

**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

State, Veterans & Military Affairs
Appropriations

A BILL FOR AN ACT

101 **CONCERNING INCENTIVES FOR EFFICIENT MOTOR VEHICLES, AND**
102 **MAKING AN APPROPRIATION IN CONNECTION THEREWITH.**

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

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.*

HOUSE
3rd Reading Unamended
April 29, 2009

HOUSE
Amended 2nd Reading
April 28, 2009

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.

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:

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

2 (B) Uses or is converted to use an alternative fuel, is a hybrid
3 vehicle, or has its power source replaced with a power source that uses an
4 alternative fuel.

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

10 Certification level:	11 Tax years commencing	12 Tax years commencing	13 Tax years commencing
	14 on or after	15 on or after	16 on or after
	17 July 1, 1998,	18 January 1,	19 January 1,
	20 but prior to	21 2007, but	22 2010, but
	23 January 1,	24 prior to	25 prior to
	26 2007:	27 January 1,	28 January 1,
		29 2010:	30 2012:
31 Low-emitting vehicle	32 50%	33 50%	34 25%
35 Ultra-low-emitting vehicle or	36 75%	37 75%	38 50%
39 inherently low-emitting			
40 vehicle			
41 Zero-emitting vehicle	42 85%	43 85%	44 75%

27 (g) ~~With respect to tax years commencing on or after July 1, 1998,~~

1 but prior to July 1, 2000, for a motor vehicle that was not used solely and
2 exclusively for business purposes during the tax year for which a credit
3 is claimed, the amount of the credit allowed pursuant to this subsection
4 (2.5) shall be prorated in proportion to the percentage of time during the
5 tax year that the motor vehicle was used for business purposes.

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

11 (j) THIS SUBSECTION (2.5) IS REPEALED, EFFECTIVE DECEMBER 31,
12 2014.

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

22 (4) This section is repealed, effective ~~July 1, 2016~~ DECEMBER 31,
23 2016.

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

26 **39-22-516. Tax credit for purchase of vehicles using**
27 **alternative fuels - repeal.** (2.6) (a) AS USED IN THIS SUBSECTION (2.6),

1 UNLESS THE CONTEXT OTHERWISE REQUIRES:

2 (I) "ACTUAL COST INCURRED" MEANS THE ACTUAL COST PAID BY
3 THE PURCHASER FOR THE VEHICLE, CONVERSION, OR IDLING REDUCTION
4 TECHNOLOGIES. THE ACTUAL COST PAID SHALL BE CALCULATED AS THE
5 NET OF ANY CREDITS, GRANTS, OR REBATES, INCLUDING FEDERAL CREDITS,
6 GRANTS, OR REBATES FOR WHICH THE PURCHASER IS ELIGIBLE, BUT
7 EXCLUDING THE CREDIT SPECIFIED IN THIS SUBSECTION (2.6).

8 (II) "ALTERNATIVE FUEL" MEANS AN ALTERNATIVE FUEL AS
9 DEFINED IN SECTION 25-7-106.8 (1) (a), C.R.S.

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

14 [REDACTED]
15 (IV) "CATEGORY 2" MEANS LIGHT DUTY PASSENGER VEHICLE
16 DIESEL-ELECTRIC HYBRIDS WITH A MINIMUM FUEL ECONOMY OF SEVENTY
17 MILES PER GALLON.

18 (V) "CATEGORY 3" MEANS LIGHT DUTY PASSENGER VEHICLE,
19 LIGHT DUTY TRUCK, AND MEDIUM DUTY TRUCK DIESEL-ELECTRIC HYBRID
20 CONVERSIONS THAT INCREASE THE FUEL ECONOMY OF THE ORIGINAL
21 MOTOR VEHICLE BY FORTY PERCENT OR MORE. "CATEGORY 3" ALSO
22 MEANS NEW MEDIUM DUTY TRUCKS THAT ARE DIESEL-ELECTRIC HYBRIDS
23 OR GASOLINE-ELECTRIC HYBRIDS THAT HAVE THIRTY PERCENT BETTER
24 FUEL ECONOMY THAN A COMPARABLE VEHICLE POWERED SOLELY BY A
25 DIESEL OR GASOLINE INTERNAL COMBUSTION ENGINE. FOR PURPOSES OF
26 ESTABLISHING A COMPARABLE VEHICLE, THE DIESEL OR GASOLINE
27 INTERNAL COMBUSTION ENGINE SHALL BE STANDARD IN A VEHICLE OF THE

1 SAME MODEL YEAR AND THE SAME VEHICLE CLASS AS ESTABLISHED BY
2 THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY AND BE
3 COMPARABLE IN WEIGHT, SIZE, AND USE. FUEL ECONOMY COMPARISONS
4 SHALL BE MADE USING CITY FUEL ECONOMY STANDARDS IN A MANNER
5 THAT IS SUBSTANTIALLY SIMILAR TO THE MANNER IN WHICH CITY FUEL
6 ECONOMY IS MEASURED IN ACCORDANCE WITH PROCEDURES SET FORTH IN
7 40 C.F.R. 600, AS IN EFFECT ON AUGUST 8, 2005.

