

2025 Legislative Issue Form

To propose a CCI legislative issue, please complete this form. Feel free to use more than one page and include any supplemental materials.

1.) **Contact Information** (of the person bringing forth the issue):

a. Name: Bryan D. Weimer

b. Title: Director, Public Works and Development

c. County: Arapahoe

d. **Phone Number**: 720-874-6500

e. **E-Mail Address**: bweimer@arapahoegov.com

2.) Issue/Problem to be addressed (What is the problem this legislation is seeking to solve?)

Roadway maintenance funding is a challenge for many communities with their overall condition of their roadway network deteriorating. This legislation would give counties another funding mechanism tool to be considered to solve the problem of roadway maintenance funding and deteriorating roadway condition. This legislation would develop a reoccurring, sustainable revenue source to focus on street maintenance.

3.) Background on this Issue/Problem (How did this come to be? Why are you seeking a legislative remedy?)

Tax increases are required to go to voters who have historically been opposed to an increase. Furthermore, even if funding meets the needs currently, historically, funding has not kept pace with inflation, and substantial increase in labor and materials. The County's current roadway condition is 41% poor or very poor condition, which means we are not meeting our goal of 85% excellent, good, fair condition roadways. Therefore, this issue is sustainable funding to maintain the County's aging and deteriorating infrastructure.

A roadway maintenance fee (RMF) is a periodic/annual fee paid to a governmental entity by property users or owners within a local jurisdiction to fund the operations and maintenance costs of transportation facilities, primarily roads. Residents and businesses are charged a fee based on their use of the transportation system rather than being charged taxes based on the value of the property that they occupy. Because the use of the transportation system is not metered like electricity or water, the amount that is charged for a RMF is based on estimates of the number of trips generated by different land uses (e.g., single family residence, multi-family residence, school, gas station, shopping center). Those estimates are typically informed by trip-generation rates prepared by the Institute of Transportation Engineers.

RMFs may also be referred to as: transportation maintenance fees, street maintenance fees, road or street user fees, pavement maintenance utility fees, transportation utility fees, street restoration and maintenance fees, or street utility fees.

This is not a transportation impact fee. Transportation impact fees, another value capture technique authorized under State and local law, are one-time payments to cover the cost of new infrastructure (including roads and streets) that is needed as a result of new real estate development. Impact fees can only cover capital costs and cannot cover maintenance. In contrast, RMFs are used to pay for the ongoing costs of maintenance of that infrastructure and typically charged on a monthly or yearly basis.

4.) Proposed Solution/Legislative Remedy to this issue.

The legislation would allow for counties to have the same ability to implement a RMF as cities are allowed. It is not a mandated piece of legislation if passed, but a tool to consider for funding roadway maintenance.



5.) Have you explored a non-legislative solution to this problem?

The County is exploring the possibility of tax initiatives. In addition, barring any increase in revenue, the County is on an unsustainable path of deteriorating infrastructure, which means either additional funding will be needed or policy changes are needed. Such items as limiting what infrastructure is accepted for maintenance, no longer providing certain maintenance services within neighborhoods (i.e., no longer performing roadway maintenance within subdivisions and they will need to fund such themselves or only providing certain maintenance, such as pothole repair buy no overlays). These and other policies issues are what will need to be discussed moving forward.

6.) Statutory Citation to be modified AND proposed/revised language (The Colorado Revised Statute is available for free at this link, by selecting "Colorado Revised Statutes").

Please note that this is our initial guess as to where the change would need to be made statutorily and we will continue to research and vet this section and let you know of any changes needed. We believe Title 42 or 43 would be where the legislation could be included. In particular, where SB-260, which the state-imposed fees on various purposes and activities (Section 43-4-217), could be where this fee might exist.

7.) Relationship of this issue to the County Commissioner's roles and/or authorities.

The County is responsible for roadway maintenance and the BOCC role is to allocate funding for such. A use of a RMF would allow for another funding source to accomplish that role.

8.) Has this proposal been approved by the Board of County Commissioners?

Yes

9.) List any potential Proponents/Opponents & their perspectives; indicate any groups/individuals with whom you have already discussed this issue.

Opponents would certainly be those that believe a fee is a tax and ideology opposed to such concepts and believe that anything placed on properties should be voted upon. In addition, there would likely be opponents that ultimate could have to pay the fee if it would be implemented.

10.) Have you visited with your legislator(s) about this proposal? What was their reaction? Are members of <u>your delegation</u> likely to sponsor, support, or oppose this proposal?

No, we have not visited with our legislators about this proposal.

11.) Anticipated Fiscal Impact (to counties, state, other stakeholders, etc.).

If chosen by a County to use this funding mechanism, it can create a sustainable funding mechanism for roadways by potentially generating millions of dollars annually (obviously depends on the fee amount). This would not affect the state. There would be an impact to property owners as the fee would be applied to land uses that general traffic and thus pay for maintenance of the roadways in which are being used.

Advantages of RMFs

Some of the advantages that have been cited for RMFs include the following:

- According to some researchers, RMFs are fairer and more economically efficient than other funding mechanisms (e.g., property taxes) because they adhere more closely to the "user pays" principle.
- Because RMFs are not taxes, a locality may be able to be implement a RMF without a public referendum, although this depends on the city and state in question.



- The clear relationship between a RMF and the defined purposes for which it was created may make the RMF more acceptable to the public than new or increased taxes.
- A locality may be able to collect a RMF with other public utility charges such as electricity, sewer, or water.

Challenges with using RMFs

Some of the challenges that jurisdictions may encounter when implementing a RMF include:

- Successful implementation of a RMF depends on public acceptance of the methodology for setting and
 assessing the fee. Therefore, localities seeking acceptance for a RMF usually need to conduct extensive
 outreach to local business groups and the general public.
- Jurisdictions may face an administrative burden up front to cover the cost of traffic and fee-calculation studies, depending on the methodology that is used.
- Other levels of government or non-profit institutions that are exempt from property taxes but subject to a RMF may resist implementation of a RMF, arguing that it is a disguised tax or that they should be exempt from paying it.

To avoid a double taxation argument/claim (i.e., HUTF and R&B Funds plus a fee all for roadway maintenance) we would propose as part of implementation (again if allowed and chosen), to apply HUTF and Property Taxes to certain roadways and core maintenance activities only (i.e. arterials/Major Collectors, storm water, snow plow, etc.) and the fee would be for roadway maintenance only on residential and possibly other collector roadways not funded with other sources. With this concept existing funding plus potential new fee generated funding could be used for infrastructure maintenance.

12.) Please list the local subject matter experts CCI staff can follow up with for more information on this proposal.

Bryan Weimer, Director of Public Works and Development

13.) If your county is submitting multiple issue forms, please rank each issue.

N/A