

**First Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 09-0862.01 Esther van Mourik

HOUSE BILL 09-1331

HOUSE SPONSORSHIP

Gagliardi,

SENATE SPONSORSHIP

Boyd,

House Committees

Transportation & Energy
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING INCENTIVES FOR EFFICIENT MOTOR VEHICLES.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Specifies that the current tax credit for purchases of vehicles using alternative fuels will be effective through the income tax year commencing January 1, 2009.

Establishes that, for the income tax years commencing January 1, 2010, and January 1, 2011, the tax credit shall be at specified percentages for costs incurred for the purchase of motor vehicles using alternative fuels, the purchase of idling reduction technologies, or the conversion of motor vehicles to allow for the use of alternative fuels. Specifies a maximum credit per taxpayer for certain purchases or conversions.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

Specifies that the categories available for a credit are:

- ! Motor vehicles that comply with certain specified vehicles defined by the federal tier 2 emissions standards or the California LEV II standards for a zero emission vehicle, advanced technology partial zero emission vehicle, partial zero emission vehicle, or a super ultra low emission vehicle;
- ! Light duty passenger vehicle, light duty truck, and medium duty truck diesel-electric hybrids with a minimum fuel economy of specified miles per gallon;
- ! Light duty passenger vehicle, light duty truck, and medium duty truck diesel-electric hybrid conversions that increase the fuel economy of the original motor vehicle by a specified percentage or more;
- ! Light duty passenger vehicle, light duty truck, and medium duty truck compressed natural gas conversions and original equipment manufacturer compressed natural gas vehicles certified by the United States environmental protection agency; and
- ! Installation of idling reduction technology.

Creates a new tax credit for income tax years commencing January 1, 2012, through the income tax year commencing January 1, 2015, for specified percentages for costs incurred for the purchase of motor vehicles using alternative fuels, the purchase of idling reduction technologies, or the conversion of motor vehicles to allow for the use of alternative fuels. Specifies a maximum credit per taxpayer for certain purchases or conversions. Specifies that the categories available for a credit are:

- ! Motor vehicles that comply with certain specified vehicles defined by the federal tier 2 emissions standards or the California LEV II standards for a zero emission vehicle, advanced technology partial zero emission vehicle, partial zero emission vehicle, or a super ultra low emission vehicle;
- ! Light duty passenger vehicle, light duty truck, and medium duty truck diesel-electric hybrids with a minimum fuel economy of specified miles per gallon;
- ! Light duty passenger vehicle, light duty truck, and medium duty truck diesel-electric hybrid conversions that increase the fuel economy of the original motor vehicle by a specified percentage or more;
- ! Light duty passenger vehicle, light duty truck, and medium duty truck compressed natural gas conversions and original equipment manufacturer compressed natural gas vehicles certified by the United States environmental protection

- agency; and
- ! Installation of idling reduction technology.

Makes changes to and extends the existing alternative fuels rebate so that in the fiscal year commencing July 1, 2009, the rebate is available to qualified entities for purchases of specified motor vehicles, specified idling reduction technologies, or conversions of existing motor vehicles to allow for the use of alternative fuels.

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

2 **SECTION 1. Short title.** This act shall be known and may be
3 cited as the "Motor Vehicle Innovation Act".

4 **SECTION 2.** 39-22-516 (2.5) (b), (2.5) (d) (I), (2.5) (g), (2.5) (i),
5 (3), and (4), Colorado Revised Statutes, are amended, and the said
6 39-22-516 (2.5) is further amended BY THE ADDITION OF A NEW
7 PARAGRAPH, to read:

8 **39-22-516. Tax credit for purchase of vehicles using**
9 **alternative fuels - repeal.** (2.5) (b) (I) ~~With respect to tax years~~
10 ~~commencing on or after July 1, 1998, but prior to July 1, 2000, there shall~~
11 ~~be allowed to any person a credit against the tax imposed by this article~~
12 ~~for each motor vehicle owned by such person that:~~

13 ~~(A) Is titled and registered in the state of Colorado;~~

14 ~~(B) Is used in connection with a business; and~~

15 ~~(C) Uses or is converted to use an alternative fuel or has its power~~
16 ~~source replaced with a power source that uses an alternative fuel.~~

17 (II) With respect to tax years commencing on or after July 1,
18 2000, but prior to ~~July 1, 2011~~ JANUARY 1, 2010, there shall be allowed
19 to any person a credit against the tax imposed by this article for each
20 motor vehicle owned by such person that:

21 (A) Is titled and registered in the state of Colorado; and

22 (B) Uses or is converted to use an alternative fuel, is a hybrid

1 vehicle, or has its power source replaced with a power source that uses an
 2 alternative fuel.

3 (d) (I) For the purposes of paragraph (c) of this subsection (2.5),
 4 except as otherwise provided in subparagraph (II) of this paragraph (d),
 5 the percentage of the difference in actual cost incurred or the percentage
 6 of the actual cost incurred that may be claimed as a credit pursuant to
 7 paragraph (b) of this subsection (2.5) shall be as follows:

8	Certification	Tax years	Tax years	Tax years
9	level:	commencing	commencing	commencing
10		on or after	on or after	on or after
11		July 1, 1998,	January 1,	January 1,
12		but prior to	2007, but	2010, but
13		January 1,	prior to	prior to
14		2007:	January 1,	January 1,
15			2010:	2012:
16	Low-emitting	50%	50%	25%
17	vehicle			
18	Ultra-low-emitting	75%	75%	50%
19	vehicle or			
20	inherently			
21	low-emitting			
22	vehicle			
23	Zero-emitting	85%	85%	75%
24	vehicle			

25 (g) ~~With respect to tax years commencing on or after July 1, 1998,~~
 26 ~~but prior to July 1, 2000, for a motor vehicle that was not used solely and~~
 27 ~~exclusively for business purposes during the tax year for which a credit~~

1 is claimed, the amount of the credit allowed pursuant to this subsection
2 (2.5) shall be prorated in proportion to the percentage of time during the
3 tax year that the motor vehicle was used for business purposes.

4 (i) For income tax years commencing on and after January 1,
5 1999, but prior to ~~July 1, 2011~~ JANUARY 1, 2010, a motor vehicle,
6 conversion, or power source certified to the low-emitting vehicle
7 emissions standard that is purchased by a person shall be eligible for a
8 credit pursuant to this subsection (2.5).

9 (j) THIS SUBSECTION (2.5) IS REPEALED, EFFECTIVE DECEMBER 31,
10 2014.

11 (3) EXCEPT AS PROVIDED IN PARAGRAPH (f) OF SUBSECTION (2.6)
12 OF THIS SECTION, the credits allowed by this section for any income tax
13 year shall not exceed the taxpayer's actual tax liability for such taxable
14 year. If the amount of a credit allowed by this section exceeds the
15 taxpayer's actual tax liability for any income tax year in which the credit
16 is claimed, referred to in this subsection (3) as the "unused credit year",
17 such excess shall be an investment tax credit carryover to each of the five
18 income tax years following the unused credit year and shall be applied
19 first to the earliest income tax years possible.

20 (4) This section is repealed, effective ~~July 1, 2016~~ DECEMBER 31,
21 2016.

