

First Regular Session  
Sixty-ninth General Assembly  
STATE OF COLORADO

**PREAMENDED**

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

LLS NO. 13-0360.01 Ed DeCecco x4216

**HOUSE BILL 13-1110**

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**HOUSE SPONSORSHIP**

**Fischer,**

**SENATE SPONSORSHIP**

**Jones,**

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**House Committees**

Transportation & Energy  
Finance  
Appropriations

**Senate Committees**

Transportation  
Appropriations

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**A BILL FOR AN ACT**

101 **CONCERNING CHARGES RELATED TO MOTOR VEHICLES THAT TRAVEL**  
102 **ON THE PUBLIC HIGHWAYS OF THE STATE, AND, IN CONNECTION**  
103 **THEREWITH, MAKING AN APPROPRIATION.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)*

The bill makes the following changes to the special fuel tax:

! **Section 3** of the bill modifies the definition of "distributor" to include persons who sell natural gas, certain fleet operators, and in limited circumstances, public utilities. It

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  
Amended 3rd Reading  
March 21, 2013

HOUSE  
Amended 2nd Reading  
March 19, 2013

also modifies the definition of "gallon" to include gallon gasoline equivalents.

! **Section 4** lowers the tax rates for compressed natural gas, liquefied natural gas, and liquefied petroleum gas. These rates are phased-in over 6 years.

! **Section 5** repeals the annual fee that is charged in lieu of the special fuel tax and the related decal system, so that liquefied petroleum gas and natural gas are subject to the special fuel tax. Section 5 also exempts compressed natural gas that is supplied to a user at a residential home from the special fuel tax. This exemption ends on July 1, 2017.

! **Sections 6, 7, and 8** make conforming amendments related to the preceding changes.

! **Section 9** requires the department of transportation to prepare and submit a report to the transportation legislation review committee concerning related alternative fuels and the public roads and highways.

The bill requires the director of the division of oil and public safety to promulgate the following rules:

! **Section 2** requires rules for natural gas setting forth standards related to inspections; specifications; shipment notification; record keeping; labeling of containers; use of meters or mechanical devices for measurement; submittal of installation plans; and minimum standards for the design, construction, location, installation, and operation of natural gas systems and equipment and handling of the natural gas; and

! **Section 9** requires rules related to the accurate measurement of liquefied petroleum gas and natural gas.

**Section 10** requires county clerks and recorders to annually collect a \$30 fee at the time of registration on every motor vehicle that is propelled by plug-in electricity. The money is credited to the highway users tax fund. Upon payment of this fee, a person will receive a decal that the department of revenue creates, and this decal must be attached to the upper right-hand corner of the front windshield on the motor vehicle for which it was issued.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly  
3 hereby finds and declares that:

4 (a) Liquefied petroleum gas and natural gas that are used to propel

1 a motor vehicle on the state highways are currently subject to the state  
2 special fuel tax;

3 (b) Owners or operators of motor vehicles that are powered by  
4 liquefied petroleum gas and natural gas who acquire and pay for a decal  
5 are exempt from the state special fuel tax;

6 (c) Removal of this exemption constitutes a tax policy change; and

7 (d) This tax policy change does not require prior voter approval  
8 under section 20 of article X of the state constitution because it would not  
9 cause the state to exceed the state fiscal year spending limit.

10 (2) The general assembly further finds and declares that:

11 (a) Liquefied petroleum gas and natural gas have different energy  
12 contents than gasoline or other special fuels;

13 (b) The changes to the tax rate for liquefied petroleum gas and  
14 natural gas reflect these differences;

15 (c) While the tax rates annually increase over a six-year period, all  
16 of these rates are reductions from the current rate of twenty and one-half  
17 cents per gallon on liquefied petroleum gas and natural gas;

18 (d) The establishment of these lower rates is not a tax rate increase  
19 that requires prior voter approval under section 20 of article X of the state  
20 constitution; and

21 (e) The intended purpose of this rate reduction is to fairly tax  
22 liquefied petroleum gas and natural gas and to create tax parity among  
23 special fuels based on the differences in each fuel's energy content.

24 (3) The general assembly further finds and declares that:

25 (a) Plug-in electric vehicles have impacts on the public roads and  
26 highways, as do other types of vehicles;

27 (b) While owners of motor vehicles that are propelled by plug-in

1 electricity pay state sales and use tax on their vehicle purchases and  
2 annual specific ownership taxes and vehicle registration fees, electricity  
3 is not taxed as a special fuel;

4 (c) Owners of plug-in electric vehicles have the same interest as  
5 other vehicle owners in contributing to the construction, improvement,  
6 repair, and maintenance of public roads and highways; and

7 (d) The purpose of the annual fee for these owners is to provide  
8 them with a means to pay their fair share for their vehicles' impacts on the  
9 state's public roads and highways.