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

13 (VII) "CATEGORY 5" MEANS ANY IDLING REDUCTION
14 TECHNOLOGIES.

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

21 (IX) (A) "CATEGORY 7" 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 THIRTY MILES PER GALLON
26 OR MILES PER GALLON GASOLINE EQUIVALENT OR GREATER, BUT LESS
27 THAN FORTY MILES PER GALLON OR MILES PER GALLON GASOLINE

1 EQUIVALENT.

2

3 (B) "CATEGORY 7" SHALL NOT MEAN ORIGINAL EQUIPMENT
4 MANUFACTURER COMPRESSED NATURAL GAS VEHICLES CERTIFIED BY THE
5 UNITED STATES ENVIRONMENTAL PROTECTION AGENCY.

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

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

11 (XII) "IDLING REDUCTION TECHNOLOGIES" MEANS IDLING
12 REDUCTION DEVICES OR ADVANCED INSULATION, AS THOSE TERMS ARE
13 DEFINED IN SECTION 4053 OF THE INTERNAL REVENUE CODE, AS AMENDED,
14 EXEMPT FROM FEDERAL EXCISE TAX PURSUANT TO SAID SECTION 4053.

15 (XIII) "LIGHT DUTY PASSENGER VEHICLE" MEANS A PRIVATE
16 PASSENGER VEHICLE, INCLUDING VANS, CAPABLE OF SEATING TWELVE
17 PASSENGERS OR LESS; EXCEPT THAT THE TERM DOES NOT INCLUDE MOTOR
18 HOMES AS DEFINED IN SECTION 42-1-102 (57), C.R.S., OR VEHICLES
19 DESIGNED TO TRAVEL ON THREE OR FEWER WHEELS IN CONTACT WITH THE
20 GROUND.

21 (XIV) "LIGHT DUTY TRUCK" MEANS A TRUCK BETWEEN ZERO AND
22 FOURTEEN THOUSAND POUNDS GVWR.

23 (XV) "MEDIUM DUTY TRUCK" MEANS A TRUCK WITH A GROSS
24 VEHICLE WEIGHT RATING GREATER THAN FOURTEEN THOUSAND POUNDS
25 UP TO TWENTY-SIX THOUSAND POUNDS.

26 (XVI) "MILES PER GALLON GASOLINE EQUIVALENT" MEANS THE
27 STANDARD UNIT OF MEASURE THAT MEASURES HOW MANY MILES AN

1 ALTERNATIVE VEHICLE CAN TRAVEL ON THE EQUIVALENT ENERGY OF ONE
2 UNITED STATES GALLON OF TRADITIONAL FUEL.

3 (XVII) "MOTOR VEHICLE" MEANS ANY SELF-PROPELLED VEHICLE,
4 INCLUDING A VEHICLE THAT USES A HYBRID PROPULSION SYSTEM, THAT IS:

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

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

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

13 (XIX) "POWER SOURCE" MEANS THE ENGINE OR MOTOR AND
14 ASSOCIATED WIRING, FUEL LINES, ENGINE COOLANT SYSTEM, FUEL
15 STORAGE CONTAINERS, AND MISCELLANEOUS COMPONENTS.

16 (XX) "TRADITIONAL FUEL" MEANS A PETROLEUM-BASED MOTOR
17 FUEL COMMONLY USED ON THE HIGHWAYS OF THIS STATE IN THE YEAR
18 2008.

19 (XXI) "USES AN ALTERNATIVE FUEL" OR "TO USE AN ALTERNATIVE
20 FUEL" MEANS TO OPERATE SOLELY ON AN ALTERNATIVE FUEL, TO OPERATE
21 ON BOTH AN ALTERNATIVE FUEL AND A TRADITIONAL FUEL, OR TO
22 OPERATE ALTERNATELY ON A TRADITIONAL FUEL AND AN ALTERNATIVE
23 FUEL.

24 (b) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
25 PARAGRAPH (b), WITH RESPECT TO THE TAX YEARS COMMENCING ON
26 JANUARY 1, 2010, AND JANUARY 1, 2011, THERE SHALL BE ALLOWED TO
27 ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE, NOT

1 TO EXCEED SIX THOUSAND DOLLARS, FOR EACH MOTOR VEHICLE OWNED
2 BY SUCH PERSON THAT:

- 3 (A) USES OR IS CONVERTED TO USE AN ALTERNATIVE FUEL;
- 4 (B) IS A HYBRID VEHICLE;
- 5 (C) IS A PLUG-IN HYBRID ELECTRIC VEHICLE;
- 6 (D) HAS ITS POWER SOURCE REPLACED WITH A POWER SOURCE
7 THAT USES AN ALTERNATIVE FUEL;
- 8 (E) IS MODIFIED TO INCLUDE IDLING REDUCTION TECHNOLOGY; OR
9 (F) IS CONVERTED TO A PLUG-IN HYBRID ELECTRIC VEHICLE.

