Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 22-0910.02 Megan Waples x4348

SENATE BILL 22-180

SENATE SPONSORSHIP

Winter and Hinrichsen,

HOUSE SPONSORSHIP

Gray and Bacon,

Senate Committees
Transportation & Energy

House Committees

A BILL FOR AN ACT

CONCERNING PROGRAMS TO REDUCE GROUND LEVEL OZONE THROUGH INCREASED USE OF TRANSIT.

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.)

The bill creates the ozone season transit grant program (program) in the Colorado energy office (office). The program provides grants to the regional transportation district (RTD) and transit associations in order to provide free transit services for at least 30 days during ozone season. A transit association receiving a grant may use the money to make grants to eligible transit agencies. The eligible transit agencies may use the money

to provide at least 30 days of new or expanded free transit services during ozone season. The RTD may use grant money to cover up to 80% of the costs of providing free transit for at least 30 days on all services offered by the RTD during ozone season. Eligible transit agencies and the RTD can use the money to cover lost fare box revenues and to pay for other expenses necessary to implement the program, including expenses associated with an increase in ridership as a result of the program. The RTD and a transportation association receiving a grant are required to report to the office on the services offered and estimates of the change in ridership as a result of the program.

The office is required to establish policies governing the program and to report to the house and senate transportation committees by December 31 of each year of the program. The program is repealed, effective July 1, 2024.

The transit and rail division (division) in the department of transportation is required to create a 3-year pilot project to extend state-run transit services throughout the state with the goals of reducing ground level ozone, increasing ridership, and reducing vehicle miles traveled in the state. The division is required to report to the transportation legislation review committee on the pilot project. The pilot project is repealed, effective July 1, 2026.

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

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

(a) Ground level ozone poses health risks to all Coloradans, especially to vulnerable populations including the elderly, young children, and people with asthma or other respiratory diseases;

(b) The negative effects of ozone exposure include pain when breathing deeply, coughing, sore throat, and inflamed or damaged airways;

(c) Ozone exposure can also exacerbate existing respiratory conditions including asthma, emphysema, and chronic bronchitis and may be a potential cause of asthma;

(d) Ozone is one of the most common ambient air pollutants along

the front range of Colorado;

(e) Ground level ozone forms when chemical reactions occur between nitrogen emitted from cars and other sources and volatile organic compounds in the presence of sunlight, making levels highest during the summer months;

(f) Colorado's ozone season, which runs from June 1 through August 31, poses significant health risks to Colorado's vulnerable residents and can force individuals to restrict their daily activities and stay indoors on days with high ozone levels;

(g) Reducing ground traffic and encouraging the use of public transit can help lower ozone-forming emissions and thereby reduce ground level ozone during the ozone season;

(h) Reducing ground level ozone serves an important public interest by protecting the health and well being of all Coloradans, especially those who are vulnerable to the negative impacts of ozone exposure;

(i) Offering free transit has increased transit use in other communities and can help rebuild ridership following the COVID-19 pandemic; and

(j) Creating a grant program to provide free public transit during ozone season will promote public health and serve the interests of all Coloradans.

SECTION 2. In Colorado Revised Statutes, **add** 24-38.5-113 as follows:

24-38.5-113. Ozone season transit grant program - fund - creation - policies - report - definitions - repeal. (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "ELIGIBLE TRANSIT AGENCY" MEANS AN ENTITY THAT IS:

(I) A REGIONAL SERVICE AUTHORITY PROVIDING SURFACE TRANSPORTATION PURSUANT TO PART 1 OF ARTICLE 7 OF TITLE 32, A REGIONAL TRANSPORTATION AUTHORITY CREATED PURSUANT TO PART 6 OF ARTICLE 4 OF TITLE 43, OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, PUBLIC ENTITY, OR NONPROFIT CORPORATION PROVIDING MASS TRANSPORTATION SERVICES TO THE GENERAL PUBLIC OTHER THAN THE REGIONAL TRANSPORTATION DISTRICT; AND

(II) ELIGIBLE TO RECEIVE MONEY UNDER A GRANT AUTHORIZED BY 49 U.S.C. SEC. 5307 OR 49 U.S.C. SEC. 5311.