10 **SECTION 2.** In Colorado Revised Statutes, 8-20-102, **add (3)** as  
11 follows:

12 **8-20-102. Duties of director of division of oil and public safety.**

13 (3) PRIOR TO JANUARY 1, 2014, THE DIRECTOR OF THE DIVISION OF OIL  
14 AND PUBLIC SAFETY SHALL PROMULGATE RULES FOR NATURAL GAS  
15 SETTING FORTH STANDARDS RELATED TO INSPECTIONS; SPECIFICATIONS;  
16 SHIPMENT NOTIFICATION; RECORD KEEPING; LABELING OF CONTAINERS;  
17 USE OF METERS OR MECHANICAL DEVICES FOR MEASUREMENT; SUBMITTAL  
18 OF INSTALLATION PLANS; AND MINIMUM STANDARDS FOR THE DESIGN,  
19 CONSTRUCTION, LOCATION, INSTALLATION, AND OPERATION OF RETAIL  
20 NATURAL GAS SYSTEMS. THE DIVISION SHALL BEGIN ENFORCING THE  
21 RULES ON JULY 1, 2014. THE DIRECTOR MAY MODIFY OR UPDATE THE  
22 RULES IN HIS OR HER DISCRETION. ALL OF THE RULES REQUIRED BY THIS  
23 SUBSECTION (3) MUST BE REASONABLY NECESSARY FOR THE PROTECTION  
24 OF THE HEALTH, WELFARE, AND SAFETY OF THE PUBLIC AND PERSONS  
25 USING SUCH MATERIALS, AND THE RULES MUST BE IN SUBSTANTIAL  
26 CONFORMITY WITH THE GENERALLY ACCEPTED STANDARDS OF SAFETY  
27 CONCERNING THE SAME SUBJECT MATTER. THE DIRECTOR SHALL ADOPT

1 THE RULES IN COMPLIANCE WITH SECTION 24-4-103, C.R.S.

2 SECTION 3. In Colorado Revised Statutes, 8-20-201, **amend** (2)  
3 as follows:

4 8-20-201. **Definitions.** As used in this part 2, unless the context  
5 otherwise requires:

6 (2) "Fuel products" means all gasoline, aviation gasoline, aviation  
7 turbine fuel, diesel, jet fuel, fuel oil, biodiesel, biodiesel blends, kerosene,  
8 all alcohol blended fuels, ~~liquified~~ LIQUEFIED petroleum gas, gas or  
9 gaseous compounds, NATURAL GAS, INCLUDING COMPRESSED NATURAL  
10 GAS AND LIQUEFIED NATURAL GAS, and all other volatile, flammable, or  
11 combustible liquids, produced, compounded, and offered for sale or used  
12 for the purpose of generating heat, light, or power in internal combustion  
13 engines or fuel cells, for cleaning, or for any other similar usage.

14 SECTION 4. In Colorado Revised Statutes, 8-20-206.5, **amend**  
15 (1) (a), (1) (d), (1) (e), (3), and (4) (b); and **add** (4) (c) as follows:

16 8-20-206.5. **Environmental response surcharge - liquefied**  
17 **petroleum gas and natural gas inspection fund - definitions.**

18 (1) (a) Every first purchaser of odorized liquefied petroleum gas, every  
19 manufacturer of fuel products who manufactures such products for sale  
20 within Colorado or who ships such products from any point outside of  
21 Colorado to a distributor within Colorado, and every distributor who ships  
22 such products from any point outside of Colorado to a point within  
23 Colorado shall pay to the executive director of the department of revenue,  
24 each calendar month, either twenty-five dollars per tank truckload of fuel  
25 products delivered during the previous calendar month for sale or use in  
26 Colorado or the fee for odorized liquefied petroleum gas AND NATURAL  
27 GAS as specified in paragraph (d) of this subsection (1), whichever is

1 applicable. Such payment shall be made on forms prescribed and  
2 furnished by the executive director. The provisions of this section shall  
3 not apply to fuel that is especially prepared and sold for use in aircraft or  
4 railroad equipment or locomotives.

5 (d) Notwithstanding paragraph (b) of this subsection (1), the  
6 executive director of the department of revenue shall have the authority  
7 to determine and adjust a fee for odorized liquefied petroleum gas AND  
8 NATURAL GAS, not to exceed ten dollars per tank truckload FOR LIQUEFIED  
9 PETROLEUM GAS AND LIQUEFIED NATURAL GAS AND PER EVERY EIGHT  
10 THOUSAND GALLON EQUIVALENTS FOR COMPRESSED NATURAL GAS.

11 (e) (I) There is hereby created the liquefied petroleum gas AND  
12 NATURAL GAS inspection fund within the state treasury. Neither this  
13 section nor section 8-20.5-103 shall be construed to make the liquefied  
14 petroleum gas AND NATURAL GAS inspection fund an enterprise fund.  
15 Such fund shall consist of:

16 (A) Liquefied petroleum gas AND NATURAL GAS inspection  
17 moneys collected pursuant to this article;

18 (B) Civil penalties collected as a result of court actions pursuant  
19 to section 8-20-104;

20 (C) Any moneys appropriated to the fund by the general assembly;  
21 and

22 (D) Any moneys granted to the department from a federal agency  
23 or trade association for administration of the department's liquefied  
24 petroleum gas AND NATURAL GAS inspection program.

