PORTS-TO-PLAINS ALLIANCE

Securing the Benefits of Commerce to
North America's Energy & Agricultural Heartland

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Colorado Legislature Starts Strong… Fails in the End on Transportation

The Colorado legislature began it 2016 session in January amid strong bi-partisan statements that this was the year that Colorado was going to address it transportation funding needs. Yet the legislature waited to the last week of the session to attempt to support transportation funding. The situation is clear:

- Colorado's population has grown by more than 2 million people since 1991, the last time Colorado's gas tax was increased
- Colorado's 5.4 million residents are now driving 50 billion miles per year in total on Colorado's roads, bridges and highways
- According to an Inside Energy analysis, after adjusting for inflation, Colorado's highway department is taking in 30 percent less money from gas taxes now than it did in 2000
- Colorado has dozens of critical transportation projects waiting for funding along the Front Range, Eastern Plains, Western Slope and San Luis Valley
- Colorado depends on a strong highway and transportation network to safely deliver goods to market and workers to their jobs and to attract economic investment
- A well-functioning, modern transportation network allows Colorado to maintain a regional, national and global competitive economic position
- Colorado's transportation network provides important economic and access benefits to individuals, small and large businesses, schools, emergency and safety providers, and tourists and travelers—while improved reliability, quality and access benefits every region across Colorado, including urban, suburban, rural and mountain communities

Facing that set of facts, the Colorado House leadership introduced two bills which together would have produced $50 million for Colorado transportation needs in FY 2016-17 and perhaps additional funding in FY 2020-21. Even that funding was tied to a politically charged effort to reduce TABOR refunds. Transportation needs were a blip on the radar during the debate on this bill which was killed.

In the Senate, a bill co-sponsored by Sen. Randy Baumgartner, chair of the Senate Transportation Committee and Rep. Brian Del Grosso, the House Minority Leader, was far more significant. The bill would have committed 5% of the current state sales tax for the next twenty years with the bulk of that funding to be used as debt payment for $3.5 billion in bonds for significant transportation projects across the state, including two projects on the Ports-to-Plains corridors. Under the bill, the legislature would have referred the bonding to be considered by voters in the November 2016 General Election.

While encouraging the sponsors to look for a new revenue source and not opposing the bill, Ports-to-Plains Alliance testified about its concern that while the significant debt would be guaranteed by the state of Colorado, the sales tax revenues identified by the bill could be repealed at any time by future legislatures leaving the Colorado Department of Transportation (CDOT) responsible to pay that annual debt out of its existing fuel tax revenues. Historically that had happened when bonding was approved by Colorado's voters in 1997 with a similar sales tax revenue approved by the legislature. In 2008 the recession began and in 2009 the legislature repealed the sales tax commitment and CDOT has paid the annual debt service ever since resulting in even less fuel taxes funding available to maintain existing transportation assets. Those 1997 bonds will be paid off this year with the opportunity to return those funds to CDOT's use to maintain existing transportation assets. This bill passed the Senate.

Over the weekend, discussion continued about amending the bill to remove the sales tax from the bill and replace it with a new revenue. The Colorado Motor Carriers Association, a Ports-to-Plains Alliance member, provided the sponsors with polling and Legislative Council's revenue estimates for a new revenue source. House Minority Leader DelGrosso introduced the amendment in the House State, Veterans and Military Affairs Committee. The amendment simply allowed the legislature to refer the new revenue source to the voters along with the bonding in November. Ports-to-Plains Alliance spoke in favor of the amendment. In the end the committee voted against the amendment and the original bill, killing any hope for a legislative solution to Colorado's transportation needs.

The Ports-to-Plains Alliance was disappointed at the legislative outcome, but will continue to work with MoveColorado and Colorado Contractor Association to petition an initiative asking the voters to approve a new revenue source at the November election. Polling indicates that the citizens of Colorado recognize that the current situation with Colorado's transportation system bad for the economy and their personal lives. It is time for all parts, interests and parties of Colorado to come together for a solution. Will there ever be a perfect solution? Of course not, but doing nothing is not a solution. As Ports-to-Plains Alliance points out, states north and south of Colorado have acted… Wyoming, Nebraska, South Dakota, North Dakota and Texas have all acted to provide additional revenue to address transportation needs. Population growth plus more vehicles miles traveled increasing will simply result in more congestion and reduced quality for Colorado's statewide transportation system.

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Ports-to-Plains is a grassroots alliance of over 275 communities and businesses, including alliance partners Heartland Expressway, Theodore Roosevelt Expressway and Eastern Alberta Trade Corridor Coalition, whose mission is to advocate for a robust international transportation infrastructure to promote economic security and prosperity throughout North America's energy and agricultural heartland including Mexico to Canada. Additional information on the Ports-to-Plains Alliance is available at http://www.portstoplains.com/.