(b) "FUND" MEANS THE OZONE SEASON TRANSIT GRANT PROGRAM FUND ESTABLISHED IN SUBSECTION (8) OF THIS SECTION.

(c) "OFFICE" MEANS THE COLORADO ENERGY OFFICE CREATED IN SECTION 24-38.5-101.

(d) "OZONE SEASON" MEANS THE PERIOD FROM JUNE 1 TO AUGUST 31 OF A CALENDAR YEAR.

(e) "PROGRAM" MEANS THE OZONE SEASON TRANSIT GRANT PROGRAM CREATED IN SUBSECTION (2) OF THIS SECTION.

(f) "REGIONAL TRANSPORTATION DISTRICT" MEANS THE REGIONAL TRANSPORTATION DISTRICT ESTABLISHED IN ARTICLE 9 OF TITLE 32.

(g) "TRANSIT ASSOCIATION" MEANS A COLORADO NONPROFIT CORPORATION FORMED TO REPRESENT TRANSIT INTERESTS IN COLORADO WHOSE MEMBERSHIP INCLUDES TRANSIT AGENCIES, TRANSIT-RELATED BUSINESSES, AND GOVERNMENTAL ENTITIES.

(2) THE OZONE SEASON TRANSIT GRANT PROGRAM IS CREATED IN THE OFFICE. THE PURPOSES OF THE PROGRAM ARE:

(a) TO PROVIDE GRANTS TO TRANSIT ASSOCIATIONS FOR THE

PURPOSE OF PROVIDING GRANTS TO ELIGIBLE TRANSIT AGENCIES IN ORDER TO OFFER FREE TRANSIT SERVICES FOR A MINIMUM OF THIRTY DAYS DURING OZONE SEASON; AND

(b) TO PROVIDE GRANTS TO THE REGIONAL TRANSPORTATION DISTRICT FOR THE PURPOSE OF PROVIDING FREE TRANSPORTATION SERVICES FOR A MINIMUM OF THIRTY DAYS DURING OZONE SEASON.

(3) THE OFFICE SHALL ADMINISTER THE PROGRAM AND AWARD GRANTS IN ACCORDANCE WITH THIS SECTION AND THE POLICIES DEVELOPED BY THE OFFICE PURSUANT TO SUBSECTION (6) OF THIS SECTION. SUBJECT TO AVAILABLE APPROPRIATIONS, GRANTS SHALL BE PAID OUT OF THE FUND.

(4) TO RECEIVE A GRANT, A TRANSIT ASSOCIATION OR THE REGIONAL TRANSPORTATION DISTRICT MUST SUBMIT AN APPLICATION TO THE OFFICE IN ACCORDANCE WITH THE REQUIREMENTS OF THIS SECTION AND THE POLICIES ESTABLISHED BY THE OFFICE IN ACCORDANCE WITH SUBSECTION (6) OF THIS SECTION. THE OFFICE MAY AWARD GRANTS OF UP TO THREE MILLION DOLLARS EACH YEAR TO A TRANSIT ASSOCIATION AND UP TO ELEVEN MILLION DOLLARS EACH YEAR TO THE REGIONAL TRANSPORTATION DISTRICT.

(5) A GRANT RECIPIENT MAY USE THE GRANT MONEY AS FOLLOWS:

(a) (I) A TRANSIT ASSOCIATION THAT RECEIVES A GRANT MAY USE THE MONEY TO ESTABLISH A GRANT PROGRAM FOR ELIGIBLE TRANSIT AGENCIES IN ACCORDANCE WITH THIS SECTION. A TRANSIT ASSOCIATION MAY USE A PORTION OF THE GRANT MONEY TO PAY ITS DIRECT AND INDIRECT COSTS IN ADMINISTERING THE GRANT PROGRAM.