10 (II) WITH RESPECT TO THE TAX YEARS COMMENCING ON JANUARY
11 1, 2010, AND JANUARY 1, 2011, THERE SHALL BE ALLOWED TO ANY
12 PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE FOR EACH
13 CATEGORY 4 VEHICLE.

14 (c) THE AMOUNT OF THE CREDIT ALLOWED PURSUANT TO THIS
15 SUBSECTION (2.6) SHALL BE AN AMOUNT EQUAL TO THE PERCENTAGE, AS
16 SET FORTH IN PARAGRAPH (d) OF THIS SUBSECTION (2.6), OF THE
17 FOLLOWING:

18 (I) THE DIFFERENCE BETWEEN THE ACTUAL COST INCURRED BY
19 SUCH PERSON DURING THE TAX YEAR IN PURCHASING A MOTOR VEHICLE
20 THAT USES AN ALTERNATIVE FUEL AND THE COST OF THE SAME MOTOR
21 VEHICLE THAT USES A TRADITIONAL FUEL OR, IF THE SAME VEHICLE IS NOT
22 AVAILABLE, THEN THE COST OF THE MOST SIMILAR VEHICLE, TAKING INTO
23 ACCOUNT THE MODEL, MAKE, ENGINE SIZE, AND OPTIONS, THAT USES A
24 TRADITIONAL FUEL;

25 (II) THE DIFFERENCE BETWEEN THE ACTUAL COST INCURRED BY
26 SUCH PERSON DURING THE TAX YEAR IN REPLACING AN EXISTING POWER
27 SOURCE IN A MOTOR VEHICLE THAT USES A TRADITIONAL FUEL WITH A

1 POWER SOURCE THAT USES AN ALTERNATIVE FUEL AND THE COST OF
2 REPLACING THE EXISTING POWER SOURCE IN THE MOTOR VEHICLE WITH
3 THE SAME TYPE OF POWER SOURCE THAT USES A TRADITIONAL FUEL;

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

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

9 (V) (A) THE ACTUAL COST INCURRED BY SUCH PERSON DURING THE
10 TAX YEAR IN CONVERTING A HYBRID VEHICLE TO A PLUG-IN HYBRID
11 ELECTRIC VEHICLE.

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

16 (d) (I) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF THIS
17 PARAGRAPH (d), FOR THE PURPOSES OF PARAGRAPH (c) OF THIS
18 SUBSECTION (2.6), THE PERCENTAGE OF THE DIFFERENCE IN ACTUAL COST
19 INCURRED OR THE PERCENTAGE OF THE ACTUAL COST INCURRED THAT
20 MAY BE CLAIMED AS A CREDIT PURSUANT TO PARAGRAPH (b) OF THIS
21 SUBSECTION (2.6) SHALL BE AS FOLLOWS:

22	CATEGORY:	INCOME TAX YEARS COMMENCING ON OR AFTER
23		JANUARY 1, 2010, BUT PRIOR TO JANUARY 1, 2012:
24	CATEGORY 1	85%
25	CATEGORY 2	65%
26	CATEGORY 3	75%
27	CATEGORY 4	75%

- 1 **CATEGORY 5** 25%
- 2 **CATEGORY 6** 75%
- 3 **CATEGORY 7** 50%

4 (II) FOR THE PURCHASE OR CONVERSION OF A CATEGORY 3 OR
5 CATEGORY 4 MEDIUM DUTY TRUCK THAT PERMANENTLY DISPLACES A
6 MOTOR VEHICLE OR POWER SOURCE THAT IS TWELVE YEARS OLD OR
7 OLDER, THE PERCENTAGES SPECIFIED FOR CATEGORY 3 AND CATEGORY 4
8 IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (d) SHALL BE MULTIPLIED BY
9 ONE AND TWENTY-FIVE ONE-HUNDREDTHS, BUT IN NO EVENT SHALL THE
10 PERCENTAGE EXCEED ONE HUNDRED PERCENT. FOR PURPOSES OF THIS
11 SUBPARAGRAPH (II), "PERMANENTLY DISPLACES A MOTOR VEHICLE OR
12 POWER SOURCE" MEANS THE VEHICLE OR POWER SOURCE BEING REPLACED
13 WILL BE RENDERED INOPERABLE AND DONATED TO AN ESTABLISHED AUTO
14 PARTS RECYCLER, AS DEFINED IN SECTION 42-4-2201 (1), C.R.S., OR A
15 SCRAP METAL RECYCLER, THAT OPERATES PURSUANT TO ALL LAWS, RULES,
16 AND REGULATIONS OF THE STATE AND THE UNITED STATES
17 ENVIRONMENTAL PROTECTION AGENCY REGARDING RECYCLING.

