



Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

Memorandum

December 30, 2025

TO: Interested Persons
FROM: Amanda Liddle, Economist, 303-866-5834
SUBJECT: Regional Transportation Authorities

Summary

This memorandum provides information concerning regional transportation authorities (RTAs). Specifically, it provides an overview of state laws pertaining to RTAs, RTAs currently established, powers of and financing mechanisms available to RTAs, and sales and use taxes levied in each of the seven currently operational RTAs.

Establishment of an RTA

Under Colorado law,¹ municipalities, counties, and special districts can join together in a "combination" to create an RTA to address transportation needs within a specific geographic region. The state of Colorado, acting through the Transportation Commission and with approval from the Governor, may also join a contract creating an RTA.

To establish an RTA, the combination of governments seeking to create it must submit a copy of their contract to the Colorado Department of Transportation (CDOT) for review and comment, as well as to any affected public highway authority, county, or municipality that borders the proposed RTA. A copy of the contract must also be sent to the Regional Transportation District (RTD), which creates and maintains a transit system primarily in the Denver metropolitan area, if it borders the proposed RTA. These contracts include information on the name and purpose of the authority, the regional transportation systems to be provided, the establishment and operations of the board of directors, the boundaries of the authority, and the term of the contract. No municipality, county, or special district may enter into a contract establishing an RTA without holding at least two public hearings. In order to take effect, a contract must be approved by the registered voters within the boundaries of the district.

¹ Section 43-4-603, C.R.S.



RTA Authority

RTAs must be governed by a board of directors with at least five elected officials from the combined governments, and must include at least one elected official from each government member. An RTA board may adopt bylaws, make and pass orders and resolutions necessary for the governance of the authority, maintain offices and hire employees, amend the contract that created the authority.²

Through a board, RTAs have the authority to finance, construct, operate, and maintain regional transportation systems within their boundaries or outside their boundaries, if certain conditions are met.³ An RTA is prohibited from constructing a transportation system outside of its boundaries and within the boundaries of a municipality or county without the consent of that entity's governing body. If the RTA's proposed transportation system affects, alters, or negatively impacts the road systems controlled by CDOT, RTD, or any bordering entities, the impacted entity may enter into an intergovernmental agreement with the RTA to address the identified services before a proposal is submitted to registered electors. If no agreement is established, the transportation project affecting the other entity must be taken off of the list of projects specified in the contract.

RTA boards may also create local improvement districts (LIDs) within their boundaries to facilitate the financing, construction, operation, or maintenance of regional transportation system improvements.⁴ A LID is a localized geographic area in which improvements are constructed, and revenue for these projects is primarily raised through a special assessment process. To establish a LID, the RTA board must receive a petition from the owners of the property that will bear the majority of the cost assessment on the proposed improvements, as well as a petition from registered electors in the proposed district.

[Senate Bill 25-272](#) amended statute to clarify an RTA's authority to construct and provide housing for RTA employees. As a government entity, sales of housing construction materials to an RTA are exempt from the state sales and use tax, as well as from the sales and use tax imposed by any statutory city or municipality.

² Section 43-4-604, C.R.S.

³ Section 43-4-605, C.R.S.

⁴ Section 43-4-608, C.R.S.



RTA Financing

State law authorizes RTAs to establish, collect, and increase or decrease tolls, rates, and charges to finance a transportation system.⁵ RTAs may also levy sales taxes, impose an annual motor vehicle registration fee, levy a visitor benefit tax, impose a uniform mill levy, establish regional transportation activity enterprises, and issue bonds, as shown in Table 1. RTA taxation questions and multi-year debt questions must be submitted to the registered electors residing within the authority's boundaries for approval. Unless specified in an intergovernmental agreement, any funds made available for an RTA's transportation system may not be used to supplant existing or budgeted CDOT funding for any portion of the state highway system within the territory of any RTA or any transportation planning region.

