

**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.**

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.*

HOUSE
3rd Reading Unamended
April 29, 2009

HOUSE
Amended 2nd Reading
April 28, 2009

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) "ACTUAL COST INCURRED" MEANS THE ACTUAL COST PAID BY

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

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

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

12 [REDACTED]

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

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

1 COMPARABLE IN WEIGHT, SIZE, AND USE. FUEL ECONOMY COMPARISONS
2 SHALL BE MADE USING CITY FUEL ECONOMY STANDARDS IN A MANNER
3 THAT IS SUBSTANTIALLY SIMILAR TO THE MANNER IN WHICH CITY FUEL
4 ECONOMY IS MEASURED IN ACCORDANCE WITH PROCEDURES SET FORTH IN
5 40 C.F.R. 600, AS IN EFFECT ON AUGUST 8, 2005.

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

11 (VII) "CATEGORY 5" MEANS ANY IDLING REDUCTION
12 TECHNOLOGIES.

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

19 (IX) (A) "CATEGORY 7" MEANS A MOTOR VEHICLE THAT COMPLIES
20 WITH BIN 2 OR BIN 3 OF THE FEDERAL TIER 2 EMISSIONS STANDARDS
21 PUBLISHED BY THE FEDERAL ENVIRONMENTAL PROTECTION AGENCY IN
22 THE FEDERAL REGISTER AT 65 FR 6698 (FEBRUARY 10, 2000), AS
23 AMENDED, WITH A MINIMUM FUEL ECONOMY OF THIRTY MILES PER GALLON
24 OR MILES PER GALLON GASOLINE EQUIVALENT OR GREATER, BUT LESS
25 THAN FORTY MILES PER GALLON OR MILES PER GALLON GASOLINE
26 EQUIVALENT.

27 [REDACTED]

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

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

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

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

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

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

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

24 (XVI) "MILES PER GALLON GASOLINE EQUIVALENT" MEANS THE
25 STANDARD UNIT OF MEASURE THAT MEASURES HOW MANY MILES AN
26 ALTERNATIVE VEHICLE CAN TRAVEL ON THE EQUIVALENT ENERGY OF ONE
27 UNITED STATES GALLON OF TRADITIONAL FUEL.

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

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

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

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

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

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

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

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

1 (A) USES OR IS CONVERTED TO USE AN ALTERNATIVE FUEL;
2 (B) IS A HYBRID VEHICLE;
3 (C) IS A PLUG-IN HYBRID ELECTRIC VEHICLE;
4 (D) HAS ITS POWER SOURCE REPLACED WITH A POWER SOURCE
5 THAT USES AN ALTERNATIVE FUEL;

6 (E) IS MODIFIED TO INCLUDE IDLING REDUCTION TECHNOLOGY; OR
7 (F) IS CONVERTED TO A PLUG-IN HYBRID ELECTRIC VEHICLE.

8 (II) WITH RESPECT TO THE TAX YEARS COMMENCING ON JANUARY
9 1, 2010, AND JANUARY 1, 2011, THERE SHALL BE ALLOWED TO ANY
10 PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE FOR EACH
11 CATEGORY 4 VEHICLE.

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

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

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

1 THE SAME TYPE OF POWER SOURCE THAT USES A TRADITIONAL FUEL;

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

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

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

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

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

20	CATEGORY:	INCOME TAX YEARS COMMENCING ON OR AFTER
21		JANUARY 1, 2010, BUT PRIOR TO JANUARY 1, 2012:
22	CATEGORY 1	85%
23	CATEGORY 2	65%
24	CATEGORY 3	75%
25	CATEGORY 4	75%
26	CATEGORY 5	25%
27	CATEGORY 6	75%

1 **CATEGORY 7** 50%

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

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

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

25 (g) THIS SUBSECTION (2.6) IS REPEALED, EFFECTIVE DECEMBER 31,
26 2016.