(II) TO RECEIVE A GRANT FROM THE TRANSIT ASSOCIATION, AN ELIGIBLE TRANSIT AGENCY MUST SUBMIT AN APPLICATION TO THE TRANSIT

ASSOCIATION. AT A MINIMUM, THE APPLICATION MUST DESCRIBE THE FREE TRANSIT SERVICES THAT WILL BE PROVIDED OR EXPANDED WITH THE GRANT MONEY, INDICATE TO WHAT EXTENT THE ELIGIBLE TRANSIT AGENCY WILL MATCH THE GRANT MONEY WITH OTHER MONEY, AND COMMIT TO PROVIDING THE NEW OR EXPANDED FREE SERVICES FOR AT LEAST THIRTY DAYS DURING THE OZONE SEASON.

(III) AN ELIGIBLE TRANSIT AGENCY THAT RECEIVES A GRANT THROUGH THE TRANSIT ASSOCIATION MAY USE THE MONEY TO COVER THE COSTS ASSOCIATED WITH PROVIDING NEW OR EXPANDED FREE TRANSIT SERVICES WITHIN ITS SERVICE AREA DURING OZONE SEASON, INCLUDING OFFERING ADDITIONAL FREE ROUTES OR EXPANDING SERVICE ON ROUTES FOR WHICH THE ELIGIBLE TRANSIT AGENCY CURRENTLY OFFERS FREE SERVICE. GRANT MONEY MAY BE USED TO REPLACE FARE BOX REVENUE AND TO PAY FOR OTHER EXPENSES NECESSARY TO IMPLEMENT THE PROGRAM, INCLUDING EXPENSES ASSOCIATED WITH AN INCREASE IN RIDERSHIP AS A RESULT OF THE PROGRAM.

(IV) AN ELIGIBLE TRANSIT AGENCY SHALL NOT USE GRANT MONEY TO OFFSET OR REPLACE FUNDING FOR FREE TRANSIT SERVICES THAT THE ELIGIBLE TRANSIT AGENCY OFFERED AS OF JANUARY 1, 2022.

(V) IN AWARDING GRANTS UNDER THIS SUBSECTION (5)(a), THE TRANSIT ASSOCIATION SHALL:

(A) ALLOCATE MONEY AMONG APPLICANTS WITH THE GOALS OF REDUCING OZONE FORMATION, INCREASING RIDERSHIP ON TRANSIT, AND REDUCING VEHICLE MILES TRAVELED IN THE STATE; AND

(B) CONSIDER THE EXTENT TO WHICH THE APPLICANT WILL MATCH GRANT MONEY WITH OTHER MONEY.

(VI) EACH ELIGIBLE TRANSIT AGENCY THAT RECEIVES A GRANT

SHALL REPORT ON THE USE OF THE MONEY TO THE TRANSIT ASSOCIATION IN ACCORDANCE WITH POLICIES ESTABLISHED BY THE TRANSIT ASSOCIATION AND THE OFFICE. THE REPORT MUST INCLUDE, AT A MINIMUM, INFORMATION ON HOW THE GRANT MONEY WAS SPENT; THE FREE SERVICES THAT WERE OFFERED USING THE GRANT MONEY; AND ESTIMATES OF THE CHANGE IN RIDERSHIP DURING THE PERIOD THAT FREE SERVICES WERE OFFERED COMPARED TO PREVIOUS MONTHS, THE SAME MONTH IN PREVIOUS YEARS, AND THE MONTHS AFTER THE PROGRAM CONCLUDED. THE REPORT MAY INCLUDE ADDITIONAL INFORMATION, INCLUDING A NARRATIVE ANALYSIS, TO PROVIDE CONTEXT ON THE RIDERSHIP DATA INCLUDED IN THE REPORT. ON OR BEFORE DECEMBER 1 OF EACH YEAR OF THE GRANT PROGRAM, THE TRANSIT ASSOCIATION SHALL SUBMIT A REPORT TO THE OFFICE COMPILING AND SUMMARIZING THE REPORTED INFORMATION FOR ALL ELIGIBLE TRANSIT AGENCIES THAT RECEIVED A GRANT THROUGH THE TRANSIT ASSOCIATION.