Table 1
Financing Mechanisms for Regional Transportation Authorities

Financing Mechanism	Provisions	Statutory Citation
Sales or Use Tax	RTAs may levy a sales or use tax, or both, of not more than 2 percent upon every transaction with respect to which a sales or use tax is levied by the state. If a member of the RTA is located within more than one authority, the total sales and/or use tax may not exceed 2 percent. The RTA may levy a sales or use tax at differing rates in designated parts of the authority. However, if the authority includes a territory within the RTD's boundaries, the rate of the tax must be levied in such a way that the rate of tax within the territory of any single member of the combination is uniform.	Section 43-4-605 (1)(j)(I), C.R.S.
Annual Motor Vehicle Registration Fee	RTAs may impose an annual motor vehicle registration fee of not more than \$10 for each motor vehicle registered within any or all portions of the RTA boundaries. If a motor vehicle is registered in a county that is a member of more than one RTA, the total motor vehicle registration fees for that vehicle may not exceed \$10.	Section 43-4-605 (1)(i), C.R.S.

⁵ Section 43-4-605, C.R.S.



Financing Mechanism	Provisions	Statutory Citation
Visitor Benefit Tax	RTAs may levy a visitor benefit tax on those purchasing overnight rooms or accommodations within the RTA's boundaries. At least 75 percent of the revenue derived from the tax must be used by the RTA to finance, construct, operate, and maintain the RTA's regional transportation system and to provide incentives to overnight visitors to use public transportation. No more than half of the RTA's total revenues may be derived from this tax.	Section 43-4-605 (1)(i.5), C.R.S.
Mill Levy	RTAs may impose a uniform mill levy of up to five mills on all taxable property within the territory of the authority.	Section 43-4-605 (1)(j.5)(l), C.R.S.
Regional Transportation Activity Enterprises	RTAs may establish one or more enterprises. The enterprise must be owned by the entire authority, and may not be combined with another enterprise owned by a separate RTA. Enterprises may issue or reissue revenue bonds, and contract with other governmental or private entities for loans and grants related to the enterprise's functions.	Section 43-4-606, C.R.S.
Bonds	Pursuant to a resolution of its board, an RTA may issue bonds for any of its corporate purposes.	Section 43-4-609, C.R.S.

Current RTAs

Table 2 summarizes the seven current RTAs in Colorado, including membership and respective sales, use, and property taxes. The scope and types of projects in RTAs can vary widely, with projects including but not limited to capital, maintenance, and transit. For example, the Roaring Fork Transportation Authority houses the most employees and operates the largest RTA public transit system, utilizing approximately 120 buses, 160 bus stops, 14 park-and-ride lots, and over 380 employees during peak season.⁶ In contrast, 90 percent of the Pikes Peak Regional Transportation Authority's budget is used for capital and maintenance projects, including but not limited to extending roads, repairing bridges, and safety improvements for intersections.

⁶ <https://www.rfta.com/about-rfta/>



Table 2
Current Regional Transportation Authorities

Authority	Member Municipalities and Counties	Sales Tax Rate	Use Tax Rate	Property Tax
<u>Aerotropolis Regional Transportation Authority</u>	City of Aurora, Adams County, and the Aerotropolis Area Coordinating Metropolitan District (AACMD)	None	None	5.0 mills
<u>Eagle Valley Transportation Authority</u>	Eastern parts of Eagle County, including the towns of Minturn, Eagle, Vail, Red Cliff, and Avon as well as the Beaver Creek Metropolitan District	0.5%	None	None
<u>Gunnison Valley Rural Transportation Authority</u>	City of Gunnison, Town of Crested Butte, Town of Mt. Crested Butte, and Gunnison County excluding the municipalities of Somerset, Marble, Pitkin, and Ohio City	1.0%	None	None
<u>Pikes Peak Rural Transportation Authority</u>	Cities of Colorado Springs and Manitou Springs, unincorporated El Paso County, and the towns of Green Mountain Falls, Ramah, and Calhan	1.0%	1.0%	2.65 mills
<u>Roaring Fork Transportation Authority</u>	1. Cities of Basalt and New Castle 2. Cities of Carbondale and Glenwood Springs 3. Cities of Aspen and Snowmass Village, and unincorporated Pitkin County 4. Areas of unincorporated Eagle County in the El Jebel area and outside the city limits of Carbondale	1. 0.8% 2. 1.0% 3. 0.4% 4. 0.6%	1. 0.8% 2. 1.0% 3. 0.4% 4. 0.6%	2.65 mills
<u>San Miguel Authority for Regional Transportation</u>	Towns of Telluride and Mountain Village, plus eastern San Miguel County (excluding towns of Ophir and Sawpit)	1.07%	None	2.086 mills
<u>South Platte Valley Regional Transportation Authority</u>	City of Sterling	0.1%	0.1%	None