22 **SECTION 3.** 39-22-516, Colorado Revised Statutes, is amended
23 BY THE ADDITION OF A NEW SUBSECTION to read:

24 **39-22-516. Tax credit for purchase of vehicles using**
25 **alternative fuels - repeal.** (2.6) (a) AS USED IN THIS SUBSECTION (2.6),
26 UNLESS THE CONTEXT OTHERWISE REQUIRES:

27 (I) "ALTERNATIVE FUEL" MEANS AN ALTERNATIVE FUEL AS

1 DEFINED IN SECTION 25-7-106.8 (1) (a), C.R.S.

2 (II) "CATEGORY 1" MEANS A MOTOR VEHICLE THAT COMPLIES
3 WITH BIN 1 OF THE FEDERAL TIER 2 EMISSIONS STANDARDS PUBLISHED BY
4 THE FEDERAL ENVIRONMENTAL PROTECTION AGENCY IN THE FEDERAL
5 REGISTER AT 65 FR 6698 (FEBRUARY 10, 2000), AS AMENDED.

6
7 (III) "CATEGORY 2" MEANS LIGHT DUTY PASSENGER VEHICLE
8 DIESEL-ELECTRIC HYBRIDS WITH A MINIMUM FUEL ECONOMY OF SEVENTY
9 MILES PER GALLON.

10 (IV) "CATEGORY 3" MEANS LIGHT DUTY PASSENGER VEHICLE,
11 LIGHT DUTY TRUCK, AND MEDIUM DUTY TRUCK DIESEL-ELECTRIC HYBRID
12 CONVERSIONS THAT INCREASE THE FUEL ECONOMY OF THE ORIGINAL
13 MOTOR VEHICLE BY FORTY PERCENT OR MORE.

14 (V) "CATEGORY 4" MEANS LIGHT DUTY PASSENGER VEHICLE,
15 LIGHT DUTY TRUCK, AND MEDIUM DUTY TRUCK COMPRESSED NATURAL
16 GAS CONVERSIONS CERTIFIED BY THE UNITED STATES ENVIRONMENTAL
17 PROTECTION AGENCY AND ORIGINAL EQUIPMENT MANUFACTURER
18 COMPRESSED NATURAL GAS VEHICLES.

19 (VI) "CATEGORY 5" MEANS ANY IDLING REDUCTION
20 TECHNOLOGIES.

21 (VII) "CATEGORY 6" MEANS A MOTOR VEHICLE THAT COMPLIES
22 WITH BIN 2 OR BIN 3 OF THE FEDERAL TIER 2 EMISSIONS STANDARDS
23 PUBLISHED BY THE FEDERAL ENVIRONMENTAL PROTECTION AGENCY IN
24 THE FEDERAL REGISTER AT 65 FR 6698 (FEBRUARY 10, 2000), AS
25 AMENDED, WITH A MINIMUM FUEL ECONOMY OF FORTY MILES PER GALLON
26 OR MILES PER GALLON GASOLINE EQUIVALENT OR GREATER.

27 (VIII) (A) "CATEGORY 7" MEANS A MOTOR VEHICLE THAT

1 COMPLIES WITH BIN 2 OR BIN 3 OF THE FEDERAL TIER 2 EMISSIONS
2 STANDARDS PUBLISHED BY THE FEDERAL ENVIRONMENTAL PROTECTION
3 AGENCY IN THE FEDERAL REGISTER AT 65 FR 6698 (FEBRUARY 10, 2000),
4 AS AMENDED, WITH A MINIMUM FUEL ECONOMY OF THIRTY MILES PER
5 GALLON OR MILES PER GALLON GASOLINE EQUIVALENT OR GREATER, BUT
6 LESS THAN FORTY MILES PER GALLON OR MILES PER GALLON GASOLINE
7 EQUIVALENT.

8
9 (B) "CATEGORY 7" SHALL NOT MEAN ORIGINAL EQUIPMENT
10 MANUFACTURER COMPRESSED NATURAL GAS VEHICLES CERTIFIED BY THE
11 UNITED STATES ENVIRONMENTAL PROTECTION AGENCY.

12 (IX) "GROSS VEHICLE WEIGHT RATING" OR "GVWR" SHALL HAVE
13 THE SAME MEANING AS SET FORTH IN SECTION 42-2-402 (6), C.R.S.

14 (X) "HYBRID VEHICLE" MEANS A MOTOR VEHICLE WITH A HYBRID
15 PROPULSION SYSTEM THAT OPERATES ON BOTH ELECTRICITY AND AN
16 ALTERNATIVE FUEL OR TRADITIONAL FUEL.

17 (XI) "IDLING REDUCTION TECHNOLOGIES" MEANS IDLING
18 REDUCTION DEVICES OR ADVANCED INSULATION, AS THOSE TERMS ARE
19 DEFINED IN SECTION 4053 OF THE INTERNAL REVENUE CODE, AS AMENDED,
20 EXEMPT FROM FEDERAL EXCISE TAX PURSUANT TO SAID SECTION 4053.

21 (XII) "LIGHT DUTY PASSENGER VEHICLE" MEANS A PRIVATE
22 PASSENGER VEHICLE, INCLUDING VANS, CAPABLE OF SEATING TWELVE
23 PASSENGERS OR LESS; EXCEPT THAT THE TERM DOES NOT INCLUDE MOTOR
24 HOMES AS DEFINED IN SECTION 42-1-102 (57), C.R.S., OR VEHICLES
25 DESIGNED TO TRAVEL ON THREE OR FEWER WHEELS IN CONTACT WITH THE
26 GROUND.

27 (XIII) "LIGHT DUTY TRUCK" MEANS A TRUCK BETWEEN ZERO AND

1 FOURTEEN THOUSAND POUNDS GVWR.

2 (XIV) "MEDIUM DUTY TRUCK" MEANS A TRUCK WITH A GROSS
3 VEHICLE WEIGHT RATING GREATER THAN FOURTEEN THOUSAND POUNDS
4 UP TO TWENTY-SIX THOUSAND POUNDS.

5 (XV) "MILES PER GALLON GASOLINE EQUIVALENT" MEANS THE
6 STANDARD UNIT OF MEASURE THAT MEASURES HOW MANY MILES AN
7 ALTERNATIVE VEHICLE CAN TRAVEL ON THE EQUIVALENT ENERGY OF ONE
8 UNITED STATES GALLON OF TRADITIONAL FUEL.

9 (XVI) "MOTOR VEHICLE" MEANS ANY SELF-PROPELLED VEHICLE,
10 INCLUDING A VEHICLE THAT USES A HYBRID PROPULSION SYSTEM, THAT IS:

11 (A) TITLED AND REGISTERED IN THE STATE; AND

12 (B) REQUIRED TO BE LICENSED OR SUBJECT TO LICENSING FOR
13 OPERATION UPON THE HIGHWAYS OF THE STATE.

14 (XVII) "PLUG-IN HYBRID ELECTRIC VEHICLE" MEANS A HYBRID
15 VEHICLE THAT CAN OPERATE SOLELY ON ELECTRIC POWER FOR A MINIMUM
16 OF TWENTY MILES UNDER CITY DRIVING CONDITIONS AND THAT IS
17 CAPABLE OF RECHARGING ITS BATTERY FROM AN ON-BOARD GENERATION
18 SOURCE AND AN OFF-BOARD ELECTRICITY SOURCE.

19 (XVIII) "POWER SOURCE" MEANS THE ENGINE OR MOTOR AND
20 ASSOCIATED WIRING, FUEL LINES, ENGINE COOLANT SYSTEM, FUEL
21 STORAGE CONTAINERS, AND MISCELLANEOUS COMPONENTS.

22 (XIX) "TRADITIONAL FUEL" MEANS A PETROLEUM-BASED MOTOR
23 FUEL COMMONLY USED ON THE HIGHWAYS OF THIS STATE IN THE YEAR
24 2008.

