

HB 19-1157



EMPOWERED CITIES AND TOWNS, UNITED FOR A STRONG COLORADO

TRANSPORTATION

MODIFICATION OF THE SPECIFIC OWNERSHIP TAX

HB 19-1157: YOUR “NO” VOTE RESPECTFULLY REQUESTED

HB 19-1157 seeks modify the rates of the Specific Ownership Tax (SOT) to raise additional revenue for transportation funding at the state and local level.

CML has consistently supported a comprehensive statewide solution for transportation infrastructure funding at all levels of government but HB 19-1157 is a bridge too far.

The SOT is a tax placed on motor vehicles in-lieu of a property tax and is collected by the counties when a motor vehicle is registered. The tax revenue is then distributed to the political subdivisions within the county including municipalities and school districts. The revenue generated by the SOT is significant, generating over half a billion for local governments every year to help a variety of local programs from municipal parks to teacher’s salaries.

The Colorado Municipal League is opposes changing what is currently a local tax into a new source of state revenue.

Furthermore, HB 19-1157 raises a number of constitutional issues:

- HB 19-1157 proposes to increase a tax rate without voter approval under TABOR subsection 4(a).
- The Colorado Constitution requires all revenue from this tax to be distributed to local governments. See the excerpt from Art. X, Sec. 6 highlighted below.

“Such graduated annual specific ownership tax shall be in addition to any state registration or license fees imposed on such property, shall be payable to a designated county officer at the same time as any such registration or license fees are payable, and shall be apportioned, distributed, and paid over to the political subdivisions of the state in such manner as may be prescribed by law.”

HB 19-1157 is clearly unconstitutional and undermines an important local revenue source.

Please Vote “No” on HB 19-1157.

February 26, 2019