25 (II) The executive director of the department of revenue shall  
26 adjust the fees collected pursuant to this article so that the balance of  
27 unexpended and unencumbered moneys in the liquefied petroleum gas

1 AND NATURAL GAS inspection fund does not exceed the amount necessary  
2 to accumulate and maintain in the liquefied petroleum gas AND NATURAL  
3 GAS inspection fund a reserve sufficient to defray administrative expenses  
4 of the division of oil and public safety for a period of two months.

5 (III) The moneys in the fund shall be subject to annual  
6 appropriation by the general assembly. Moneys in the fund shall only be  
7 used for costs related to:

8 (A) Initial and subsequent inspections of liquefied petroleum gas  
9 AND NATURAL GAS installations;

10 (B) Proving, including calibrating and adjusting, liquefied  
11 petroleum gas AND NATURAL GAS meters and dispensers;

12 (C) Abatement of fire and safety hazards at liquefied petroleum  
13 gas AND NATURAL GAS installations;

14 (D) Investigation of reported liquefied petroleum gas AND  
15 NATURAL GAS that requires state matching dollars;

16 (E) Any federal program pertaining to liquefied petroleum gas  
17 AND NATURAL GAS that requires state matching dollars;

18 (F) Liquefied petroleum gas AND NATURAL GAS product quality  
19 testing;

20 (G) Administrative costs, including costs for contract services;  
21 and

22 (H) Defraying the salaries and operating expenses incurred by the  
23 department of labor and employment in the administration of this article  
24 as it pertains to liquefied petroleum gas AND NATURAL GAS installations,  
25 meters, and dispensers. Such moneys shall be appropriated for such  
26 purposes by the general assembly.

27 (IV) The moneys in the liquefied petroleum gas AND NATURAL

1 GAS inspection fund and all interest earned on the moneys in the fund  
2 shall remain in such fund and shall not be credited or transferred to the  
3 general fund or any other fund at the end of any fiscal year.

4 (3) (a) EXCEPT AS SET FORTH IN PARAGRAPH (b) OF THIS  
5 SUBSECTION (3), it is the duty of every manufacturer or distributor as  
6 described in subsection (1) of this section to compute the amount of the  
7 surcharge payable on all tank truckloads sold by ~~him~~ THE MANUFACTURER  
8 OR DISTRIBUTOR and separately state the surcharge due on statements  
9 issued with each purchase of fuel. In the event that the manufacturer or  
10 distributor sells such fuel to a retailer or consumer or consumes such fuel,  
11 ~~he~~ THE MANUFACTURER OR DISTRIBUTOR shall pay to the department of  
12 revenue the surcharge imposed in subsection (1) of this section.

13 (b) FOR COMPRESSED NATURAL GAS, THE FUEL DISTRIBUTOR WHO  
14 REPORTS THE GALLONS FOR PURPOSES OF PAYING THE TAX SET FORTH IN  
15 ARTICLE 27 OF TITLE 39, C.R.S., SHALL PAY THE SURCHARGE IMPOSED IN  
16 SUBSECTION (1) OF THIS SECTION TO THE DEPARTMENT OF REVENUE.

17 (4) For the purposes of this section:

18 (b) "Fuel product" means gasoline, blended gasoline, gasoline sold  
19 for gasohol production, gasohol, diesel, biodiesel blends, NATURAL GAS,  
20 and special fuels, and special fuel mixes with alcohol.

21 (c) "TANK TRUCKLOAD" MEANS EIGHT THOUSAND GALLONS OR  
22 GALLON EQUIVALENTS.

23 **SECTION 5.** In Colorado Revised Statutes, 39-27-101, **amend**  
24 (7) and (11) as follows:

25 **39-27-101. Definitions - construction.** As used in this part 1,  
26 unless the context otherwise requires:

27 (7) (a) "Distributor" means:



1 (I) A gasoline or special fuel broker, ~~and~~ any person who sells  
2 special fuel to another distributor, broker, or vendor, and any vendor of  
3 ~~liquified petroleum gases~~ LIQUEFIED PETROLEUM GAS OR NATURAL GAS;

4 (II) Any person who acquires gasoline or special fuel from a  
5 supplier, importer, blender, or another distributor for the subsequent sale  
6 and distribution by tank cars, tank trucks, or both; ~~or~~

7 (III) Any person who refines, manufactures, produces,  
8 compounds, blends, or imports special fuel or gasoline;

9 (IV) A PRIVATE COMMERCIAL FLEET OPERATOR THAT USES  
10 LIQUEFIED PETROLEUM GAS OR NATURAL GAS FROM A PUBLIC UTILITY, AS  
11 DEFINED IN SECTION 40-1-103 (1), C.R.S., IF:

12 (A) THE PUBLIC UTILITY IS NOT A DISTRIBUTOR WITH RESPECT TO  
13 THE SALE OF THE LIQUEFIED PETROLEUM GAS OR NATURAL GAS; AND

14 (B) THE COMMERCIAL FLEET OPERATOR HAS NOT CONTRACTED  
15 WITH ANOTHER PERSON TO BE A DISTRIBUTOR UNDER SUBPARAGRAPH (V)  
16 OF THIS PARAGRAPH (a); OR

17 (V) ANY PERSON WHO CONTRACTS WITH A PRIVATE COMMERCIAL  
18 FLEET OPERATOR TO BE A DISTRIBUTOR ON BEHALF OF THE OPERATOR.