27 **SECTION 4.** Part 5 of article 22 of title 39, Colorado Revised

1 Statutes, is amended BY THE ADDITION OF A NEW SECTION to
2 read:

3 **39-22-516.5. Tax credit for innovative motor vehicles - repeal.**

4 (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
5 REQUIRES:

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

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

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

18 [REDACTED]

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

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

26 (f) "CATEGORY 4" MEANS LIGHT DUTY PASSENGER VEHICLE, LIGHT
27 DUTY TRUCK, AND MEDIUM DUTY TRUCK COMPRESSED NATURAL GAS

1 CONVERSIONS CERTIFIED BY THE UNITED STATES ENVIRONMENTAL
2 PROTECTION AGENCY AND ORIGINAL EQUIPMENT MANUFACTURER
3 COMPRESSED NATURAL GAS VEHICLES.

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

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

11 [REDACTED]

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

21 (l) "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 (m) "LIGHT DUTY TRUCK" MEANS A TRUCK BETWEEN ZERO AND

1 FOURTEEN THOUSAND POUNDS GVWR.

2 (n) "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 (o) "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 (p) "MOTOR VEHICLE" MEANS ANY SELF-PROPELLED VEHICLE,
10 INCLUDING A VEHICLE THAT USES A HYBRID PROPULSION SYSTEM, THAT IS:

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

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

14 (q) "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 OFF-BOARD ELECTRICITY
18 SOURCE.

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

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

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

1 FUEL.

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

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

8 (II) IS A HYBRID VEHICLE;

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

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

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

13 (b) WITH RESPECT TO THE TAX YEARS COMMENCING ON JANUARY
14 1, 2012, BUT PRIOR TO JANUARY 1, 2016, THERE SHALL BE ALLOWED TO
15 ANY PERSON A CREDIT AGAINST THE TAX IMPOSED BY THIS ARTICLE, NOT
16 TO EXCEED SEVEN THOUSAND FIVE HUNDRED DOLLARS, FOR EACH MOTOR
17 VEHICLE OWNED BY SUCH PERSON THAT IS CONVERTED TO A PLUG-IN
18 HYBRID ELECTRIC VEHICLE.

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

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

1 TRADITIONAL FUEL;

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

8 (c) THE ACTUAL COST INCURRED BY SUCH PERSON DURING THE TAX
9 YEAR IN CONVERTING THE MOTOR VEHICLE TO A FUEL SYSTEM THAT USES
10 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 INCURRED BY SUCH PERSON DURING THE
14 TAX YEAR IN CONVERTING A HYBRID VEHICLE TO A PLUG-IN HYBRID
15 ELECTRIC VEHICLE.

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

20 (4) FOR THE PURPOSES OF SUBSECTION (3) OF THIS SECTION, THE
21 PERCENTAGE OF THE DIFFERENCE IN ACTUAL COST INCURRED OR THE
22 PERCENTAGE OF THE ACTUAL COST INCURRED THAT MAY BE CLAIMED AS
23 A CREDIT PURSUANT TO SUBSECTION (2) OF THIS SECTION SHALL BE AS
24 FOLLOWS:

25	CATEGORY:	INCOME	INCOME	INCOME	INCOME
26		TAX YEARS	TAX YEARS	TAX YEARS	TAX YEARS
27		COMMENC-	COMMENC-	COMMENC-	COMMENC-

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

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

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

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

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

25 **39-33-101. Definitions - repeal.** As used in this article, unless
26 the context otherwise requires:

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

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

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

14 [REDACTED]

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

18 (5) "CATEGORY 3" MEANS LIGHT DUTY PASSENGER VEHICLE, LIGHT
19 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.

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

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

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

7
8 ~~(3)~~ (9) "Executive director" means the executive director of the
9 department of revenue.

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

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

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

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

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

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

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

8 ~~(4)~~ (17) "Motor vehicle" means any self-propelled vehicle
9 required to be licensed or subject to licensing for operation upon the
10 highways of this state, including a vehicle that uses a hybrid propulsion
11 system.

