



**Colorado
Legislative
Council
Staff**

HB17-1348

**FINAL
FISCAL NOTE**

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 17-1196
Prime Sponsor(s): Rep. Lebsack
Sen. Scott

Date: June 21, 2017
Bill Status: Postponed Indefinitely
Fiscal Analyst: Ryan Long (303-866-2066)

BILL TOPIC: PROHIBIT HOV 3 REQUIREMENT NORTH I-25 EXPRESS LANES

Fiscal Impact Summary	FY 2017-2018	FY 2018-2019
State Revenue	(up to \$800,000)	(up to \$800,000)
Cash Funds*	(up to 800,000)	(up to 800,000)
State Expenditures		
Appropriation Required: None.		
Future Year Impacts: Ongoing revenue decrease and potential expenditure increase (see Technical Note).		

*These funds are TABOR-exempt.

NOTE: This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Summary of Legislation

Under current law, the Colorado Department of Transportation (CDOT) is permitted to designate high-occupancy vehicle (HOV) lanes for vehicles that carry a specified number of passengers. For I-25 North, this bill sets the specific number of passengers at two or more (HOV2+).

Background

Express Lanes. CDOT, the High-Performance Transportation Enterprise (HPTE), and its partner Plenary Roads Denver (Plenary) manage several high-occupancy vehicle and/or toll (HOV/HOT) lanes in the Denver metropolitan area and on I-70. As of January 1, 2017, pursuant to a Transportation Commission resolution, Express Lanes permit only vehicles carrying three or more passengers (HOV3+) or vehicles that pay a toll. The I-25 North Express Lane, operated by HPTE, currently runs from downtown Denver to 120th Avenue. HPTE has a planned Express Lane expansion on I-25 North, from 120th Avenue to State Highway 7.

State Revenue

The bill will reduce toll revenue to HPTE cash funds by up to \$800,000 in FY 2017-18 and each year thereafter. These revenue reductions may be offset by increased toll rates.

HOV2+ — HPTE — I-25 North Express Lanes. HPTE will lose up to \$800,000 per fiscal year from reductions in toll revenue collected on the I-25 North Express Lane as a result of the reversion to the HOV2+ policy. Based on preliminary January 2017 figures, which reflect a revenue increase of 13.3 percent from the new HOV3+ policy, the fiscal note assumes that toll revenue will be reduced by about \$66,667 a month, or \$800,000 per fiscal year. These revenue reductions may be offset if the HPTE increases toll rates to offset the reduction. Because HPTE is an enterprise, this revenue is not subject to TABOR. With a reversion to the HOV2+ policy, further planned expansions on the I-25 North Express Lane (120th Ave. to Fort Collins) are expected to collect less revenue to HPTE than would have otherwise been collected. This future revenue loss has not been calculated for this fiscal note.

Loan impact. An HPTE contract may also be affected by this revenue reduction. The HPTE received initial approval for a federal Transportation Infrastructure Finance and Innovation Act (TIFIA) loan for projects on C-470 and I-25; this loan agreement may be impacted if the bill changes HPTE's financial liability.

Technical Note

Part of I-25 North also includes US 36, which is operated by Plenary. If this legislation applies to this section of highway, Plenary estimates a revenue loss on US 36, for which the HPTE in CDOT would be contractually obligated to compensate Plenary. Plenary and HPTE may increase toll rates to fund this amount or the HPTE may utilize the State Highway Fund to the extent that increased toll rates do not cover what is owed to Plenary.

Effective Date

The bill was postponed indefinitely by the House Transportation and Energy Committee on May 4, 2017.

State and Local Government Contacts

Information Technology

Transportation