19 (b) "Distributor" includes every person importing gasoline or  
20 special fuel by means of a pipeline or in any other manner but does not  
21 include persons importing gasoline or special fuel contained only in the  
22 fuel tank of a motor vehicle.

23 (c) NOTWITHSTANDING ANY PROVISION OF THIS SUBSECTION (7) TO  
24 THE CONTRARY, A PUBLIC UTILITY AS DEFINED IN SECTION 40-1-103 (1),  
25 C.R.S., IS ONLY A DISTRIBUTOR IF IT SELLS SPECIAL FUEL AS A VENDOR  
26 THROUGH AN ALTERNATIVE FUEL VEHICLE CHARGING OR FUELING  
27 FACILITY THAT IS UNREGULATED UNDER SECTION 40-1-103.3, C.R.S., BUT

1 ONLY WITH RESPECT TO THOSE SALES.

2 (11) "Gallons" means gallons as measured on a gross gallons  
3 basis, as defined in section 8-20-201 (3), C.R.S.; EXCEPT THAT FOR  
4 PURPOSES OF COMPRESSED NATURAL GAS, GALLONS MEANS GALLONS AS  
5 MEASURED BY THE VOLUMETRIC REPORTING REQUIREMENTS THAT ARE  
6 INCLUDED IN THE FEDERAL EXCISE TAX RETURN, FORM 720, ESTABLISHED  
7 BY THE FEDERAL INTERNAL REVENUE SERVICE, OR ANY SUCCESSOR FORM  
8 THAT IS USED FOR PAYING THE FEDERAL FUEL TAX.

9 **SECTION 6.** In Colorado Revised Statutes, 39-27-102, **amend**  
10 (1) (a) (II) (B) and (2) (a); and **add** (1) (a) (VI), (1) (a) (VII), and (1) (a)  
11 (VIII) as follows:

12 **39-27-102. Tax imposed on gasoline and special fuel - deposits**  
13 **- penalties.** (1) (a) (II) (B) The excise tax imposed on special fuel by  
14 subparagraph (I) of this paragraph (a) ~~shall be~~ IS twenty and one-half  
15 cents per gallon or a fraction thereof for calendar years beginning on and  
16 after January 1, 1992. THIS SUB-SUBPARAGRAPH (B) DOES NOT APPLY TO  
17 ANY SPECIAL FUEL SPECIFIED IN SUBPARAGRAPHS (VI), (VII), AND (VIII)  
18 OF THIS PARAGRAPH (a).

19 (VI) THE EXCISE TAX IMPOSED ON COMPRESSED NATURAL GAS BY  
20 SUBPARAGRAPH (I) OF THIS PARAGRAPH (a) IS:

21 (A) THREE CENTS PER GALLON OR A FRACTION THEREOF FOR THE  
22 2014 CALENDAR YEAR;

23 (B) SIX CENTS PER GALLON OR A FRACTION THEREOF FOR THE 2015  
24 CALENDAR YEAR;

25 (C) NINE CENTS PER GALLON OR A FRACTION THEREOF FOR THE  
26 2016 CALENDAR YEAR;

27 (D) TWELVE CENTS PER GALLON OR A FRACTION THEREOF FOR THE

1 2017 CALENDAR YEAR;

2 (E) FIFTEEN CENTS PER GALLON OR A FRACTION THEREOF FOR THE  
3 2018 CALENDAR YEAR; AND

4 (F) EIGHTEEN AND THREE-TENTHS CENTS PER GALLON OR A  
5 FRACTION THEREOF FOR CALENDAR YEARS BEGINNING ON AND AFTER  
6 JANUARY 1, 2019.

7 (VII) THE EXCISE TAX IMPOSED ON LIQUEFIED NATURAL GAS BY  
8 SUBPARAGRAPH (I) OF THIS PARAGRAPH (a) IS:

9 (A) THREE CENTS PER GALLON OR A FRACTION THEREOF FOR THE  
10 2014 CALENDAR YEAR;

11 (B) FIVE CENTS PER GALLON OR A FRACTION THEREOF FOR THE  
12 2015 CALENDAR YEAR;

13 (C) SEVEN CENTS PER GALLON OR A FRACTION THEREOF FOR THE  
14 2016 CALENDAR YEAR;

15 (D) EIGHT CENTS PER GALLON OR A FRACTION THEREOF FOR THE  
16 2017 CALENDAR YEAR;

17 (E) TEN CENTS PER GALLON OR A FRACTION THEREOF FOR THE  
18 2018 CALENDAR YEAR; AND

19 (F) TWELVE CENTS PER GALLON OR A FRACTION THEREOF FOR  
20 CALENDAR YEARS BEGINNING ON AND AFTER JANUARY 1, 2019.