18 (e) EXCEPT AS PROVIDED IN SUB-SUBPARAGRAPH (B) OF
19 SUBPARAGRAPH (V) OF PARAGRAPH (c) OF THIS SUBSECTION (2.6), NO
20 MORE THAN ONE TAX CREDIT SHALL BE GRANTED PURSUANT TO
21 PARAGRAPH (d) OF THIS SUBSECTION (2.6) FOR ANY INDIVIDUAL MOTOR
22 VEHICLE.

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

27 (g) THIS SUBSECTION (2.6) IS REPEALED, EFFECTIVE DECEMBER 31,

1 2016.

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

5 **39-22-516.5. Tax credit for innovative motor vehicles - repeal.**

6 (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
7 REQUIRES:

8 (a) "ACTUAL COST INCURRED" MEANS THE ACTUAL COST PAID BY
9 THE PURCHASER FOR THE VEHICLE, CONVERSION, OR IDLING REDUCTION
10 TECHNOLOGIES. THE ACTUAL COST PAID SHALL BE CALCULATED AS THE
11 NET OF ANY CREDITS, GRANTS, OR REBATES, INCLUDING FEDERAL CREDITS,
12 GRANTS, OR REBATES FOR WHICH THE PURCHASER IS ELIGIBLE, BUT
13 EXCLUDING THE CREDIT SPECIFIED IN THIS SECTION.

14 (b) "ALTERNATIVE FUEL" MEANS AN ALTERNATIVE FUEL AS
15 DEFINED IN SECTION 25-7-106.8 (1) (a), C.R.S.

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

20 [REDACTED]

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

24 (e) "CATEGORY 3" MEANS LIGHT DUTY PASSENGER VEHICLE, LIGHT
25 DUTY TRUCK, AND MEDIUM DUTY TRUCK DIESEL-ELECTRIC HYBRID
26 CONVERSIONS THAT INCREASE THE FUEL ECONOMY OF THE ORIGINAL
27 MOTOR VEHICLE BY FORTY PERCENT OR MORE.

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

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

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

13

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

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

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

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

1 GROUND.

2 (m) "LIGHT DUTY TRUCK" MEANS A TRUCK BETWEEN ZERO AND
3 FOURTEEN THOUSAND POUNDS GVWR.

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

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

11 (p) "MOTOR VEHICLE" MEANS ANY SELF-PROPELLED VEHICLE,
12 INCLUDING A VEHICLE THAT USES A HYBRID PROPULSION SYSTEM, THAT IS:

13 (I) TITLED AND REGISTERED IN THE STATE; AND

14 (II) REQUIRED TO BE LICENSED OR SUBJECT TO LICENSING FOR
15 OPERATION UPON THE HIGHWAYS OF THE STATE.

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

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

24 (s) "TRADITIONAL FUEL" MEANS A PETROLEUM-BASED MOTOR FUEL
25 COMMONLY USED ON THE HIGHWAYS OF THE STATE IN THE YEAR 2008.

26 (t) "USES AN ALTERNATIVE FUEL" OR "TO USE AN ALTERNATIVE
27 FUEL" MEANS TO OPERATE SOLELY ON AN ALTERNATIVE FUEL, TO OPERATE

1 ON BOTH AN ALTERNATIVE FUEL AND A TRADITIONAL FUEL, OR TO
2 OPERATE ALTERNATELY ON A TRADITIONAL FUEL AND AN ALTERNATIVE
3 FUEL.

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

- 9 (I) USES OR IS CONVERTED TO USE AN ALTERNATIVE FUEL;
- 10 (II) IS A HYBRID VEHICLE;
- 11 (III) IS A PLUG-IN HYBRID ELECTRIC VEHICLE;
- 12 (IV) HAS ITS POWER SOURCE REPLACED WITH A POWER SOURCE
13 THAT USES AN ALTERNATIVE FUEL; OR
- 14 (V) IS MODIFIED TO INCLUDE IDLING REDUCTION TECHNOLOGY.

15 (b) WITH RESPECT TO THE TAX YEARS COMMENCING ON JANUARY
16 1, 2012, BUT PRIOR TO JANUARY 1, 2016, THERE SHALL BE ALLOWED TO
17 ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE, NOT
18 TO EXCEED SEVEN THOUSAND FIVE HUNDRED DOLLARS, FOR EACH MOTOR
19 VEHICLE OWNED BY SUCH PERSON THAT IS CONVERTED TO A PLUG-IN
20 HYBRID ELECTRIC VEHICLE.

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

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

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

15 (e) (I) 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 (II) 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 (4) FOR THE PURPOSES OF SUBSECTION (3) OF THIS SECTION, THE
23 PERCENTAGE OF THE DIFFERENCE IN ACTUAL COST INCURRED OR THE
24 PERCENTAGE OF THE ACTUAL COST INCURRED THAT MAY BE CLAIMED AS
25 A CREDIT PURSUANT TO SUBSECTION (2) OF THIS SECTION SHALL BE AS
26 FOLLOWS:

1	CATEGORY:	INCOME	INCOME	INCOME	INCOME
2		TAX YEARS	TAX YEARS	TAX YEARS	TAX YEARS
3		COMMENC-	COMMENC-	COMMENC-	COMMENC-
4		ING ON OR	ING ON OR	ING ON OR	ING ON OR
5		AFTER	AFTER	AFTER	AFTER
6		JANUARY	JANUARY	JANUARY	JANUARY
7		1, 2012,	1, 2013,	1, 2014,	1, 2015,
8		BUT PRIOR	BUT PRIOR	BUT PRIOR	BUT PRIOR
9		TO	TO	TO	TO
10		JANUARY	JANUARY	JANUARY	JANUARY
11		1, 2013:	1, 2014:	1, 2015:	1, 2016:
12	CATEGORY 1	75%	75%	75%	75%
13	CATEGORY 2	45%	25%	15%	15%
14	CATEGORY 3	55%	35%	25%	25%
15	CATEGORY 4	55%	35%	25%	25%
16	CATEGORY 5	25%	25%	25%	25%
17	CATEGORY 6	10%	10%	0%	0%

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

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

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

27 **SECTION 5.** 39-33-101, Colorado Revised Statutes, is amended

1 to read:

2 **39-33-101. Definitions - repeal.** As used in this article, unless
3 the context otherwise requires:

4 (1) "ACTUAL COST INCURRED" MEANS THE ACTUAL COST PAID BY
5 THE PURCHASER FOR THE VEHICLE, CONVERSION, OR IDLING REDUCTION
6 TECHNOLOGIES. THE ACTUAL COST PAID SHALL BE CALCULATED AS THE
7 NET OF ANY CREDITS, GRANTS, OR REBATES, INCLUDING FEDERAL CREDITS,
8 GRANTS, OR REBATES FOR WHICH THE PURCHASER IS ELIGIBLE, BUT
9 EXCLUDING THE REBATE SPECIFIED IN THIS ARTICLE.

10 ~~(1)~~ (2) "Alternative fuel" means an alternative fuel as defined in
11 section 25-7-106.8 (1) (a), C.R.S.

12 (3) ~~Repeated~~ "CATEGORY 1" MEANS A MOTOR VEHICLE THAT
13 COMPLIES WITH BIN 1 OF THE FEDERAL TIER 2 EMISSIONS STANDARDS
14 PUBLISHED BY THE FEDERAL ENVIRONMENTAL PROTECTION AGENCY IN
15 THE FEDERAL REGISTER AT 65 FR 6698 (FEBRUARY 10, 2000), AS
16 AMENDED.

17
18 (4) "CATEGORY 2" MEANS LIGHT DUTY PASSENGER VEHICLE
19 DIESEL-ELECTRIC HYBRIDS WITH A MINIMUM FUEL ECONOMY OF SEVENTY
20 MILES PER GALLON.

21 (5) "CATEGORY 3" MEANS LIGHT DUTY PASSENGER VEHICLE, LIGHT
22 DUTY TRUCK, AND MEDIUM DUTY TRUCK DIESEL-ELECTRIC HYBRID
23 CONVERSIONS THAT INCREASE THE FUEL ECONOMY OF THE ORIGINAL
24 MOTOR VEHICLE BY FORTY PERCENT OR MORE.

25 (6) "CATEGORY 4" MEANS LIGHT DUTY PASSENGER VEHICLE, LIGHT
26 DUTY TRUCK, AND MEDIUM DUTY TRUCK COMPRESSED NATURAL GAS
27 CONVERSIONS CERTIFIED BY THE UNITED STATES ENVIRONMENTAL

1 PROTECTION AGENCY AND ORIGINAL EQUIPMENT MANUFACTURER
2 COMPRESSED NATURAL GAS VEHICLES.

3 (7) "CATEGORY 5" MEANS ANY IDLING REDUCTION TECHNOLOGIES.

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

10

11 ~~(3)~~ (9) "Executive director" means the executive director of the
12 department of revenue.

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

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

18 (12) "IDLING REDUCTION TECHNOLOGIES" MEANS IDLING
19 REDUCTION DEVICES OR ADVANCED INSULATION, AS THOSE TERMS ARE
20 DEFINED IN SECTION 4053 OF THE FEDERAL "INTERNAL REVENUE CODE OF
21 1986", AS AMENDED, EXEMPT FROM FEDERAL EXCISE TAX PURSUANT TO
22 SAID SECTION 4053.

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

1 GROUND.

2 (14) "LIGHT DUTY TRUCK" MEANS A TRUCK BETWEEN ZERO AND
3 FOURTEEN THOUSAND POUNDS GVWR.

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

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

11 ~~(4)~~ (17) "Motor vehicle" means any self-propelled vehicle
12 required to be licensed or subject to licensing for operation upon the
13 highways of this state, including a vehicle that uses a hybrid propulsion
14 system.

15 ~~(5)~~ (18) (a) "Near zero-emitting vehicle" means a motor vehicle
16 exhibiting emissions characteristics that are near those of a zero-emitting
17 vehicle. To qualify as a near zero-emitting vehicle, a motor vehicle must
18 meet at least one of the following minimum requirements:

19 ~~(a)~~ (I) The vehicle must be certified by the federal environmental
20 protection agency as meeting an emission standard between the
21 ultra-low-emitting vehicle emission standard and the zero-emitting
22 vehicle emission standard; or

23 ~~(b)~~ (II) The vehicle must be certified by the federal environmental
24 protection agency as meeting the federal ultra-low-emitting vehicle
25 emission standard and must be certified by any state as provided in the
26 "Federal Clean Air Act" to an emission standard between the
27 ultra-low-emitting vehicle emission standard and the zero-emitting

1 vehicle emission standard.

2 (b) THIS SUBSECTION (18) IS REPEALED, EFFECTIVE JULY 1, 2010.

3 (19) "PLUG-IN HYBRID ELECTRIC VEHICLE" MEANS A HYBRID
4 VEHICLE THAT CAN OPERATE SOLELY ON ELECTRIC POWER FOR A MINIMUM
5 OF TWENTY MILES UNDER CITY DRIVING CONDITIONS AND THAT IS
6 CAPABLE OF RECHARGING ITS BATTERY FROM AN OFF-BOARD ELECTRICITY
7 SOURCE.

8 (6) (20) "Power source" means the engine or motor and associated
9 wiring, fuel lines, engine coolant system, fuel storage containers, and
10 miscellaneous components.

11 (7) (21) "Qualified entity" means:

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

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

18 (8) (22) "Traditional fuel" means a petroleum-based motor fuel
19 commonly used on the highways of this state in the year 1994 YEAR 2008.

20 (9) (23) "Uses an alternative fuel" or "to use an alternative fuel"
21 means to operate solely on an alternative fuel, to operate on both an
22 alternative fuel and a traditional fuel, or to operate alternately on a
23 traditional fuel and an alternative fuel.

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

27 **39-33-102. Rebate for motor vehicles using alternative fuels.**

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

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

- 10 (a) USES OR IS CONVERTED TO USE AN ALTERNATIVE FUEL;
- 11 (b) HAS ITS POWER SOURCE REPLACED WITH A POWER SOURCE
12 THAT USES AN ALTERNATIVE FUEL;
- 13 (c) USES OR IS CONVERTED TO USE AN ALTERNATIVE FUEL;
- 14 (d) IS A HYBRID VEHICLE;
- 15 (e) IS OR IS CONVERTED TO A PLUG-IN HYBRID ELECTRIC VEHICLE;
- 16 OR
- 17 (f) IS MODIFIED TO INCLUDE IDLING REDUCTION TECHNOLOGY.

18 **SECTION 7.** The introductory portion to 39-33-103 (1) and
19 39-33-103 (2) (a) (I) and (3), Colorado Revised Statutes, are amended,
20 and the said 39-33-103 is further amended BY THE ADDITION OF A
21 NEW SUBSECTION, to read:

22 **39-33-103. Amount of rebate for costs incurred prior to July**
23 **1, 2009 - repeal.** (1) The aggregate of all rebates granted to a qualified
24 entity shall not exceed three hundred fifty thousand dollars in any state
25 fiscal year. The rebate granted to a qualified entity for each motor vehicle
26 pursuant to this ~~article~~ SECTION shall not be an amount that exceeds the
27 percentage, as set forth in paragraph (a) of subsection (2) of this section,

1 of the following:

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

7	Certification	For costs	For costs	For costs
8	Low-emitting	50%	25%	0%
9	Ultra-low-emitting	75%	50%	25%
10	Zero-emitting	85%	75%	50%

11 (3) Any application for a rebate shall be filed within twelve
12 months after the end of the month in which the cost is incurred by the
13 qualified entity. The executive director shall grant rebates in the order in
14 which applications are received as moneys are made available. The
15 executive director shall grant rebates to qualified entities only if the cost
16 is incurred on or after July 1, 1998, but prior to ~~July 1, 2011~~ JULY 1, 2009.
17 No rebate shall be granted more than twenty-four months after the date
18 upon which the cost is incurred. Rebates shall be granted only from
19 available moneys in the alternative fuels rebate fund created in section
20 39-33-105, and in no event shall the state have any obligation to provide
21 rebates from any source other than the fund. For the purposes of this
22 section, "cost is incurred" means, at the option of a qualified entity, either
23 the date when the entity obligates itself to make a purchase or the date on
24 which the entity pays for such purchase.

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

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

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

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

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

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

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

27 (e) (I) THE ACTUAL COST OF CONVERTING THE VEHICLE FROM A

1 HYBRID VEHICLE TO A PLUG-IN HYBRID ELECTRIC VEHICLE.

2 (II) QUALIFIED ENTITIES WHO RECEIVED A REBATE IN PREVIOUS
3 YEARS FOR THE PURCHASE OF MODEL YEAR 2004 AND NEWER HYBRID
4 VEHICLES ARE ELIGIBLE TO APPLY FOR AN ADDITIONAL REBATE FOR THE
5 CONVERSION OF SUCH A HYBRID VEHICLE TO A PLUG-IN HYBRID ELECTRIC
6 VEHICLE.

7 (2) (a) FOR THE PURPOSES OF SUBSECTION (1) OF THIS SECTION,
8 THE PERCENTAGE OF THE DIFFERENCE IN ACTUAL COST INCURRED OR THE
9 PERCENTAGE OF THE ACTUAL COST INCURRED BY A QUALIFIED ENTITY FOR
10 WHICH A REBATE MAY BE GRANTED PURSUANT TO THIS ARTICLE SHALL BE
11 AS FOLLOWS:

12	CATEGORY:	FOR	FOR	FOR	FOR	FOR
13		COSTS	COSTS	COSTS	COSTS	COSTS
14		INCUR-	INCUR-	INCUR-	INCUR	INCUR-
15		RED ON	RED ON	RED ON	-RED ON	RED ON
16		OR	OR	OR	OR	OR
17		AFTER	AFTER	AFTER	AFTER	AFTER
18		JULY 1,	JULY 1,	JULY 1,	JULY 1,	JULY 1,
19		2009,	2010,	2011,	2012,	2013,
20		BUT	BUT	BUT	BUT	BUT
21		PRIOR	PRIOR	PRIOR	PRIOR	PRIOR
22		TO	TO	TO	TO	TO
23		JULY 1,	JULY 1,	JULY 1,	JULY 1,	JULY 1,
24		2010:	2011:	2012:	2013:	2015:
25	CATEGORY 1	85%	75%	75%	75%	75%
26	CATEGORY 2	65%	45%	25%	15%	15%
27	CATEGORY 3	75%	55%	35%	25%	25%

1	CATEGORY 4	75%	55%	35%	25%	25%
2	CATEGORY 5	25%	25%	25%	25%	25%
3	CATEGORY 6	75%	10%	10%	0%	0%

4 (b) FOR A MOTOR VEHICLE THAT IS NOT USED SOLELY AND
5 EXCLUSIVELY FOR THE BUSINESS OR OFFICIAL ACTIVITIES OF THE
6 QUALIFIED ENTITY, THE AMOUNT OF THE REBATE ALLOWED PURSUANT TO
7 THIS SECTION SHALL BE PRORATED IN PROPORTION TO THE PERCENTAGE OF
8 TIME DURING THE CALENDAR YEAR THAT THE MOTOR VEHICLE IS USED FOR
9 THE BUSINESS OR OFFICIAL ACTIVITIES OF THE ENTITY.

10 (c) EXCEPT AS PROVIDED IN SUBPARAGRAPH (II) OF PARAGRAPH (e)
11 OF SUBSECTION (1) OF THIS SECTION, NO MORE THAN ONE REBATE SHALL
12 BE GRANTED PURSUANT TO THIS SECTION FOR ANY INDIVIDUAL MOTOR
13 VEHICLE.

14 (3) ANY APPLICATION FOR A REBATE SHALL BE FILED WITHIN
15 TWELVE MONTHS AFTER THE END OF THE MONTH IN WHICH THE COST IS
16 INCURRED BY THE QUALIFIED ENTITY. THE EXECUTIVE DIRECTOR SHALL
17 GRANT REBATES IN THE ORDER IN WHICH APPLICATIONS ARE RECEIVED AS
18 MONEYS ARE MADE AVAILABLE. THE EXECUTIVE DIRECTOR SHALL GRANT
19 REBATES TO QUALIFIED ENTITIES ONLY IF THE COST IS INCURRED ON OR
20 AFTER JULY 1, 2009, BUT PRIOR TO JULY 1, 2015. NO REBATE SHALL BE
21 GRANTED MORE THAN TWENTY-FOUR MONTHS AFTER THE DATE UPON
22 WHICH THE COST IS INCURRED. REBATES SHALL BE GRANTED ONLY FROM
23 AVAILABLE MONEYS IN THE ALTERNATIVE FUELS REBATE FUND CREATED
24 IN SECTION 39-33-105, AND IN NO EVENT SHALL THE STATE HAVE ANY
25 OBLIGATION TO PROVIDE REBATES FROM ANY SOURCE OTHER THAN THE
26 FUND. FOR THE PURPOSES OF THIS SECTION, "COST IS INCURRED" MEANS,
27 AT THE OPTION OF A QUALIFIED ENTITY, EITHER THE DATE WHEN THE

1 ENTITY OBLIGATES ITSELF TO MAKE A PURCHASE OR THE DATE ON WHICH
2 THE ENTITY PAYS FOR SUCH PURCHASE.

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

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

6 **39-33-106. Repeal of article.** This article is repealed, effective
7 ~~July 1, 2012~~ JULY 1, 2016.