25 (XX) "USES AN ALTERNATIVE FUEL" OR "TO USE AN ALTERNATIVE
26 FUEL" MEANS TO OPERATE SOLELY ON AN ALTERNATIVE FUEL, TO OPERATE
27 ON BOTH AN ALTERNATIVE FUEL AND A TRADITIONAL FUEL, OR TO

1 OPERATE ALTERNATELY ON A TRADITIONAL FUEL AND AN ALTERNATIVE
2 FUEL.

3 (b) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
4 PARAGRAPH (b), WITH RESPECT TO THE TAX YEARS COMMENCING ON
5 JANUARY 1, 2010, AND JANUARY 1, 2011, THERE SHALL BE ALLOWED TO
6 ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE, NOT
7 TO EXCEED SIX THOUSAND DOLLARS, FOR EACH MOTOR VEHICLE OWNED
8 BY SUCH PERSON THAT:

9 (A) USES OR IS CONVERTED TO USE AN ALTERNATIVE FUEL;

10 (B) IS A HYBRID VEHICLE;

11 (C) IS A PLUG-IN HYBRID ELECTRIC VEHICLE;

12 (D) HAS ITS POWER SOURCE REPLACED WITH A POWER SOURCE
13 THAT USES AN ALTERNATIVE FUEL;

14 (E) IS MODIFIED TO INCLUDE IDLING REDUCTION TECHNOLOGY; OR

15 (F) IS CONVERTED TO A PLUG-IN HYBRID ELECTRIC VEHICLE.

16 (II) WITH RESPECT TO THE TAX YEARS COMMENCING ON JANUARY
17 1, 2010, AND JANUARY 1, 2011, THERE SHALL BE ALLOWED TO ANY
18 PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE FOR EACH
19 CATEGORY 4 VEHICLE.

20 (c) THE AMOUNT OF THE CREDIT ALLOWED PURSUANT TO THIS
21 SUBSECTION (2.6) SHALL BE AN AMOUNT EQUAL TO THE PERCENTAGE, AS
22 SET FORTH IN PARAGRAPH (d) OF THIS SUBSECTION (2.6), OF THE
23 FOLLOWING:

24 (I) THE DIFFERENCE BETWEEN THE ACTUAL COST INCURRED BY
25 SUCH PERSON DURING THE TAX YEAR IN PURCHASING A MOTOR VEHICLE
26 THAT USES AN ALTERNATIVE FUEL AND THE COST OF THE SAME MOTOR
27 VEHICLE THAT USES A TRADITIONAL FUEL OR, IF THE SAME VEHICLE IS NOT

1 AVAILABLE, THEN THE COST OF THE MOST SIMILAR VEHICLE, TAKING INTO
2 ACCOUNT THE MODEL, MAKE, ENGINE SIZE, AND OPTIONS, THAT USES A
3 TRADITIONAL FUEL;

4 (II) THE DIFFERENCE BETWEEN THE ACTUAL COST INCURRED BY
5 SUCH PERSON DURING THE TAX YEAR IN REPLACING AN EXISTING POWER
6 SOURCE IN A MOTOR VEHICLE THAT USES A TRADITIONAL FUEL WITH A
7 POWER SOURCE THAT USES AN ALTERNATIVE FUEL AND THE COST OF
8 REPLACING THE EXISTING POWER SOURCE IN THE MOTOR VEHICLE WITH
9 THE SAME TYPE OF POWER SOURCE THAT USES A TRADITIONAL FUEL;

10 (III) THE ACTUAL COST INCURRED BY SUCH PERSON DURING THE
11 TAX YEAR IN CONVERTING THE MOTOR VEHICLE TO A FUEL SYSTEM THAT
12 USES AN ALTERNATIVE FUEL;

13 (IV) THE ACTUAL COST INCURRED BY SUCH PERSON IN PURCHASING
14 IDLING REDUCTION TECHNOLOGIES; OR

15 (V)(A) THE ACTUAL COST INCURRED BY SUCH PERSON DURING THE
16 TAX YEAR IN CONVERTING A HYBRID VEHICLE TO A PLUG-IN HYBRID
17 ELECTRIC VEHICLE.

18 (B) PERSONS WHO CLAIMED A TAX CREDIT IN PREVIOUS YEARS FOR
19 THE PURCHASE OF MODEL YEAR 2004 AND NEWER HYBRID VEHICLES ARE
20 ELIGIBLE TO CLAIM AN ADDITIONAL CREDIT FOR THE CONVERSION OF SUCH
21 A HYBRID VEHICLE TO A PLUG-IN HYBRID ELECTRIC VEHICLE.

22 (d) FOR THE PURPOSES OF PARAGRAPH (c) OF THIS SUBSECTION
23 (2.6), THE PERCENTAGE OF THE DIFFERENCE IN ACTUAL COST INCURRED OR
24 THE PERCENTAGE OF THE ACTUAL COST INCURRED THAT MAY BE CLAIMED
25 AS A CREDIT PURSUANT TO PARAGRAPH (b) OF THIS SUBSECTION (2.6)
26 SHALL BE AS FOLLOWS:

1	CATEGORY:	INCOME TAX YEARS COMMENCING ON OR AFTER
2		JANUARY 1, 2010, BUT PRIOR TO JANUARY 1, 2012:
3	CATEGORY 1	85%
4	CATEGORY 2	65%
5	CATEGORY 3	75%
6	CATEGORY 4	75%
7	CATEGORY 5	25%
8	CATEGORY 6	75%
9	CATEGORY 7	50%

10 (e) EXCEPT AS PROVIDED IN SUB-SUBPARAGRAPH (B) OF
11 SUBPARAGRAPH (V) OF PARAGRAPH (c) OF THIS SUBSECTION (2.6), NO
12 MORE THAN ONE TAX CREDIT SHALL BE GRANTED PURSUANT TO
13 PARAGRAPH (d) OF THIS SUBSECTION (2.6) FOR ANY INDIVIDUAL MOTOR
14 VEHICLE.

15 (f) IF A CREDIT AUTHORIZED IN THIS SUBSECTION (2.6) EXCEEDS
16 THE INCOME TAX DUE ON THE INCOME OF THE TAXPAYER FOR THE
17 TAXABLE YEAR, THE EXCESS CREDIT MAY NOT BE CARRIED FORWARD AND
18 SHALL BE REFUNDED TO THE TAXPAYER.

19 (g) THIS SUBSECTION (2.6) IS REPEALED, EFFECTIVE DECEMBER 31,
20 2016.

21 **SECTION 4.** Part 5 of article 22 of title 39, Colorado Revised
22 Statutes, is amended BY THE ADDITION OF A NEW SECTION to
23 read:

24 **39-22-516.5. Tax credit for innovative motor vehicles - repeal.**

25 (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
26 REQUIRES:

27 (a) "ALTERNATIVE FUEL" MEANS AN ALTERNATIVE FUEL AS

1 DEFINED IN SECTION 25-7-106.8 (1) (a), C.R.S.

2 (b) "CATEGORY 1" MEANS A MOTOR VEHICLE THAT COMPLIES WITH
3 BIN 1 OF THE FEDERAL TIER 2 EMISSIONS STANDARDS PUBLISHED BY THE
4 FEDERAL ENVIRONMENTAL PROTECTION AGENCY IN THE FEDERAL
5 REGISTER AT 65 FR 6698 (FEBRUARY 10, 2000), AS AMENDED.