(VII) A TRANSIT ASSOCIATION RECEIVING A GRANT SHALL DEVELOP AND PUBLICIZE POLICIES FOR THE GRANT, INCLUDING THE PROCESS AND DEADLINES FOR AN ELIGIBLE TRANSIT AGENCY TO APPLY FOR AND RECEIVE A GRANT, THE INFORMATION AND DOCUMENTATION REQUIRED FOR THE APPLICATION, REPORTING REQUIREMENTS AND DEADLINES, AND ANY ADDITIONAL REQUIREMENTS NECESSARY TO ADMINISTER THE GRANT.

(b) (I) THE REGIONAL TRANSPORTATION DISTRICT MAY USE GRANT MONEY TO COVER UP TO EIGHTY PERCENT OF THE COSTS OF PROVIDING AT LEAST THIRTY DAYS OF FREE TRANSIT ON ALL SERVICES OFFERED BY THE REGIONAL TRANSPORTATION DISTRICT. GRANT MONEY MAY BE USED TO REPLACE FARE BOX REVENUE AND TO PAY FOR OTHER EXPENSES

NECESSARY TO IMPLEMENT THE PROGRAM, INCLUDING EXPENSES ASSOCIATED WITH AN INCREASE IN RIDERSHIP AS A RESULT OF THE PROGRAM.

(II) ON OR BEFORE DECEMBER 1 OF EACH YEAR FOR WHICH THE REGIONAL TRANSPORTATION DISTRICT RECEIVES A GRANT, THE REGIONAL TRANSPORTATION DISTRICT SHALL SUBMIT A REPORT TO THE OFFICE ON THE IMPLEMENTATION OF THE PROGRAM IN ACCORDANCE WITH THE POLICIES ESTABLISHED BY THE OFFICE. AT A MINIMUM, THE REPORT MUST INCLUDE INFORMATION ON HOW THE GRANT MONEY WAS SPENT; THE FREE SERVICES THAT WERE OFFERED USING THE GRANT MONEY; AND ESTIMATES OF THE CHANGE IN RIDERSHIP DURING THE PERIOD THAT FREE SERVICES WERE OFFERED COMPARED TO PREVIOUS MONTHS, THE SAME MONTH IN PREVIOUS YEARS, AND THE MONTHS AFTER THE PROGRAM CONCLUDED. THE REPORT MAY INCLUDE ADDITIONAL INFORMATION, INCLUDING A NARRATIVE ANALYSIS, TO PROVIDE CONTEXT ON THE RIDERSHIP DATA INCLUDED IN THE REPORT.

(III) THE STATE AUDITOR SHALL AUDIT THE REGIONAL TRANSPORTATION DISTRICT'S USE OF THE GRANT MONEY AS PART OF ITS NEXT PERFORMANCE AUDIT OF THE REGIONAL TRANSPORTATION DISTRICT CONDUCTED PURSUANT TO SECTION 32-9-115 (3).

(6) THE OFFICE SHALL ESTABLISH AND PUBLICIZE POLICIES FOR THE PROGRAM. AT A MINIMUM, THE POLICIES MUST ADDRESS THE PROCESS AND ANY DEADLINES FOR APPLYING FOR AND RECEIVING A GRANT UNDER THE PROGRAM, THE INFORMATION AND DOCUMENTATION REQUIRED FOR THE APPLICATION, REPORTING REQUIREMENTS AND DEADLINES, AND ANY ADDITIONAL POLICIES NECESSARY TO ADMINISTER THE PROGRAM.

