPLEMENTING AND TRACKING THE TAX REVENUE SPECIFICALLY GENERATED BY, THE VOTER APPROVED TRANSPORTATION SAFETY SALES AND USE TAX.