6

7 (c) "CATEGORY 2" MEANS LIGHT DUTY PASSENGER VEHICLE
8 DIESEL-ELECTRIC HYBRIDS WITH A MINIMUM FUEL ECONOMY OF SEVENTY
9 MILES PER GALLON.

10 (d) "CATEGORY 3" MEANS LIGHT DUTY PASSENGER VEHICLE, LIGHT
11 DUTY TRUCK, AND MEDIUM DUTY TRUCK DIESEL-ELECTRIC HYBRID
12 CONVERSIONS THAT INCREASE THE FUEL ECONOMY OF THE ORIGINAL
13 MOTOR VEHICLE BY FORTY PERCENT OR MORE.

14 (e) "CATEGORY 4" MEANS LIGHT DUTY PASSENGER VEHICLE, LIGHT
15 DUTY TRUCK, AND MEDIUM DUTY TRUCK COMPRESSED NATURAL GAS
16 CONVERSIONS CERTIFIED BY THE UNITED STATES ENVIRONMENTAL
17 PROTECTION AGENCY AND ORIGINAL EQUIPMENT MANUFACTURER
18 COMPRESSED NATURAL GAS VEHICLES.

19 (f) "CATEGORY 5" MEANS ANY IDLING REDUCTION TECHNOLOGIES.

20 (g) "CATEGORY 6" MEANS A MOTOR VEHICLE THAT COMPLIES WITH
21 BIN 2 OR BIN 3 OF THE FEDERAL TIER 2 EMISSIONS STANDARDS PUBLISHED
22 BY THE FEDERAL ENVIRONMENTAL PROTECTION AGENCY IN THE FEDERAL
23 REGISTER AT 65 FR 6698 (FEBRUARY 10, 2000), AS AMENDED, WITH A
24 MINIMUM FUEL ECONOMY OF FORTY MILES PER GALLON OR MILES PER
25 GALLON GASOLINE EQUIVALENT OR GREATER.

26

27 (h) "GROSS VEHICLE WEIGHT RATING" OR "GVWR" SHALL HAVE

1 THE SAME MEANING AS SET FORTH IN SECTION 42-2-402 (6), C.R.S.

2 (i) "HYBRID VEHICLE" MEANS A MOTOR VEHICLE WITH A HYBRID
3 PROPULSION SYSTEM THAT OPERATES ON BOTH ELECTRICITY AND AN
4 ALTERNATIVE FUEL OR TRADITIONAL FUEL.

5 (j) "IDLING REDUCTION TECHNOLOGIES" MEANS IDLING REDUCTION
6 DEVICES OR ADVANCED INSULATION, AS THOSE TERMS ARE DEFINED IN
7 SECTION 4053 OF THE INTERNAL REVENUE CODE, AS AMENDED, EXEMPT
8 FROM FEDERAL EXCISE TAX PURSUANT TO SAID SECTION 4053.

9 (k) "LIGHT DUTY PASSENGER VEHICLE" MEANS A PRIVATE
10 PASSENGER VEHICLE, INCLUDING VANS, CAPABLE OF SEATING TWELVE
11 PASSENGERS OR LESS; EXCEPT THAT THE TERM DOES NOT INCLUDE MOTOR
12 HOMES AS DEFINED IN SECTION 42-1-102 (57), C.R.S., OR VEHICLES
13 DESIGNED TO TRAVEL ON THREE OR FEWER WHEELS IN CONTACT WITH THE
14 GROUND.

15 (l) "LIGHT DUTY TRUCK" MEANS A TRUCK BETWEEN ZERO AND
16 FOURTEEN THOUSAND POUNDS GVWR.

17 (m) "MEDIUM DUTY TRUCK" MEANS A TRUCK WITH A GROSS
18 VEHICLE WEIGHT RATING GREATER THAN FOURTEEN THOUSAND POUNDS
19 UP TO TWENTY-SIX THOUSAND POUNDS.

20 (n) "MILES PER GALLON GASOLINE EQUIVALENT" MEANS THE
21 STANDARD UNIT OF MEASURE THAT MEASURES HOW MANY MILES AN
22 ALTERNATIVE VEHICLE CAN TRAVEL ON THE EQUIVALENT ENERGY OF ONE
23 UNITED STATES GALLON OF TRADITIONAL FUEL.

24 (o) "MOTOR VEHICLE" MEANS ANY SELF-PROPELLED VEHICLE,
25 (II) REQUIRED TO BE LICENSED OR SUBJECT TO LICENSING FOR
26 OPERATION UPON THE HIGHWAYS OF THE STATE.

27 (p) "PLUG-IN HYBRID ELECTRIC VEHICLE" MEANS A HYBRID

1 VEHICLE THAT CAN OPERATE SOLELY ON ELECTRIC POWER FOR A MINIMUM
2 OF TWENTY MILES UNDER CITY DRIVING CONDITIONS AND THAT IS
3 CAPABLE OF RECHARGING ITS BATTERY FROM AN OFF-BOARD ELECTRICITY
4 SOURCE.

5 (q) "POWER SOURCE" MEANS THE ENGINE OR MOTOR AND
6 ASSOCIATED WIRING, FUEL LINES, ENGINE COOLANT SYSTEM, FUEL
7 STORAGE CONTAINERS, AND MISCELLANEOUS COMPONENTS.

8 (r) "TRADITIONAL FUEL" MEANS A PETROLEUM-BASED MOTOR FUEL
9 COMMONLY USED ON THE HIGHWAYS OF THE STATE IN THE YEAR 2008.

10 (s) "USES AN ALTERNATIVE FUEL" OR "TO USE AN ALTERNATIVE
11 FUEL" MEANS TO OPERATE SOLELY ON AN ALTERNATIVE FUEL, TO OPERATE
12 ON BOTH AN ALTERNATIVE FUEL AND A TRADITIONAL FUEL, OR TO
13 OPERATE ALTERNATELY ON A TRADITIONAL FUEL AND AN ALTERNATIVE
14 FUEL.

15 (2) (a) WITH RESPECT TO THE TAX YEARS COMMENCING ON
16 JANUARY 1, 2012, BUT PRIOR TO JANUARY 1, 2016, THERE SHALL BE
17 ALLOWED TO ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS
18 ARTICLE, NOT TO EXCEED SIX THOUSAND DOLLARS, FOR EACH MOTOR
19 VEHICLE OWNED BY SUCH PERSON THAT:

20 (I) USES OR IS CONVERTED TO USE AN ALTERNATIVE FUEL;

21 (II) IS A HYBRID VEHICLE;

22 (III) IS A PLUG-IN HYBRID ELECTRIC VEHICLE;

23 (IV) HAS ITS POWER SOURCE REPLACED WITH A POWER SOURCE
24 THAT USES AN ALTERNATIVE FUEL; OR

25 (V) IS MODIFIED TO INCLUDE IDLING REDUCTION TECHNOLOGY.

26 (b) WITH RESPECT TO THE TAX YEARS COMMENCING ON JANUARY
27 1, 2012, BUT PRIOR TO JANUARY 1, 2016, THERE SHALL BE ALLOWED TO

1 ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE, NOT
2 TO EXCEED SEVEN THOUSAND FIVE HUNDRED DOLLARS, FOR EACH MOTOR
3 VEHICLE OWNED BY SUCH PERSON THAT IS CONVERTED TO A PLUG-IN
4 HYBRID ELECTRIC VEHICLE.