(7) THE OFFICE MAY SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS,

OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR THE PURPOSES OF THIS SECTION. THE OFFICE SHALL TRANSMIT ALL MONEY RECEIVED THROUGH GIFTS, GRANTS, OR DONATIONS TO THE STATE TREASURER, WHO SHALL CREDIT THE MONEY TO THE FUND.

(8) (a) THE OZONE SEASON TRANSIT GRANT PROGRAM FUND IS HEREBY CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF MONEY TRANSFERRED TO THE FUND IN ACCORDANCE WITH SUBSECTION (8)(d) OF THIS SECTION, ANY OTHER MONEY THAT THE GENERAL ASSEMBLY APPROPRIATES OR TRANSFERS TO THE FUND, AND ANY GIFTS, GRANTS, OR DONATIONS CREDITED TO THE FUND PURSUANT TO SUBSECTION (7) OF THIS SECTION.

(b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO THE FUND.

(c) MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE OFFICE FOR THE PURPOSES SPECIFIED IN THIS SECTION.

(d) THREE DAYS AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (8)(d), THE STATE TREASURER SHALL TRANSFER TWENTY-EIGHT MILLION DOLLARS TO THE FUND.

(9) ON OR BEFORE DECEMBER 31 OF EACH YEAR OF THE PROGRAM, THE OFFICE SHALL SUBMIT A REPORT ON THE IMPLEMENTATION OF THE PROGRAM TO THE HOUSE OF REPRESENTATIVES TRANSPORTATION AND LOCAL GOVERNMENT COMMITTEE AND THE SENATE TRANSPORTATION AND ENERGY COMMITTEE, OR THEIR SUCCESSOR COMMITTEES. THE REPORT MUST SUMMARIZE AND COMPILE THE INFORMATION SUBMITTED TO THE OFFICE PURSUANT TO SUBSECTIONS (5)(a)(VI) AND (5)(b) OF THIS SECTION.

(10) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2024.

SECTION 3. In Colorado Revised Statutes, 43-1-117.5, **add** (4) as follows:

43-1-117.5. Transit and rail division - created - powers and duties - pilot project to expand transit - repeal. (4) (a) THE TRANSIT AND RAIL DIVISION SHALL ESTABLISH A PILOT PROJECT, BEGINNING NO LATER THAN JULY 1, 2022, AND CONCLUDING ON JUNE 30, 2025, FOR THE EXTENSION OF STATE-RUN TRANSIT SYSTEMS. THE GOALS OF THE PILOT PROJECT ARE TO INCREASE RIDERSHIP ON STATE-RUN TRANSIT, REDUCE VEHICLE MILES TRAVELED IN THE STATE, AND REDUCE GROUND LEVEL OZONE IN THE STATE.

(b) ON OR BEFORE DECEMBER 1, 2023, AND ON OR BEFORE DECEMBER 1 OF EACH YEAR THROUGH 2025, THE TRANSIT AND RAIL DIVISION SHALL REPORT TO THE TRANSPORTATION LEGISLATION REVIEW COMMITTEE CREATED IN SECTION 43-2-145 ON THE IMPLEMENTATION OF THE PILOT PROJECT, INCLUDING INFORMATION ON THE SERVICES THAT ARE EXPANDED OR EXTENDED AND ESTIMATES OF THE INCREASED RIDERSHIP AS A RESULT OF THE PILOT PROJECT.

(c) THREE DAYS AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (4), THE STATE TREASURER SHALL TRANSFER THIRTY MILLION DOLLARS TO THE STATE HIGHWAY FUND CREATED IN SECTION 43-1-219 FOR USE BY THE TRANSIT AND RAIL DIVISION FOR THE PURPOSES SPECIFIED IN THIS SUBSECTION (4).

(d) THIS SUBSECTION (4) IS REPEALED, EFFECTIVE JULY 1, 2026.

SECTION 4. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety.