

STATE OF CHANGE

PART 8: TRANSPORTATION

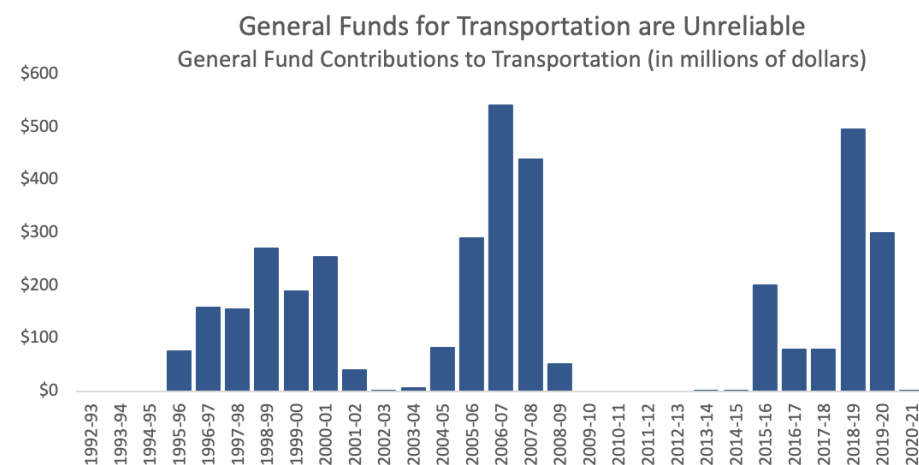
Let's jump back in time to 1991: If you're putting gas in the most popular car of that year while listening to the most popular song, you're pumping gas that cost \$1.14 per gallon into a Honda Civic (fuel economy: 16 miles per gallon city and 23 miles per gallon highway) while Bryan Adams croons "Everything I Do, I Do It For You" over the radio. 22 cents of that per-gallon price is going to support Colorado's highways and bridges. Colorado drivers have registered 3.6 million vehicles.

Fast forward to 2021: Now you're driving a Toyota Camry (fuel economy: 28 miles per gallon city and 39 miles per gallon highway), listening to The Weeknd belt out "Blinding Lights" via a wireless Bluetooth connection and gas is now \$3.08 per gallon. There are now more than 5.4 million vehicles on Colorado roads. The only thing that hasn't changed in those 30 years? Despite rising gas prices, you're still only paying 22 cent per gallon to support our state transportation system.

Even going back 50 years, Colorado hasn't done much to modernize its transportation financing. Since the completion of the federal interstate highway system, it's mostly been up to the state to fund transportation. The only significant change since 1991 was the addition of vehicle registration fees to the transportation funding scheme in 2009.

Despite stagnant funding, demands on the transportation system have increased dramatically. In addition to more cars on the road, more people live in urban areas and are demanding more public transit.

As gasoline and car prices increase, smaller communities are now moving more people by bus. Bike lanes and park & rides are more in-demand than ever.



Source: Office of the Controller and Colorado Legislative Council Staff



1991
23 mpg
22 cent gas tax
96 cents paid on every 100 miles driven



2021
39 mpg
22 cent gas tax
56 cents paid on every 100 miles driven

And with the internet making delivery services and ride sharing popular, our transportation funding hasn't caught up with our modern economy.

When legislators adopted more substantial car registration fees in 2009, it supplemented the dwindling revenue from motor fuels. Unfortunately, that fee isn't indexed to inflation either, and its size doesn't begin to address the state's deteriorating transportation infrastructure, much less the demands of population growth and modern transportation preferences.

Legislators have tried to help support the system by adding general fund dollars to the pot of money for transportation. But like our transportation funding system, the two main revenue sources for the state's General Fund— income and sales taxes— haven't been allowed to regularly keep up with demand for non-transportation services like schools and health care. However, when General Fund growth has occurred, legislators have supplemented car-related revenue streams with general tax revenue. Unfortunately, the growth in general tax revenue is not reliable enough to become a source of bond repayment, a tool frequently used to finance transportation investments.

Colorado must come to grips with funding its transportation system. Our fuel charge ranks among the lowest in the country even though our high-altitude roads demand above-average maintenance. We are one of only five states that hasn't raised fuel-based revenue in 30 years and our traffic congestion reflects it. Our per-gallon charge would need to be 31 cents a gallon just to keep up with the average in other states.

Fortunately, the 2021 General Assembly is set to update Colorado's transportation revenue system in SB 21-260. The bill would increase that 22 cent per-gallon fee, index it with inflation, while adding additional fees to deliveries, rideshare trips and electric vehicle registrations to keep up with the changes to our economy.

**COLORADANS
 STILL PAY THE SAME
 AMOUNT PER-GALLON
 TO FUND ROADS IN
 2021 AS THEY DID IN
 1991**