5 (3) THE AMOUNT OF THE CREDIT ALLOWED PURSUANT TO THIS
6 SECTION SHALL BE AN AMOUNT EQUAL TO THE PERCENTAGE, AS SET FORTH
7 IN SUBSECTION (4) OF THIS SECTION, OF THE FOLLOWING:

8 (a) THE DIFFERENCE BETWEEN THE ACTUAL COST INCURRED BY
9 SUCH PERSON DURING THE TAX YEAR IN PURCHASING A MOTOR VEHICLE
10 THAT USES AN ALTERNATIVE FUEL AND THE COST OF THE SAME MOTOR
11 VEHICLE THAT USES A TRADITIONAL FUEL OR, IF THE SAME VEHICLE IS NOT
12 AVAILABLE, THEN THE COST OF THE MOST SIMILAR VEHICLE, TAKING INTO
13 ACCOUNT THE MODEL, MAKE, ENGINE SIZE, AND OPTIONS, THAT USES A
14 TRADITIONAL FUEL;

15 (b) THE DIFFERENCE BETWEEN THE ACTUAL COST INCURRED BY
16 SUCH PERSON DURING THE TAX YEAR IN REPLACING AN EXISTING POWER
17 SOURCE IN A MOTOR VEHICLE THAT USES A TRADITIONAL FUEL WITH A
18 POWER SOURCE THAT USES AN ALTERNATIVE FUEL AND THE COST OF
19 REPLACING THE EXISTING POWER SOURCE IN THE MOTOR VEHICLE WITH
20 THE SAME TYPE OF POWER SOURCE THAT USES A TRADITIONAL FUEL;

21 (c) THE ACTUAL COST INCURRED BY SUCH PERSON DURING THE TAX
22 YEAR IN CONVERTING THE MOTOR VEHICLE TO A FUEL SYSTEM THAT USES
23 AN ALTERNATIVE FUEL;

24 (d) THE ACTUAL COST INCURRED BY SUCH PERSON IN PURCHASING
25 IDLING REDUCTION TECHNOLOGIES; OR

26 (e) (I) THE ACTUAL COST INCURRED BY SUCH PERSON DURING THE
27 TAX YEAR IN CONVERTING A HYBRID VEHICLE TO A PLUG-IN HYBRID

1 ELECTRIC VEHICLE.

2 (II) PERSONS WHO CLAIMED A TAX CREDIT IN PREVIOUS YEARS FOR
3 THE PURCHASE OF MODEL YEAR 2004 AND NEWER HYBRID VEHICLES ARE
4 ELIGIBLE TO CLAIM AN ADDITIONAL CREDIT FOR THE CONVERSION OF SUCH
5 A HYBRID VEHICLE TO A PLUG-IN HYBRID ELECTRIC VEHICLE.

6 (4) FOR THE PURPOSES OF SUBSECTION (3) OF THIS SECTION, THE
7 PERCENTAGE OF THE DIFFERENCE IN ACTUAL COST INCURRED OR THE
8 PERCENTAGE OF THE ACTUAL COST INCURRED THAT MAY BE CLAIMED AS
9 A CREDIT PURSUANT TO SUBSECTION (2) OF THIS SECTION SHALL BE AS
10 FOLLOWS:

11	CATEGORY:	INCOME	INCOME	INCOME	INCOME
12		TAX YEARS	TAX YEARS	TAX YEARS	TAX YEARS
13		COMMENC-	COMMENC-	COMMENC-	COMMENC-
14		ING ON OR	ING ON OR	ING ON OR	ING ON OR
15		AFTER	AFTER	AFTER	AFTER
16		JANUARY	JANUARY	JANUARY	JANUARY
17		1, 2012,	1, 2013,	1, 2014,	1, 2015,
18		BUT PRIOR	BUT PRIOR	BUT PRIOR	BUT PRIOR
19		TO	TO	TO	TO
20		JANUARY	JANUARY	JANUARY	JANUARY
21		1, 2013:	1, 2014:	1, 2015:	1, 2016:
22	CATEGORY 1	75%	75%	75%	75%
23	CATEGORY 2	45%	25%	15%	15%
24	CATEGORY 3	55%	35%	25%	25%
25	CATEGORY 4	55%	35%	25%	25%
26	CATEGORY 5	25%	25%	25%	25%

1 **CATEGORY 6** 10% 10% 0% 0%

2 (5) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF PARAGRAPH (e)
3 OF SUBSECTION (3) OF THIS SECTION, NO MORE THAN ONE TAX CREDIT
4 SHALL BE GRANTED PURSUANT TO THIS SECTION FOR ANY INDIVIDUAL
5 MOTOR VEHICLE.

6 (6) IF A CREDIT AUTHORIZED IN THIS SECTION EXCEEDS THE
7 INCOME TAX DUE ON THE INCOME OF THE TAXPAYER FOR THE TAXABLE
8 YEAR, THE EXCESS CREDIT MAY NOT BE CARRIED FORWARD AND SHALL BE
9 REFUNDED TO THE TAXPAYER.

10 (7) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2020.

11 **SECTION 5.** 39-33-101, Colorado Revised Statutes, is amended
12 to read:

13 **39-33-101. Definitions - repeal.** As used in this article, unless
14 the context otherwise requires:

15 (1) "Alternative fuel" means an alternative fuel as defined in
16 section 25-7-106.8 (1) (a), C.R.S.

17 (2) ~~Repealed~~ "CATEGORY 1" MEANS A MOTOR VEHICLE THAT
18 COMPLIES WITH BIN 1 OF THE FEDERAL TIER 2 EMISSIONS STANDARDS
19 PUBLISHED BY THE FEDERAL ENVIRONMENTAL PROTECTION AGENCY IN
20 THE FEDERAL REGISTER AT 65 FR 6698 (FEBRUARY 10, 2000), AS
21 AMENDED.

22 [REDACTED]

23 (3) "CATEGORY 2" MEANS LIGHT DUTY PASSENGER VEHICLE
24 DIESEL-ELECTRIC HYBRIDS WITH A MINIMUM FUEL ECONOMY OF SEVENTY
25 MILES PER GALLON.

26 (4) "CATEGORY 3" MEANS LIGHT DUTY PASSENGER VEHICLE, LIGHT

1 DUTY TRUCK, AND MEDIUM DUTY TRUCK DIESEL-ELECTRIC HYBRID
2 CONVERSIONS THAT INCREASE THE FUEL ECONOMY OF THE ORIGINAL
3 MOTOR VEHICLE BY FORTY PERCENT OR MORE.

4 (5) "CATEGORY 4" MEANS LIGHT DUTY PASSENGER VEHICLE, LIGHT
5 DUTY TRUCK, AND MEDIUM DUTY TRUCK COMPRESSED NATURAL GAS
6 CONVERSIONS CERTIFIED BY THE UNITED STATES ENVIRONMENTAL
7 PROTECTION AGENCY AND ORIGINAL EQUIPMENT MANUFACTURER
8 COMPRESSED NATURAL GAS VEHICLES.

9 (6) "CATEGORY 5" MEANS ANY IDLING REDUCTION TECHNOLOGIES.

10 (7) "CATEGORY 6" MEANS A MOTOR VEHICLE THAT COMPLIES WITH
11 BIN 2 OR BIN 3 OF THE FEDERAL TIER 2 EMISSIONS STANDARDS PUBLISHED
12 BY THE FEDERAL ENVIRONMENTAL PROTECTION AGENCY IN THE FEDERAL
13 REGISTER AT 65 FR 6698 (FEBRUARY 10, 2000), AS AMENDED, WITH A
14 MINIMUM FUEL ECONOMY OF FORTY MILES PER GALLON OR MILES PER
15 GALLON GASOLINE EQUIVALENT OR GREATER.

