



*The Voice of Colorado's Cities and Towns*

# FAQ: Colorado Highway Users Tax Fund

*The FAQ column features frequently asked questions submitted to the Colorado Municipal League. This information is of a general nature and should not be interpreted as legal advice. Local facts determine which laws may apply and how, so you should always consult your municipal attorney before proceeding.*

**Q: What is the Highway Users Tax Fund (HUTF)?**

A: HUTF has been the backbone of state and local transportation financing since its creation in 1953. Major sources of revenue for the fund are motor fuel taxes, vehicle registration fees, driver's license fees, oversize load permits, and traffic penalty assessments. The largest contributor is the motor fuels tax, which remains at the 22-cents per gallon figure that took effect in 1991.

**Q: How do municipalities benefit from HUTF?**

A: Nine percent of the first seven cents of the motor fuel tax portion of HUTF is allocated to municipalities. 18 percent of the remaining portion of HUTF revenue is apportioned for municipalities. (CDOT gets 60 percent of HUTF and the counties gain 22 percent.) In dollar terms municipalities will split an estimated \$120 million in 2010. Cities and towns divide the municipal share on a formula based 80 percent on the number of registered vehicles and 20 percent on the number of center lane miles in their jurisdiction.

**Q: Did FASTER do anything other than create headlines?**

A: It was the first new revenue stream for HUTF in 18 years. Vehicle registration fees had not increased since 1989. The FASTER dollars will boost HUTF disbursements to municipalities by more than 20% in 2010. Without FASTER, municipal HUTF payments would have decreased in the year ahead.

**Q: Do you anticipate changes to HUTF disbursements in 2010?**

A: CML is already working to protect HUTF from further diversions made to support the state general fund. HUTF for many years has provided nearly all the funding for the State Patrol and Ports of Entry. These are "off-the-top" diversions made before the municipal share is distributed. This past session an additional diversion was approved to support the Driver's License Bureau. We do not want to lose the gains we made with FASTER.