21 (VIII) THE EXCISE TAX IMPOSED ON LIQUEFIED PETROLEUM GAS BY  
22 SUBPARAGRAPH (I) OF THIS PARAGRAPH (a) IS:

23 (A) THREE CENTS PER GALLON OR A FRACTION THEREOF FOR THE  
24 2014 CALENDAR YEAR;

25 (B) FIVE CENTS PER GALLON OR A FRACTION THEREOF FOR THE  
26 2015 CALENDAR YEAR;

27 (C) SEVEN CENTS PER GALLON OR A FRACTION THEREOF FOR THE

1 2016 CALENDAR YEAR;

2 (D) NINE CENTS PER GALLON OR A FRACTION THEREOF FOR THE  
3 2017 CALENDAR YEAR;

4 (E) ELEVEN CENTS PER GALLON OR A FRACTION THEREOF FOR THE  
5 2018 CALENDAR YEAR; AND

6 (F) THIRTEEN AND ONE-HALF CENTS PER GALLON OR A FRACTION  
7 THEREOF FOR CALENDAR YEARS BEGINNING ON AND AFTER JANUARY 1,  
8 2019.

9 (2) (a) EXCEPT AS SET FORTH IN SECTION 39-27-102.5 (9), every  
10 person who uses any gasoline or special fuel for propelling a motor  
11 vehicle on the public highways of this state or who is licensed to import  
12 any gasoline or special fuel into this state for use or sale in this state, upon  
13 which gasoline or special fuel a licensed distributor has not paid or is not  
14 liable to pay the tax imposed in this section, is deemed to be a distributor  
15 and is liable for and shall pay an excise tax at a rate established by  
16 paragraph (a) of subsection (1) of this section on all such gasoline or  
17 special fuel so used, or imported for use or sale, in this state. Such person  
18 shall pay such tax to the department of revenue, pursuant to section  
19 39-27-105.3, on or before the twenty-sixth day of the calendar month  
20 following the month in which such gasoline or special fuel was used or  
21 imported and shall, at the time of payment, render to the department, on  
22 forms provided by it, an itemized statement, signed under the penalties of  
23 perjury in the second degree, as defined in section 18-8-503, C.R.S., of  
24 all such gasoline or special fuel so used or imported during such  
25 preceding calendar month. When such gasoline or special fuel is  
26 delivered from a terminal in a carload lot, the quantity thereof and the  
27 amount of tax thereon shall be computed in the same manner as in the

1 case of a distributor.

2 **SECTION 7.** In Colorado Revised Statutes, 39-27-102.5, **amend**  
3 **(7); repeal (5), (6), and (8); and add (9)** as follows:

4 **39-27-102.5. Exemptions on tax imposed - ex-tax purchases -**  
5 **repeal.** ~~(5) (a) The tax imposed by section 39-27-102 (1) (a) (H) (B)~~  
6 ~~shall not apply to any motor vehicle that has been registered in this state,~~  
7 ~~that is powered by liquefied petroleum gas or natural gas, and for which~~  
8 ~~a valid decal has been acquired as provided in this subsection (5). The~~  
9 ~~owners or operators of such motor vehicles shall, in lieu of the tax~~  
10 ~~imposed under section 39-27-102 (1) (a) (H) (B), pay an annual license~~  
11 ~~tax fee on each such vehicle in accordance with the following schedule~~  
12 ~~of motor vehicle gross weights:~~

| 13 | <b>Gross Weight in Pounds</b> | <b>Annual License Tax Fee</b> |
|----|-------------------------------|-------------------------------|
| 14 | <del>(I) 1-10,000</del>       | <del>\$ 70.00</del>           |
| 15 | <del>(II) 10,001-16,000</del> | <del>100.00</del>             |
| 16 | <del>(III) Over 16,000</del>  | <del>125.00</del>             |

17 ~~(b) The executive director of the department of revenue shall~~  
18 ~~annually, starting January 1 of each year commencing in 1984, collect or~~  
19 ~~cause to be collected from owners or operators of the motor vehicles~~  
20 ~~specified in paragraph (a) of this subsection (5) the annual license tax fee.~~  
21 ~~Applications for such licenses shall be supplied by the department of~~  
22 ~~revenue. In the case of a motor vehicle that is purchased or converted to~~  
23 ~~liquefied petroleum gas or natural gas by January 1 of any year, a license~~  
24 ~~shall be purchased for a fractional period of such year, and the amount of~~  
25 ~~the license tax shall be reduced by one-twelfth for each complete month~~  
26 ~~that shall have elapsed since the beginning of such year.~~

27 ~~(c) Upon payment of the tax required by this subsection (5), the~~

1 executive director of the department of revenue shall issue a decal, which  
2 shall be valid for the current calendar year and shall be attached to the  
3 upper right-hand corner of the front windshield on the motor vehicle for  
4 which it was issued.