12 ~~(5)~~ (18) (a) "Near zero-emitting vehicle" means a motor vehicle
13 exhibiting emissions characteristics that are near those of a zero-emitting
14 vehicle. To qualify as a near zero-emitting vehicle, a motor vehicle must
15 meet at least one of the following minimum requirements:

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

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

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

27 (19) "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 (6) (20) "Power source" means the engine or motor and associated
6 wiring, fuel lines, engine coolant system, fuel storage containers, and
7 miscellaneous components.

8 (7) (21) "Qualified entity" means:

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

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

15 (8) (22) "Traditional fuel" means a petroleum-based motor fuel
16 commonly used on the highways of this state in the year ~~1994~~ YEAR 2008.

17 (9) (23) "Uses an alternative fuel" or "to use an alternative fuel"
18 means to operate solely on an alternative fuel, to operate on both an
19 alternative fuel and a traditional fuel, or to operate alternately on a
20 traditional fuel and an alternative fuel.

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

24 **39-33-102. Rebate for motor vehicles using alternative fuels.**

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

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

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

15 **SECTION 7.** The introductory portion to 39-33-103 (1) and
16 39-33-103 (2) (a) (I) and (3), Colorado Revised Statutes, are amended,
17 and the said 39-33-103 is further amended BY THE ADDITION OF A
18 NEW SUBSECTION, to read:

19 **39-33-103. Amount of rebate for costs incurred prior to July**
20 **1, 2009 - repeal.** (1) The aggregate of all rebates granted to a qualified
21 entity shall not exceed three hundred fifty thousand dollars in any state
22 fiscal year. The rebate granted to a qualified entity for each motor vehicle
23 pursuant to this ~~article~~ SECTION shall not be an amount that exceeds the
24 percentage, as set forth in paragraph (a) of subsection (2) of this section,
25 of the following:

26 (2) (a) (I) For the purposes of subsection (1) of this section, except
27 as otherwise provided in subparagraph (II) of this paragraph (a), the

1 percentage of the difference in actual cost incurred or the percentage of
 2 the actual cost incurred by a qualified entity for which a rebate may be
 3 granted pursuant to this ~~article~~ SECTION shall be as follows:

4 Certification	For costs	For costs	For costs
5 Low-emitting	50%	25%	0%
6 Ultra-low-emitting	75%	50%	25%
7 Zero-emitting	85%	75%	50%

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

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

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

25 **39-33-103.5. Amount of rebate for costs incurred prior to July**
 26 **1, 2015 - repeal.** (1) THE AGGREGATE OF ALL REBATES GRANTED TO A
 27 QUALIFIED ENTITY SHALL NOT EXCEED THREE HUNDRED FIFTY THOUSAND

1 DOLLARS IN ANY STATE FISCAL YEAR. THE REBATE GRANTED TO A
2 QUALIFIED ENTITY FOR EACH MOTOR VEHICLE PURSUANT TO THIS SECTION
3 SHALL NOT BE AN AMOUNT THAT EXCEEDS THE PERCENTAGE, AS SET
4 FORTH IN PARAGRAPH (a) OF SUBSECTION (2) OF THIS SECTION, OF THE
5 FOLLOWING:

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

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

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

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

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

26 (II) QUALIFIED ENTITIES WHO RECEIVED A REBATE IN PREVIOUS
27 YEARS FOR THE PURCHASE OF MODEL YEAR 2004 AND NEWER HYBRID

1 VEHICLES ARE ELIGIBLE TO APPLY FOR AN ADDITIONAL REBATE FOR THE
 2 CONVERSION OF SUCH A HYBRID VEHICLE TO A PLUG-IN HYBRID ELECTRIC
 3 VEHICLE.

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

9	CATEGORY:	FOR	FOR	FOR	FOR	FOR
10		COSTS	COSTS	COSTS	COSTS	COSTS
11		INCUR-	INCUR-	INCUR-	INCUR	INCUR-
12		RED ON	RED ON	RED ON	-RED ON	RED ON
13		OR	OR	OR	OR	OR
14		AFTER	AFTER	AFTER	AFTER	AFTER
15		JULY 1,	JULY 1,	JULY 1,	JULY 1,	JULY 1,
16		2009,	2010,	2011,	2012,	2013,
17		BUT	BUT	BUT	BUT	BUT
18		PRIOR	PRIOR	PRIOR	PRIOR	PRIOR
19		TO	TO	TO	TO	TO
20		JULY 1,	JULY 1,	JULY 1,	JULY 1,	JULY 1,
21		2010:	2011:	2012:	2013:	2015:
22	CATEGORY 1	85%	75%	75%	75%	75%
23	CATEGORY 2	65%	45%	25%	15%	15%
24	CATEGORY 3	75%	55%	35%	25%	25%
25	CATEGORY 4	75%	55%	35%	25%	25%
26	CATEGORY 5	25%	25%	25%	25%	25%
27	CATEGORY 6	75%	10%	10%	0%	0%

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

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

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

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

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

3 **39-33-106. Repeal of article.** This article is repealed, effective
4 ~~July 1, 2012~~ JULY 1, 2016.

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

7 **24-30-1104. Central services functions of the department -**
8 **definitions.** (2) In addition to the county-specific functions set forth in
9 subsection (1) of this section, the department of personnel shall take such
10 steps as are necessary to fully implement a central state motor vehicle
11 fleet system by January 1, 1993. The provisions of the motor vehicle fleet
12 system created pursuant to this subsection (2) shall apply to the executive
13 branch of the state of Colorado, its departments, its institutions, and its
14 agencies; except that the governing board of each institution of higher
15 education, by formal action of the board, and the Colorado commission
16 on higher education, by formal action of the commission, may elect to be
17 exempt from the provisions of this subsection (2) and may obtain a motor
18 vehicle fleet system independent of the state motor vehicle fleet system.
19 Under the direction of the executive director, the department of personnel
20 shall perform the following functions pertaining to the motor vehicle fleet
21 system throughout the state:

22 (c) (II) By January 1, 2008, the executive director shall adopt a
23 policy to significantly increase the utilization of alternative fuels and that
24 establishes increasing utilization objectives for each following year. To
25 encourage compliance with this policy, the rules promulgated pursuant to
26 this paragraph (c) may establish progressively more stringent percentage
27 mileposts and shall, for fiscal years commencing after July 1, 2004,

1 require the collection of data concerning the annual percentage of
2 state-owned bi-fueled vehicles that were fueled exclusively with an
3 alternative fuel. Beginning January 1, 2008, the executive director shall
4 purchase flexible fuel vehicles or hybrid vehicles, subject to availability,
5 unless the increased cost of such vehicle is more than ten percent over the
6 cost of a comparable nonflexible fuel vehicle. The executive director
7 shall adopt a policy to allow some vehicles to be exempted from this
8 requirement. As used in this subparagraph (II):

9 (B) "Hybrid vehicle" ~~has the meaning established in section~~
10 ~~39-22-516 (2.5) (a) (H.5), C.R.S.~~ MEANS A MOTOR VEHICLE WITH A
11 HYBRID PROPULSION SYSTEM THAT USES AN ALTERNATIVE FUEL BY
12 OPERATING ON BOTH AN ALTERNATIVE FUEL, INCLUDING ELECTRICITY,
13 AND A TRADITIONAL FUEL.

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

16 **39-26-719. Motor vehicles.** (1) (b) For purposes of this
17 subsection (1), unless the context otherwise requires:

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

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

27 (2) The following shall be exempt from taxation under the

1 provisions of part 2 of this article:

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

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

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

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

15 **42-4-1012. High occupancy vehicle (HOV) and high occupancy**
16 **toll (HOT) lanes.** (2.5) (a) (III) As used in this subsection (2.5), "hybrid
17 vehicle" ~~has the meaning established in section 39-22-516 (2.5) (a) (II.5);~~
18 ~~C.R.S.~~ MEANS A MOTOR VEHICLE WITH A HYBRID PROPULSION SYSTEM
19 THAT USES AN ALTERNATIVE FUEL BY OPERATING ON BOTH AN
20 ALTERNATIVE FUEL, INCLUDING ELECTRICITY, AND A TRADITIONAL FUEL.

21

== ==

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