16 [REDACTED]

17 ~~(3)~~ (8) "Executive director" means the executive director of the
18 department of revenue.

19 (9) "GROSS VEHICLE WEIGHT RATING" OR "GVWR" SHALL HAVE
20 THE SAME MEANING AS SET FORTH IN SECTION 42-2-402 (6), C.R.S.

21 (10) "HYBRID VEHICLE" MEANS A MOTOR VEHICLE WITH A HYBRID
22 PROPULSION SYSTEM THAT OPERATES ON BOTH ELECTRICITY AND AN
23 ALTERNATIVE FUEL OR TRADITIONAL FUEL.

24 (11) "IDLING REDUCTION TECHNOLOGIES" MEANS IDLING
25 REDUCTION DEVICES OR ADVANCED INSULATION, AS THOSE TERMS ARE
26 DEFINED IN SECTION 4053 OF THE FEDERAL "INTERNAL REVENUE CODE OF

1 1986", AS AMENDED, EXEMPT FROM FEDERAL EXCISE TAX PURSUANT TO
2 SAID SECTION 4053.

3 (12) "LIGHT DUTY PASSENGER VEHICLE" MEANS A PRIVATE
4 PASSENGER VEHICLE, INCLUDING VANS, CAPABLE OF SEATING TWELVE
5 PASSENGERS OR LESS; EXCEPT THAT THE TERM DOES NOT INCLUDE MOTOR
6 HOMES AS DEFINED IN SECTION 42-1-102 (57), C.R.S., OR VEHICLES
7 DESIGNED TO TRAVEL ON THREE OR FEWER WHEELS IN CONTACT WITH THE
8 GROUND.

9 (13) "LIGHT DUTY TRUCK" MEANS A TRUCK BETWEEN ZERO AND
10 FOURTEEN THOUSAND POUNDS GVWR.

11 (14) "MEDIUM DUTY TRUCK" MEANS A TRUCK WITH A GROSS
12 VEHICLE WEIGHT RATING GREATER THAN FOURTEEN THOUSAND POUNDS
13 UP TO TWENTY-SIX THOUSAND POUNDS.

14 (15) "MILES PER GALLON GASOLINE EQUIVALENT" MEANS THE
15 STANDARD UNIT OF MEASURE THAT MEASURES HOW MANY MILES AN
16 ALTERNATIVE VEHICLE CAN TRAVEL ON THE EQUIVALENT ENERGY OF ONE
17 UNITED STATES GALLON OF TRADITIONAL FUEL.

18 ~~(4)~~ (16) "Motor vehicle" means any self-propelled vehicle
19 required to be licensed or subject to licensing for operation upon the
20 highways of this state, including a vehicle that uses a hybrid propulsion
21 system.

22 ~~(5)~~ (17) (a) "Near zero-emitting vehicle" means a motor vehicle
23 exhibiting emissions characteristics that are near those of a zero-emitting
24 vehicle. To qualify as a near zero-emitting vehicle, a motor vehicle must
25 meet at least one of the following minimum requirements:

26 ~~(a)~~ (I) The vehicle must be certified by the federal environmental

1 protection agency as meeting an emission standard between the
2 ultra-low-emitting vehicle emission standard and the zero-emitting
3 vehicle emission standard; or

4 ~~(b)~~ (II) The vehicle must be certified by the federal environmental
5 protection agency as meeting the federal ultra-low-emitting vehicle
6 emission standard and must be certified by any state as provided in the
7 "Federal Clean Air Act" to an emission standard between the
8 ultra-low-emitting vehicle emission standard and the zero-emitting
9 vehicle emission standard.

10 (b) THIS SUBSECTION (17) IS REPEALED, EFFECTIVE JULY 1, 2010.

11 (18) "PLUG-IN HYBRID ELECTRIC VEHICLE" MEANS A HYBRID
12 VEHICLE THAT CAN OPERATE SOLELY ON ELECTRIC POWER FOR A MINIMUM
13 OF TWENTY MILES UNDER CITY DRIVING CONDITIONS AND THAT IS
14 CAPABLE OF RECHARGING ITS BATTERY FROM AN OFF-BOARD ELECTRICITY
15 SOURCE.

16 ~~(6)~~ (19) "Power source" means the engine or motor and associated
17 wiring, fuel lines, engine coolant system, fuel storage containers, and
18 miscellaneous components.

19 ~~(7)~~ (20) "Qualified entity" means:

20 (a) The state, any county, municipality, city and county, district,
21 or other political subdivision of the state of Colorado, and any institution,
22 department, agency, or authority thereof;

23 (b) A person, organization, or other nongovernmental entity that
24 is exempt from federal income taxation under the provisions of the
25 federal "Internal Revenue Code of 1986", as amended.

26 ~~(8)~~ (21) "Traditional fuel" means a petroleum-based motor fuel

1 commonly used on the highways of this state in the ~~year 1994~~ YEAR 2008.

2 ~~(9)~~ (22) "Uses an alternative fuel" or "to use an alternative fuel"
3 means to operate solely on an alternative fuel, to operate on both an
4 alternative fuel and a traditional fuel, or to operate alternately on a
5 traditional fuel and an alternative fuel.

6 **SECTION 6.** The introductory portion to 39-33-102 (1), Colorado
7 Revised Statutes, is amended, and the said 39-33-102 is further amended
8 BY THE ADDITION OF A NEW SUBSECTION, to read:

9 **39-33-102. Rebate for motor vehicles using alternative fuels.**

10 (1) On and after July 1, 1998, but prior to ~~July 1, 2012~~ JULY 1, 2009, the
11 executive director shall be authorized to grant a rebate to a qualified
12 entity for each motor vehicle owned by such entity that:

13 (2) ON AND AFTER JULY 1, 2009, BUT PRIOR TO JULY 1, 2015, THE
14 EXECUTIVE DIRECTOR SHALL BE AUTHORIZED TO GRANT A REBATE TO A
15 QUALIFIED ENTITY FOR EACH MOTOR VEHICLE OWNED BY SUCH ENTITY
16 THAT IS TITLED AND REGISTERED IN THE STATE OF COLORADO, IS USED IN
17 CONNECTION WITH THE BUSINESS OR OFFICIAL ACTIVITIES OF THE ENTITY,
18 AND:

- 19 (a) USES OR IS CONVERTED TO USE AN ALTERNATIVE FUEL;
20 (b) HAS ITS POWER SOURCE REPLACED WITH A POWER SOURCE
21 THAT USES AN ALTERNATIVE FUEL;
22 (c) USES OR IS CONVERTED TO USE AN ALTERNATIVE FUEL;
23 (d) IS A HYBRID VEHICLE;
24 (e) IS OR IS CONVERTED TO A PLUG-IN HYBRID ELECTRIC VEHICLE;
25 OR
26 (f) IS MODIFIED TO INCLUDE IDLING REDUCTION TECHNOLOGY.