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

10 **24-30-1104. Central services functions of the department -**
11 **definitions.** (2) In addition to the county-specific functions set forth in
12 subsection (1) of this section, the department of personnel shall take such
13 steps as are necessary to fully implement a central state motor vehicle
14 fleet system by January 1, 1993. The provisions of the motor vehicle fleet
15 system created pursuant to this subsection (2) shall apply to the executive
16 branch of the state of Colorado, its departments, its institutions, and its
17 agencies; except that the governing board of each institution of higher
18 education, by formal action of the board, and the Colorado commission
19 on higher education, by formal action of the commission, may elect to be
20 exempt from the provisions of this subsection (2) and may obtain a motor
21 vehicle fleet system independent of the state motor vehicle fleet system.
22 Under the direction of the executive director, the department of personnel
23 shall perform the following functions pertaining to the motor vehicle fleet
24 system throughout the state:

25 (c) (II) By January 1, 2008, the executive director shall adopt a
26 policy to significantly increase the utilization of alternative fuels and that
27 establishes increasing utilization objectives for each following year. To

1 encourage compliance with this policy, the rules promulgated pursuant to
2 this paragraph (c) may establish progressively more stringent percentage
3 mileposts and shall, for fiscal years commencing after July 1, 2004,
4 require the collection of data concerning the annual percentage of
5 state-owned bi-fueled vehicles that were fueled exclusively with an
6 alternative fuel. Beginning January 1, 2008, the executive director shall
7 purchase flexible fuel vehicles or hybrid vehicles, subject to availability,
8 unless the increased cost of such vehicle is more than ten percent over the
9 cost of a comparable nonflexible fuel vehicle. The executive director
10 shall adopt a policy to allow some vehicles to be exempted from this
11 requirement. As used in this subparagraph (II):

12 (B) "Hybrid vehicle" ~~has the meaning established in section~~
13 ~~39-22-516 (2.5) (a) (H.5), C.R.S.~~ MEANS A MOTOR VEHICLE WITH A
14 HYBRID PROPULSION SYSTEM THAT USES AN ALTERNATIVE FUEL BY
15 OPERATING ON BOTH AN ALTERNATIVE FUEL, INCLUDING ELECTRICITY,
16 AND A TRADITIONAL FUEL.

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

19 **39-26-719. Motor vehicles.** (1) (b) For purposes of this
20 subsection (1), unless the context otherwise requires:

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

26 (III) "Power source" ~~shall have the same meaning as set forth in~~
27 ~~section 39-22-516 (2.5) (a) (V)~~ MEANS THE ENGINE OR MOTOR AND

1 ASSOCIATED WIRING, FUEL LINES, ENGINE COOLANT SYSTEM, FUEL
2 STORAGE CONTAINERS, AND MISCELLANEOUS COMPONENTS.

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

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

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

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

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

18 **42-4-1012. High occupancy vehicle (HOV) and high occupancy**
19 **toll (HOT) lanes.** (2.5) (a) (III) As used in this subsection (2.5), "hybrid
20 vehicle" ~~has the meaning established in section 39-22-516 (2.5) (a) (II.5);~~
21 ~~C.R.S.~~ MEANS A MOTOR VEHICLE WITH A HYBRID PROPULSION SYSTEM
22 THAT USES AN ALTERNATIVE FUEL BY OPERATING ON BOTH AN
23 ALTERNATIVE FUEL, INCLUDING ELECTRICITY, AND A TRADITIONAL FUEL.

24 **SECTION 13. Appropriation.** In addition to any other
25 appropriation, there is hereby appropriated, out of any moneys in the
26 alternative fuels rebate fund created in section 39-33-105 (1), Colorado
27 Revised Statutes, not otherwise appropriated, to the department of

1 revenue, for allocation to the taxation business group, special purpose
2 section, alternative fuels rebate, for the fiscal year beginning July 1, 2009,
3 the sum of one hundred eighty-nine thousand three hundred ninety-nine
4 dollars (\$189,399) cash funds, or so much thereof as may be necessary,
5 for the implementation of this act.

6 **SECTION 14. Safety clause.** The general assembly hereby finds,
7 determines, and declares that this act is necessary for the immediate
8 preservation of the public peace, health, and safety.