

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

BILL 4

LLS NO. 18-0289.02 Esther van Mourik x4215

COMMITTEE BILL

Transportation Legislation Review Committee

BILL TOPIC: "RTD Discounts For Low-income Individuals"

A BILL FOR AN ACT

101 **CONCERNING DISCOUNTED REGIONAL TRANSPORTATION DISTRICT**
102 **TRANSIT SERVICES FOR LOW-INCOME INDIVIDUALS, AND, IN**
103 **CONNECTION THEREWITH, REDUCING THE VENDOR FEE**
104 **RETAINED BY LARGE RETAILERS FOR COLLECTING THE**
105 **DISTRICT'S SALES TAX TO COVER THE COST OF THE DISCOUNTED**
106 **SERVICES.**

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://leg.colorado.gov/>.)

Transportation Legislation Review Committee. The bill

*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

requires the regional transportation district (district) to administer a program that offers discounted transit services to low-income individuals and specifies details and requirements of the program. To cover the cost of the program, the bill also reduces the vendor fee for collecting the district's sales tax for retailers with gross annual receipts exceeding one million dollars.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 hereby finds and declares that:

4 (a) According to the American Automobile Association, in 2017
5 the average annual cost of owning a car is \$8,469;

6 (b) Transportation costs are the second-biggest budget item for
7 most families in the United States, after housing, and many low-income
8 individuals lack access to an automobile; and

9 (c) Adequate and affordable public transportation provides
10 individuals with access to schools and jobs, increasing productivity and
11 the opportunity for economic mobility.

12 (2) The general assembly further finds and declares that requiring
13 the regional transportation district to establish a program to offer
14 discounted transit services to low-income individuals enables and
15 encourages citizens across the district to access reliable transportation
16 services. In addition, it makes good policy sense to reduce the vendor fee,
17 an amount retained by retailers as compensation for collecting the
18 regional transportation district's sales tax, by ___ % for retailers with
19 gross annual receipts exceeding one million dollars to cover the cost of
20 offering and marketing such a program.

21 **SECTION 2.** In Colorado Revised Statutes, **add** 32-9-165 as
22 follows:

1 **32-9-165. Discounts for low-income individuals -**

2 **definitions.** (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT
3 OTHERWISE REQUIRES:

4 (a) "50/150 PROGRAM" MEANS THE DISCOUNTED TRANSIT SERVICES
5 PROGRAM FOR LOW-INCOME INDIVIDUALS REQUIRED BY THIS SECTION.

6 (b) "COUNTY DEPARTMENT" MEANS A "COUNTY DEPARTMENT" AS
7 DEFINED IN SECTION 26-1-103 (2) FOR A COUNTY OR CITY AND COUNTY
8 THAT IS WHOLLY OR PARTIALLY INCLUDED WITHIN THE DISTRICT.

9 (c) "LOW-INCOME" MEANS A FAMILY INCOME EQUAL TO ONE
10 HUNDRED FIFTY PERCENT OF THE FEDERAL POVERTY LEVEL OR LESS.

11 (d) "PROOF OF ELIGIBILITY" MEANS AN ANNUALLY VERIFIED
12 PHYSICAL NOTIFICATION THAT PROVIDES PROOF OF AN INDIVIDUAL'S
13 LOW-INCOME STATUS, IN WHATEVER FORM DETERMINED TO BE
14 APPROPRIATE BY THE ISSUING ENTITY, ISSUED BY:

15 (I) A COUNTY DEPARTMENT THAT DETERMINES AN INDIVIDUAL'S
16 ELIGIBILITY FOR ANY FORM OF PUBLIC ASSISTANCE;

17 (II) A NONPROFIT ORGANIZATION THAT VERIFIES INCOME
18 ELIGIBILITY FOR PUBLIC ASSISTANCE OR OTHER LOW-INCOME PROGRAMS;

19 OR

20 (III) ANY OTHER ENTITY THAT THE DISTRICT CONTRACTS WITH TO
21 PERFORM INCOME VERIFICATION.

22 (e) "PUBLIC ASSISTANCE" HAS THE SAME MEANING AS SET FORTH
23 IN SECTION 26-2-103 (7).