1 **SECTION 7.** The introductory portion to 39-33-103 (1) and
2 39-33-103 (2) (a) (I) and (3), Colorado Revised Statutes, are amended,
3 and the said 39-33-103 is further amended BY THE ADDITION OF A
4 NEW SUBSECTION, to read:

5 **39-33-103. Amount of rebate for costs incurred prior to July**
6 **1, 2009 - repeal.** (1) The aggregate of all rebates granted to a qualified
7 entity shall not exceed three hundred fifty thousand dollars in any state
8 fiscal year. The rebate granted to a qualified entity for each motor vehicle
9 pursuant to this ~~article~~ SECTION shall not be an amount that exceeds the
10 percentage, as set forth in paragraph (a) of subsection (2) of this section,
11 of the following:

12 (2) (a) (I) For the purposes of subsection (1) of this section, except
13 as otherwise provided in subparagraph (II) of this paragraph (a), the
14 percentage of the difference in actual cost incurred or the percentage of
15 the actual cost incurred by a qualified entity for which a rebate may be
16 granted pursuant to this ~~article~~ SECTION shall be as follows:

17	Certification	For costs	For costs	For costs
18	Low-emitting	50%	25%	0%
19	Ultra-low-emitting	75%	50%	25%
20	Zero-emitting	85%	75%	50%

21 (3) Any application for a rebate shall be filed within twelve
22 months after the end of the month in which the cost is incurred by the
23 qualified entity. The executive director shall grant rebates in the order in
24 which applications are received as moneys are made available. The
25 executive director shall grant rebates to qualified entities only if the cost

1 is incurred on or after July 1, 1998, but prior to ~~July 1, 2011~~ JULY 1, 2009.
2 No rebate shall be granted more than twenty-four months after the date
3 upon which the cost is incurred. Rebates shall be granted only from
4 available moneys in the alternative fuels rebate fund created in section
5 39-33-105, and in no event shall the state have any obligation to provide
6 rebates from any source other than the fund. For the purposes of this
7 section, "cost is incurred" means, at the option of a qualified entity, either
8 the date when the entity obligates itself to make a purchase or the date on
9 which the entity pays for such purchase.

10 (4) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2010.

11 **SECTION 8.** Article 33 of title 39, Colorado Revised Statutes, is
12 amended BY THE ADDITION OF A NEW SECTION to read:

13 **39-33-103.5. Amount of rebate for costs incurred prior to July**
14 **1, 2015 - repeal.** (1) THE AGGREGATE OF ALL REBATES GRANTED TO A
15 QUALIFIED ENTITY SHALL NOT EXCEED THREE HUNDRED FIFTY THOUSAND
16 DOLLARS IN ANY STATE FISCAL YEAR. THE REBATE GRANTED TO A
17 QUALIFIED ENTITY FOR EACH MOTOR VEHICLE PURSUANT TO THIS SECTION
18 SHALL NOT BE AN AMOUNT THAT EXCEEDS THE PERCENTAGE, AS SET
19 FORTH IN PARAGRAPH (a) OF SUBSECTION (2) OF THIS SECTION, OF THE
20 FOLLOWING:

21 (a) THE DIFFERENCE BETWEEN THE ACTUAL COST INCURRED BY
22 SUCH ENTITY DURING A GIVEN STATE FISCAL YEAR IN PURCHASING A
23 MOTOR VEHICLE THAT USES AN ALTERNATIVE FUEL AND THE COST OF THE
24 SAME MOTOR VEHICLE THAT USES A TRADITIONAL FUEL OR, IF THE SAME
25 VEHICLE IS NOT AVAILABLE, THEN THE COST OF THE MOST SIMILAR
26 VEHICLE, TAKING INTO ACCOUNT MODEL, MAKE, ENGINE SIZE, AND

1 OPTIONS, THAT USES A TRADITIONAL FUEL;

2 (b) THE DIFFERENCE BETWEEN THE ACTUAL COST INCURRED BY
3 SUCH ENTITY DURING A GIVEN STATE FISCAL YEAR IN REPLACING AN
4 EXISTING POWER SOURCE IN A MOTOR VEHICLE THAT USES A TRADITIONAL
5 FUEL WITH A POWER SOURCE THAT USES AN ALTERNATIVE FUEL AND THE
6 COST OF REPLACING THE EXISTING POWER SOURCE IN THE MOTOR VEHICLE
7 WITH THE SAME TYPE OF POWER SOURCE THAT USES A TRADITIONAL FUEL;

8 (c) THE ACTUAL COST INCURRED BY SUCH ENTITY DURING A GIVEN
9 STATE FISCAL YEAR IN CONVERTING A MOTOR VEHICLE TO A FUEL SYSTEM
10 THAT USES AN ALTERNATIVE FUEL;

11 (d) THE ACTUAL COST INCURRED BY SUCH PERSON IN PURCHASING
12 IDLING REDUCTION TECHNOLOGIES; OR

13 (e) (I) THE ACTUAL COST OF CONVERTING THE VEHICLE FROM A
14 HYBRID VEHICLE TO A PLUG-IN HYBRID ELECTRIC VEHICLE.

15 (II) QUALIFIED ENTITIES WHO RECEIVED A REBATE IN PREVIOUS
16 YEARS FOR THE PURCHASE OF MODEL YEAR 2004 AND NEWER HYBRID
17 VEHICLES ARE ELIGIBLE TO APPLY FOR AN ADDITIONAL REBATE FOR THE
18 CONVERSION OF SUCH A HYBRID VEHICLE TO A PLUG-IN HYBRID ELECTRIC
19 VEHICLE.

20 (2) (a) FOR THE PURPOSES OF SUBSECTION (1) OF THIS SECTION,
21 THE PERCENTAGE OF THE DIFFERENCE IN ACTUAL COST INCURRED OR THE
22 PERCENTAGE OF THE ACTUAL COST INCURRED BY A QUALIFIED ENTITY FOR
23 WHICH A REBATE MAY BE GRANTED PURSUANT TO THIS ARTICLE SHALL BE
24 AS FOLLOWS:

25	CATEGORY:	FOR	FOR	FOR	FOR	FOR
26		COSTS	COSTS	COSTS	COSTS	COSTS

1		INCUR-	INCUR-	INCUR-	INCUR	INCUR-
2		RED ON	RED ON	RED ON	-RED ON	RED ON
3		OR	OR	OR	OR	OR
4		AFTER	AFTER	AFTER	AFTER	AFTER
5		JULY 1,	JULY 1,	JULY 1,	JULY 1,	JULY 1,
6		2009,	2010,	2011,	2012,	2013,
7		BUT	BUT	BUT	BUT	BUT
8		PRIOR	PRIOR	PRIOR	PRIOR	PRIOR
9		TO	TO	TO	TO	TO
10		JULY 1,	JULY 1,	JULY 1,	JULY 1,	JULY 1,
		2010:	2011:	2012:	2013:	2015:
11	CATEGORY 1	85%	75%	75%	75%	75%
12	CATEGORY 2	65%	45%	25%	15%	15%
13	CATEGORY 3	75%	55%	35%	25%	25%
14	CATEGORY 4	75%	55%	35%	25%	25%
15	CATEGORY 5	25%	25%	25%	25%	25%
16	CATEGORY 6	75%	10%	10%	0%	0%

17 (b) FOR A MOTOR VEHICLE THAT IS NOT USED SOLELY AND
18 EXCLUSIVELY FOR THE BUSINESS OR OFFICIAL ACTIVITIES OF THE
19 QUALIFIED ENTITY, THE AMOUNT OF THE REBATE ALLOWED PURSUANT TO
20 THIS SECTION SHALL BE PRORATED IN PROPORTION TO THE PERCENTAGE OF
21 TIME DURING THE CALENDAR YEAR THAT THE MOTOR VEHICLE IS USED FOR
22 THE BUSINESS OR OFFICIAL ACTIVITIES OF THE ENTITY.