5 (d) ~~The identifying decal and license tax fee paid for each motor~~  
6 ~~vehicle shall be transferable upon a change of ownership of the motor~~  
7 ~~vehicle. Such transfer shall be accomplished in accordance with rules~~  
8 ~~promulgated by the executive director of the department of revenue.~~

9 (e) ~~It is unlawful for any person to operate a motor vehicle~~  
10 ~~required to have a liquefied petroleum gas or natural gas decal upon the~~  
11 ~~highways of this state without such decal unless such motor vehicle is~~  
12 ~~titled outside Colorado and all Colorado purchases are taxed pursuant to~~  
13 ~~section 39-27-102 (1) (a) (II) (B) or such vehicle is otherwise exempt~~  
14 ~~from the provisions of this part 1.~~

15 (f) ~~No person shall put, or cause to be put, liquefied petroleum gas~~  
16 ~~or natural gas into the fuel tank of a motor vehicle required to have a~~  
17 ~~liquefied petroleum gas or natural gas decal unless the motor vehicle has~~  
18 ~~such decal attached to it or written or electronic evidence that a valid~~  
19 ~~decal has been acquired for the motor vehicle and such evidence has been~~  
20 ~~provided to such person or such person's employer. Sales of fuel placed~~  
21 ~~in the fuel tank of a motor vehicle not displaying such decal or otherwise~~  
22 ~~evidencing acquisition of a valid decal and for which the distributor is~~  
23 ~~obligated to collect the tax specified by section 39-27-102 (1) (a) (II) (B)~~  
24 ~~shall be recorded upon an invoice, which invoice shall include the date,~~  
25 ~~the motor vehicle license number, the number of gallons or, in the case~~  
26 ~~of natural gas, the energy equivalent in gallons placed in such fuel tank,~~  
27 ~~and the tax due thereon.~~

1           ~~(g) Any person violating any provision of this subsection (5) is~~  
2 ~~subject to the penalty provisions of sections 39-27-114 and 39-27-120.~~

3           ~~(h) Motor vehicles displaying a liquefied petroleum gas or natural~~  
4 ~~gas decal are exempt from the licensing and reporting requirements stated~~  
5 ~~in the remainder of this part 1.~~

6           ~~(6) (a) The department of revenue shall promulgate rules allowing~~  
7 ~~for payment of the annual license tax fee, if applicable, and acquisition of~~  
8 ~~the decal as set forth in subsection (5) of this section by a user directly~~  
9 ~~from a vendor or distributor of liquefied petroleum gas or natural gas.~~

10           ~~(b) Such rules shall permit each vendor or distributor who~~  
11 ~~participates in the program to return decals that are not issued by the~~  
12 ~~vendor or distributor and remit the applicable annual license tax fees~~  
13 ~~collected by the vendor or distributor not earlier than one hundred twenty~~  
14 ~~days from the time decals are supplied to the vendor or distributor by the~~  
15 ~~department of revenue.~~

16           (7) Motor vehicles that are owned or operated by a nonprofit  
17 transit agency that receives public funds and that are used exclusively in  
18 performing the agency's nonprofit functions and activities shall be exempt  
19 from the provisions of subsection (5) of this section and from the special  
20 fuel tax imposed by ~~section 39-27-102 (1) (a) (H) (B)~~ SECTION 39-27-102  
21 (1) (a) upon liquefied petroleum gas and natural gas. A person who  
22 purchases special fuel for the purposes set forth in this subsection (7)  
23 may, in accordance with section 39-27-103, apply to the department of  
24 revenue for a refund of the excise tax paid thereon.

25           ~~(8) The department of revenue is authorized to promulgate~~  
26 ~~reasonable rules, consistent with this part 1, concerning annual license tax~~  
27 ~~fees collected and decals issued pursuant to subsections (5) and (6) of this~~

1 ~~section, including, but not limited to, reporting procedures, reporting~~  
2 ~~forms, and the penalties described in sections 39-27-114 and 39-27-120.~~

3 (9) ~~COMPRESSED NATURAL GAS USED TO PROPEL A MOTOR~~  
4 ~~VEHICLE ON THE HIGHWAYS OF THIS STATE THAT IS SUPPLIED TO THE USER~~  
5 ~~AT A RESIDENTIAL HOME IS EXEMPT FROM THE SPECIAL FUEL TAX IMPOSED~~  
6 ~~BY THIS ARTICLE.~~

7  
8 **SECTION 8.** In Colorado Revised Statutes, 39-27-103, **amend**  
9 (3) (a.3) as follows:

10 **39-27-103. Refunds - penalties - checkoff.** (3) (a.3) (I) Any  
11 person who purchases or uses gasoline for the propulsion of an aircraft  
12 shall be entitled to a refund by the controller if:

13 (A) The use of such gasoline in such aircraft is subject to the  
14 excise tax levied pursuant to section 39-27-102 (1) (a) (IV) (A); and

15 (B) The excise tax actually paid was the excise tax levied pursuant  
16 to ~~section 39-27-102 (1) (a) (H)~~ ANY PROVISION OF SECTION 39-27-102 (1)  
17 (a), EXCLUDING SECTION 39-27-102 (1) (a) (IV) (A).

18 (II) The amount of such refund shall be the difference between the  
19 amount actually paid ~~pursuant to section 39-27-102 (1) (a) (H)~~ and the  
20 amount that should have been paid pursuant to section 39-27-102 (1) (a)  
21 (IV) as certified by the department of revenue.

22 **SECTION 9.** In Colorado Revised Statutes, 39-27-105, **amend**  
23 (1.3) (d) as follows:

24 **39-27-105. Collection of tax on gasoline and special fuel.**  
25 (1.3) (d) Distributors may aggregate figures stated in the reports required  
26 by this part 1 for liquefied petroleum gas and natural gas for sales of such  
27 fuels to a particular class or type of individual user. ~~or holder of the~~



1 ~~decals authorized by section 39-27-102.5 (5)~~. Distributors of liquefied  
2 petroleum gas and natural gas shall not be required to separately report  
3 the amount of sales to individual users.

4 **SECTION 10.** In Colorado Revised Statutes, **amend** 39-27-107  
5 as follows:

6 **39-27-107. When users other than distributors must report.**  
7 Except as otherwise provided in section 39-27-102 for persons that export  
8 gasoline, every person not a licensed distributor who uses any gasoline in  
9 this state or who has in his or her possession any gasoline, other than that  
10 contained in the ordinary fuel tank attached to a motor vehicle or aircraft,  
11 upon which a licensed distributor has not paid or is not liable for the tax  
12 imposed in this part 1 shall file a sworn statement with the executive  
13 director of the department of revenue on or before the ~~twenty-fifth~~  
14 TWENTY-SIXTH day of the calendar month on such form as the executive  
15 director prescribes and furnishes, showing the amount of gasoline so used  
16 and held, and shall pay to the executive director the tax imposed on all  
17 such gasoline. THIS SECTION DOES NOT APPLY TO A USER WHO IS EXEMPT  
18 FROM TAXATION UNDER SECTION 39-27-102.5 (9).

19 **SECTION 11.** In Colorado Revised Statutes, **add** 39-27-122 and  
20 39-27-123 as follows:

21 **39-27-122. Measurement - liquefied petroleum gas and natural**  
22 **gas - director of division of oil and public safety - rules.** PRIOR TO  
23 JANUARY 1, 2014, THE DIRECTOR OF THE DIVISION OF OIL AND PUBLIC  
24 SAFETY SHALL PROMULGATE REASONABLE RULES RELATED TO THE  
25 ACCURATE MEASUREMENT OF LIQUEFIED PETROLEUM GAS AND NATURAL  
26 GAS. THEREAFTER, THE DIRECTOR MAY MODIFY OR UPDATE THE RULES IN  
27 HIS OR HER DISCRETION.

1           **39-27-123. Department of transportation - special fuels -**

2 **impact - report.** (1) ON OR BEFORE JANUARY 1, 2017, THE DEPARTMENT  
3 OF TRANSPORTATION, THE DEPARTMENT OF REVENUE, THE DIVISION OF OIL  
4 AND PUBLIC SAFETY IN THE DEPARTMENT OF LABOR AND EMPLOYMENT,  
5 AND THE COLORADO ENERGY OFFICE SHALL JOINTLY PREPARE AND SUBMIT  
6 A REPORT TO THE TRANSPORTATION LEGISLATION REVIEW COMMITTEE  
7 CREATED IN SECTION 43-2-145 (1), C.R.S. THE REPORT MUST INCLUDE:

8           (a) AN EVALUATION OF THE EFFECTIVENESS OF ANY STATUTORY  
9 PROVISION INCLUDED IN HOUSE BILL 13-1110, ENACTED IN 2013;

10           (b) AN ANALYSIS OF THE IMPACT OF ALTERNATIVE FUELS FOR  
11 PROPELLING A MOTOR VEHICLE ON THE PUBLIC ROADS AND HIGHWAYS OF  
12 THIS STATE AND ON THE AMOUNT OF EXCISE TAXES COLLECTED RELATED  
13 TO THOSE VEHICLES;

14           (c) A RECOMMENDATION ON WHETHER THE TAX LEVIED PURSUANT  
15 TO THIS PART 1 SHOULD BE COLLECTED WHEN THE SPECIAL FUEL IS  
16 SUPPLIED TO THE USER AT A RESIDENTIAL HOME, INCLUDING COMPRESSED  
17 NATURAL GAS THAT IS EXEMPT FROM TAXATION UNDER SECTION  
18 39-27-102.5 (9), AND IF SO, ANY RECOMMENDATIONS FOR HOW TO  
19 COLLECT THIS TAX; AND

20           (d) RECOMMENDATIONS FOR A TAX SYSTEM THAT FAIRLY AND  
21 EQUITABLY TAXES ALL FUELS AND METHODS FOR PROPELLING MOTOR  
22 VEHICLES ON THE PUBLIC ROADS AND HIGHWAYS OF THIS STATE AND THAT  
23 HELPS PAY FOR THE CONSTRUCTION, IMPROVEMENT, REPAIR, AND  
24 MAINTENANCE OF THOSE PUBLIC ROADS AND HIGHWAYS.

25           (2) SECTION 24-1-136 (11), C.R.S., DOES NOT APPLY TO THE  
26 REPORT REQUIRED BY SUBSECTION (1) OF THIS SECTION.

27           **SECTION 12.** In Colorado Revised Statutes, 42-3-304, **add** (25)

1 as follows:

2 **42-3-304. Registration fees - passenger and passenger-mile**  
3 **taxes - clean screen fund - definitions - repeal.** (25) (a) BEGINNING  
4 JANUARY 1, 2014, IN ADDITION TO ANY OTHER FEE IMPOSED BY THIS  
5 SECTION, COUNTY CLERKS AND RECORDERS SHALL ANNUALLY COLLECT A  
6 FEE OF FIFTY DOLLARS AT THE TIME OF REGISTRATION ON EVERY PLUG-IN  
7 ELECTRIC MOTOR VEHICLE. COUNTY CLERKS AND RECORDERS SHALL  
8 TRANSMIT THE FEE TO THE STATE TREASURER, WHO SHALL CREDIT THIRTY  
9 DOLLARS OF EACH FEE TO THE HIGHWAY USERS TAX FUND CREATED IN  
10 SECTION 43-4-201, C.R.S., AND TWENTY DOLLARS OF EACH FEE TO THE  
11 ELECTRIC VEHICLE GRANT FUND CREATED IN SECTION 24-38.5-103, C.R.S.

12 (b) THE DEPARTMENT OF REVENUE SHALL CREATE AN ELECTRIC  
13 VEHICLE DECAL, WHICH A COUNTY CLERK AND RECORDER SHALL GIVE TO  
14 EACH PERSON WHO PAYS THE FEE CHARGED UNDER PARAGRAPH (a) OF THIS  
15 SUBSECTION (25). THE DECAL MUST BE ATTACHED TO THE UPPER  
16 RIGHT-HAND CORNER OF THE FRONT WINDSHIELD ON THE MOTOR VEHICLE  
17 FOR WHICH IT WAS ISSUED. IF THERE IS A CHANGE OF VEHICLE OWNERSHIP,  
18 THE DECAL IS TRANSFERABLE TO THE NEW OWNER.

19 (c) AS USED IN THIS SECTION, "PLUG-IN ELECTRIC MOTOR VEHICLE"  
20 MEANS:

21 (I) A MOTOR VEHICLE THAT HAS RECEIVED AN ACKNOWLEDGMENT  
22 OF CERTIFICATION FROM THE FEDERAL INTERNAL REVENUE SERVICE THAT  
23 THE VEHICLE QUALIFIES FOR THE PLUG-IN ELECTRIC DRIVE VEHICLE CREDIT  
24 SET FORTH IN 26 U.S.C. SEC. 30D, OR ANY SUCCESSOR SECTION; OR

25 (II) ANY MOTOR VEHICLE THAT DRAWS ELECTRICITY FROM A  
26 BATTERY THAT IS CAPABLE OF BEING CHARGED FROM AN EXTERNAL  
27 SOURCE.

1           **SECTION 13. Appropriation.** (1) In addition to any other  
2 appropriation, there is hereby appropriated, out of any moneys in the  
3 Colorado state titling and registration account in the highway users tax  
4 fund created in section 42-1-211 (2), Colorado Revised Statutes, not  
5 otherwise appropriated, to the department of revenue, for the fiscal year  
6 beginning July 1, 2013, the sum of \$82,822, or so much thereof as may  
7 be necessary, to be allocated for the implementation of this act as follows:

8           (a) \$14,610 to the central department operations division for  
9 postage; and

10           (b) \$68,212 to the information technology division for the  
11 purchase of computer center services.

12           (2) In addition to any other appropriation, there is hereby  
13 appropriated to the governor - lieutenant governor - state planning and  
14 budgeting, for the fiscal year beginning July 1, 2013, the sum of \$68,212,  
15 or so much thereof as may be necessary, for allocation to the office of  
16 information technology, for the provision of computer center services for  
17 the department of revenue related to the implementation of this act. Said  
18 sum is from reappropriated funds received from the department of  
19 revenue out of the appropriation made in paragraph (b) of subsection (1)  
20 of this section.

21           (3) In addition to any other appropriation, there is hereby  
22 appropriated, out of any moneys in the highway users tax fund created in  
23 section 43-4-201 (1) (a), Colorado Revised Statutes, and appropriated  
24 pursuant to section 43-4-201 (3) (a) (V), Colorado Revised Statutes, not  
25 otherwise appropriated, to the department of revenue, for the fiscal year  
26 beginning July 1, 2013, the sum of \$160,675, or so much thereof as may  
27 be necessary, for allocation to the taxpayer service division for computer

1 programming services related to the implementation of this act.

2 (4) In addition to any other appropriation, there is hereby  
3 appropriated, out of any moneys in the license plate cash fund created in  
4 section 42-3-301 (1) (b), Colorado Revised Statutes, not otherwise  
5 appropriated, to the department of revenue, for the fiscal year beginning  
6 July 1, 2013, the sum of \$10,599, or so much thereof as may be necessary,  
7 for allocation to division of motor vehicles for the purchase of decals  
8 related to the implementation of this act.

9 **SECTION 14. Act subject to petition - effective date.** Sections  
10 2, 11, and 13 of this act take effect August 15, 2013, and the remainder  
11 of this act takes effect January 1, 2014; except that, if a referendum  
12 petition is filed pursuant to section 1 (3) of article V of the state  
13 constitution against this act or an item, section, or part of this act within  
14 the ninety-day period after final adjournment of the general assembly,  
15 then the act, item, section, or part will not take effect unless approved by  
16 the people at the general election to be held in November 2014 and, in  
17 such case, will take effect on the date of the official declaration of the  
18 vote thereon by the governor.