24 (2) (a) ON AND AFTER JANUARY 1, 2019, THE DISTRICT SHALL
25 ESTABLISH AND COMMENCE A 50/150 PROGRAM THAT OFFERS ALL TRANSIT
26 SERVICES AT FIFTY PERCENT OF THE GOING FARES, INCLUDING SINGLE
27 TICKETS, TICKET BOOKS, OR PASSES, TO LOW-INCOME INDIVIDUALS WHO

1 CAN SHOW PROOF OF ELIGIBILITY TO THE DISTRICT. THE ADMINISTRATIVE
2 COST, INCLUDING MARKETING, OF THE 50/150 PROGRAM, INCLUDING THE
3 REDUCED REVENUES RESULTING FROM THE DISCOUNTED FARES ARE TO BE
4 PAID FOR FROM THE INCREASED SALES TAX REVENUES THAT RESULT FROM
5 THE VENDOR FEE REDUCTION SET FORTH IN SECTION 32-9-119 (2)(c)(I).

6 (b) THE DISTRICT HAS THE AUTHORITY TO DETERMINE WHETHER
7 A LOW-INCOME INDIVIDUAL MUST SHOW PROOF OF ELIGIBILITY EVERY TIME
8 THE INDIVIDUAL USES THE DISTRICT'S TRANSIT SERVICES OR NOT OR
9 WHETHER THE INDIVIDUAL MUST CARRY SOME FORM OF A DISTRICT-ISSUED
10 SPECIAL DISCOUNT CARD.

11 (c) THE DISTRICT SHALL MARKET THE 50/150 PROGRAM AT THE
12 SAME LEVEL AND IN THE SAME MANNER THAT IT MARKETS EXISTING
13 DISCOUNTED FARE PROGRAMS FOR SENIORS, MEDICARE RECIPIENTS, AND
14 ELEMENTARY, MIDDLE, AND HIGH SCHOOL STUDENTS.

15 (d) IN ORDER TO ADMINISTER THE 50/150 PROGRAM, THE DISTRICT
16 MAY ENTER INTO ONE OR MORE CONTRACTS WITH ONE OR MORE ENTITIES
17 FOR INCOME VERIFICATION.

18 **SECTION 3.** In Colorado Revised Statutes, 32-9-119, **amend**
19 (2)(c)(I) as follows:

20 **32-9-119. Additional powers of district.** (2) (c) Sales tax levied
21 pursuant to this subsection (2) shall be collected, administered, and
22 enforced as follows:

23 (I) ~~The collection, administration, and enforcement of said sales~~
24 ~~tax shall be performed by the~~ executive director of the department of
25 revenue SHALL COLLECT, ADMINISTER, AND ENFORCE THE SALES TAX
26 LEVIED PURSUANT TO THIS SUBSECTION (2) in the same manner as the
27 collection, administration, and enforcement of the state sales tax imposed

1 under article 26 of title 39. C.R.S., ~~including, without limitation, the~~
2 ~~retention by a vendor of the percentage of the amount remitted to cover~~
3 ~~the vendor's expense in the collection and remittance of said tax as~~
4 ~~provided in section 39-26-105, C.R.S.~~ THE VENDOR SHALL RETAIN AN
5 AMOUNT EQUAL TO THE SAME PERCENTAGE PROVIDED IN SECTION
6 39-26-105 OF ALL DISTRICT SALES TAX REPORTED TO COVER THE
7 VENDOR'S EXPENSE IN THE COLLECTION OF THE SALES TAX LEVIED
8 PURSUANT TO THIS SUBSECTION (2); EXCEPT THAT, ON AND AFTER
9 JANUARY 1, 2019, A VENDOR WITH GROSS ANNUAL RECEIPTS EXCEEDING
10 ONE MILLION DOLLARS SHALL RETAIN AN AMOUNT EQUAL TO _____
11 PERCENT LESS THAN THE SAME PERCENTAGE PROVIDED IN SECTION
12 39-26-105 OF ALL DISTRICT SALES TAX REPORTED.

13 **SECTION 4. Act subject to petition - effective date.** This act
14 takes effect at 12:01 a.m. on the day following the expiration of the
15 ninety-day period after final adjournment of the general assembly (August
16 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a
17 referendum petition is filed pursuant to section 1 (3) of article V of the
18 state constitution against this act or an item, section, or part of this act
19 within such period, then the act, item, section, or part will not take effect
20 unless approved by the people at the general election to be held in
21 November 2018 and, in such case, will take effect on the date of the
22 official declaration of the vote thereon by the governor.