23 (c) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF PARAGRAPH (e)
24 OF SUBSECTION (1) OF THIS SECTION, NO MORE THAN ONE REBATE SHALL
25 BE GRANTED PURSUANT TO THIS SECTION FOR ANY INDIVIDUAL MOTOR

1 VEHICLE.

2 (3) ANY APPLICATION FOR A REBATE SHALL BE FILED WITHIN
3 TWELVE MONTHS AFTER THE END OF THE MONTH IN WHICH THE COST IS
4 INCURRED BY THE QUALIFIED ENTITY. THE EXECUTIVE DIRECTOR SHALL
5 GRANT REBATES IN THE ORDER IN WHICH APPLICATIONS ARE RECEIVED AS
6 MONEYS ARE MADE AVAILABLE. THE EXECUTIVE DIRECTOR SHALL GRANT
7 REBATES TO QUALIFIED ENTITIES ONLY IF THE COST IS INCURRED ON OR
8 AFTER JULY 1, 2009, BUT PRIOR TO JULY 1, 2015. NO REBATE SHALL BE
9 GRANTED MORE THAN TWENTY-FOUR MONTHS AFTER THE DATE UPON
10 WHICH THE COST IS INCURRED. REBATES SHALL BE GRANTED ONLY FROM
11 AVAILABLE MONEYS IN THE ALTERNATIVE FUELS REBATE FUND CREATED
12 IN SECTION 39-33-105, AND IN NO EVENT SHALL THE STATE HAVE ANY
13 OBLIGATION TO PROVIDE REBATES FROM ANY SOURCE OTHER THAN THE
14 FUND. FOR THE PURPOSES OF THIS SECTION, "COST IS INCURRED" MEANS,
15 AT THE OPTION OF A QUALIFIED ENTITY, EITHER THE DATE WHEN THE
16 ENTITY OBLIGATES ITSELF TO MAKE A PURCHASE OR THE DATE ON WHICH
17 THE ENTITY PAYS FOR SUCH PURCHASE.

18 (4) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2016.

19 **SECTION 9.** 39-33-106, Colorado Revised Statutes, is amended
20 to read:

21 **39-33-106. Repeal of article.** This article is repealed, effective
22 ~~July 1, 2012~~ JULY 1, 2016.

23 **SECTION 10.** 24-30-1104 (2) (c) (II) (B), Colorado Revised
24 Statutes, is amended to read:

25 **24-30-1104. Central services functions of the department -**
26 **definitions.** (2) In addition to the county-specific functions set forth in

1 subsection (1) of this section, the department of personnel shall take such
2 steps as are necessary to fully implement a central state motor vehicle
3 fleet system by January 1, 1993. The provisions of the motor vehicle fleet
4 system created pursuant to this subsection (2) shall apply to the executive
5 branch of the state of Colorado, its departments, its institutions, and its
6 agencies; except that the governing board of each institution of higher
7 education, by formal action of the board, and the Colorado commission
8 on higher education, by formal action of the commission, may elect to be
9 exempt from the provisions of this subsection (2) and may obtain a motor
10 vehicle fleet system independent of the state motor vehicle fleet system.
11 Under the direction of the executive director, the department of personnel
12 shall perform the following functions pertaining to the motor vehicle fleet
13 system throughout the state:

14 (c) (II) By January 1, 2008, the executive director shall adopt a
15 policy to significantly increase the utilization of alternative fuels and that
16 establishes increasing utilization objectives for each following year. To
17 encourage compliance with this policy, the rules promulgated pursuant to
18 this paragraph (c) may establish progressively more stringent percentage
19 mileposts and shall, for fiscal years commencing after July 1, 2004,
20 require the collection of data concerning the annual percentage of
21 state-owned bi-fueled vehicles that were fueled exclusively with an
22 alternative fuel. Beginning January 1, 2008, the executive director shall
23 purchase flexible fuel vehicles or hybrid vehicles, subject to availability,
24 unless the increased cost of such vehicle is more than ten percent over the
25 cost of a comparable nonflexible fuel vehicle. The executive director
26 shall adopt a policy to allow some vehicles to be exempted from this

1 requirement. As used in this subparagraph (II):

2 (B) "Hybrid vehicle" ~~has the meaning established in section~~
3 ~~39-22-516 (2.5) (a) (H.5), C.R.S.~~ MEANS A MOTOR VEHICLE WITH A
4 HYBRID PROPULSION SYSTEM THAT USES AN ALTERNATIVE FUEL BY
5 OPERATING ON BOTH AN ALTERNATIVE FUEL, INCLUDING ELECTRICITY,
6 AND A TRADITIONAL FUEL.

7 **SECTION 11.** 39-26-719 (1) (b) (I), (1) (b) (III), (2) (b) (II) (A),
8 and (2) (b) (II) (C), Colorado Revised Statutes, are amended to read:

9 **39-26-719. Motor vehicles.** (1) (b) For purposes of this
10 subsection (1), unless the context otherwise requires:

11 (I) "Motor vehicle" ~~shall have the same meaning as set forth in~~
12 ~~section 39-22-516 (2.5) (a) (HH)~~ MEANS ANY SELF-PROPELLED VEHICLE
13 REQUIRED TO BE LICENSED OR SUBJECT TO LICENSING FOR OPERATION
14 UPON THE HIGHWAYS OF THIS STATE, INCLUDING A VEHICLE THAT USES A
15 HYBRID PROPULSION SYSTEM.

16 (III) "Power source" ~~shall have the same meaning as set forth in~~
17 ~~section 39-22-516 (2.5) (a) (V)~~ MEANS THE ENGINE OR MOTOR AND
18 ASSOCIATED WIRING, FUEL LINES, ENGINE COOLANT SYSTEM, FUEL
19 STORAGE CONTAINERS, AND MISCELLANEOUS COMPONENTS.

20 (2) The following shall be exempt from taxation under the
21 provisions of part 2 of this article:

22 (b) (II) For purposes of this paragraph (b), unless the context
23 otherwise requires:

24 (A) "Motor vehicle" ~~shall have the same meaning as set forth in~~
25 ~~section 39-22-516 (2.5) (a) (HH)~~ MEANS ANY SELF-PROPELLED VEHICLE
26 REQUIRED TO BE LICENSED OR SUBJECT TO LICENSING FOR OPERATION

1 UPON THE HIGHWAYS OF THIS STATE, INCLUDING A VEHICLE THAT USES A
2 HYBRID PROPULSION SYSTEM.

3 (C) "Power source" ~~shall have the same meaning as set forth in~~
4 ~~section 39-22-516 (2.5) (a) (V)~~ MEANS THE ENGINE OR MOTOR AND
5 ASSOCIATED WIRING, FUEL LINES, ENGINE COOLANT SYSTEM, FUEL
6 STORAGE CONTAINERS, AND MISCELLANEOUS COMPONENTS.

7 **SECTION 12.** 42-4-1012 (2.5) (a) (III), Colorado Revised
8 Statutes, is amended to read:

9 **42-4-1012. High occupancy vehicle (HOV) and high occupancy**
10 **toll (HOT) lanes.** (2.5) (a) (III) As used in this subsection (2.5), "hybrid
11 vehicle" ~~has the meaning established in section 39-22-516 (2.5) (a) (H.5);~~
12 ~~C.R.S.~~ MEANS A MOTOR VEHICLE WITH A HYBRID PROPULSION SYSTEM
13 THAT USES AN ALTERNATIVE FUEL BY OPERATING ON BOTH AN
14 ALTERNATIVE FUEL, INCLUDING ELECTRICITY, AND A TRADITIONAL FUEL.

15 **SECTION 13. Safety clause.** The general assembly hereby finds,
16 determines, and declares that this act is necessary for the immediate
17 preservation of the public peace, health, and safety.