

HOUSE COMMITTEE OF REFERENCE REPORT

\_\_\_\_\_  
Chairman of Committee

February 13, 2013

Date

Committee on Transportation & Energy.

After consideration on the merits, the Committee recommends the following:

HB13-1110 be amended as follows, and as so amended, be referred to the Committee on Finance with favorable recommendation:

1 Amend printed bill, page 2, line 4, before "are" insert "that are used to  
2 propel a motor vehicle on the state highways".

3 Page 4, line 8, strike "**amend (1)**" and substitute "**add (3)**".

4 Page 4, strike lines 11 through 27.

5 Page 5, strike lines 1 through 4 and substitute:

6 "(3) PRIOR TO JANUARY 1, 2014, THE DIRECTOR OF THE DIVISION OF OIL  
7 AND PUBLIC SAFETY SHALL PROMULGATE RULES FOR NATURAL GAS  
8 SETTING FORTH STANDARDS RELATED TO INSPECTIONS; SPECIFICATIONS;  
9 SHIPMENT NOTIFICATION; RECORD KEEPING; LABELING OF CONTAINERS;  
10 USE OF METERS OR MECHANICAL DEVICES FOR MEASUREMENT; SUBMITTAL  
11 OF INSTALLATION PLANS; AND MINIMUM STANDARDS FOR THE DESIGN,  
12 CONSTRUCTION, LOCATION, INSTALLATION, AND OPERATION OF RETAIL  
13 NATURAL GAS SYSTEMS. THE DIVISION SHALL BEGIN ENFORCING THE  
14 RULES ON JULY 1, 2014. THE DIRECTOR MAY MODIFY OR UPDATE THE  
15 RULES IN HIS OR HER DISCRETION. ALL OF THE RULES REQUIRED BY THIS  
16 SUBSECTION (3) MUST BE REASONABLY NECESSARY FOR THE PROTECTION  
17 OF THE HEALTH, WELFARE, AND SAFETY OF THE PUBLIC AND PERSONS  
18 USING SUCH MATERIALS, AND THE RULES MUST BE IN SUBSTANTIAL  
19 CONFORMITY WITH THE GENERALLY ACCEPTED STANDARDS OF SAFETY  
20 CONCERNING THE SAME SUBJECT MATTER. THE DIRECTOR SHALL ADOPT  
21 THE RULES IN COMPLIANCE WITH SECTION 24-4-103, C.R.S."

1 Page 5, before line 5:

2 "SECTION 3. In Colorado Revised Statutes, 8-20-201, **amend**  
3 (2) 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, ~~liquefied~~ 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  
28 applicable. Such payment shall be made on forms prescribed and  
29 furnished by the executive director. The provisions of this section shall  
30 not apply to fuel that is especially prepared and sold for use in aircraft or  
31 railroad equipment or locomotives.

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

38 (e) (I) There is hereby created the liquefied petroleum gas AND  
39 NATURAL GAS inspection fund within the state treasury. Neither this  
40 section nor section 8-20.5-103 shall be construed to make the liquefied

1 petroleum gas AND NATURAL GAS inspection fund an enterprise fund.  
2 Such fund shall consist of:

- 3 (A) Liquefied petroleum gas AND NATURAL GAS inspection
- 4 moneys collected pursuant to this article;
- 5 (B) Civil penalties collected as a result of court actions pursuant
- 6 to section 8-20-104;
- 7 (C) Any moneys appropriated to the fund by the general assembly;
- 8 and
- 9 (D) Any moneys granted to the department from a federal agency
- 10 or trade association for administration of the department's liquefied
- 11 petroleum gas AND NATURAL GAS inspection program.

12 (II) The executive director of the department of revenue shall

13 adjust the fees collected pursuant to this article so that the balance of

14 unexpended and unencumbered moneys in the liquefied petroleum gas

15 AND NATURAL GAS inspection fund does not exceed the amount necessary

16 to accumulate and maintain in the liquefied petroleum gas AND NATURAL

17 GAS inspection fund a reserve sufficient to defray administrative expenses

18 of the division of oil and public safety for a period of two months.

19 (III) The moneys in the fund shall be subject to annual

20 appropriation by the general assembly. Moneys in the fund shall only be

21 used for costs related to:

- 22 (A) Initial and subsequent inspections of liquefied petroleum gas
- 23 AND NATURAL GAS installations;
- 24 (B) Proving, including calibrating and adjusting, liquefied
- 25 petroleum gas AND NATURAL GAS meters and dispensers;
- 26 (C) Abatement of fire and safety hazards at liquefied petroleum
- 27 gas AND NATURAL GAS installations;
- 28 (D) Investigation of reported liquefied petroleum gas AND
- 29 NATURAL GAS that requires state matching dollars;
- 30 (E) Any federal program pertaining to liquefied petroleum gas
- 31 AND NATURAL GAS that requires state matching dollars;
- 32 (F) Liquefied petroleum gas AND NATURAL GAS product quality
- 33 testing;
- 34 (G) Administrative costs, including costs for contract services;
- 35 and
- 36 (H) Defraying the salaries and operating expenses incurred by the
- 37 department of labor and employment in the administration of this article
- 38 as it pertains to liquefied petroleum gas AND NATURAL GAS installations,
- 39 meters, and dispensers. Such moneys shall be appropriated for such
- 40 purposes by the general assembly.
- 41 (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 Renumber succeeding sections accordingly.

24 Page 6, strike lines 11 through 15 and substitute:

25 "(11) "Gallons" means:

26 (a) Gallons as measured on a gross gallons basis, as defined in  
27 section 8-20-201 (3), C.R.S.;

28 (b) FOR PURPOSES OF LIQUEFIED PETROLEUM GAS OR NATURAL  
29 GAS, A GALLON EQUIVALENT AS DEFINED IN SECTION 8-20-201 (2.3),  
30 C.R.S., AND

31 (c) FOR PURPOSES OF COMPRESSED NATURAL GAS, GALLONS AS  
32 MEASURED BY THE VOLUMETRIC REPORTING REQUIREMENTS THAT ARE  
33 INCLUDED IN THE FEDERAL EXCISE TAX RETURN, FORM 720, ESTABLISHED  
34 BY THE FEDERAL INTERNAL REVENUE SERVICE, OR ANY SUCCESSOR FORM  
35 THAT IS USED FOR PAYING THE FEDERAL FUEL TAX."

- 1 Page 12, line 10, strike "(a)".
- 2 Page 12, strike line 14.
- 3 Page 14, line 14, strike "13-\_\_\_\_," and substitute "13-1110,".
- 4 Page 14, line 21, after "HOME," insert "INCLUDING COMPRESSED NATURAL  
5 GAS THAT IS EXEMPT FROM TAXATION UNDER SECTION 39-27-102.5 (9),".
- 6 Page 15, line 8, strike "THIRTY" and substitute "FIFTY".
- 7 Page 15, line 12, strike "THE SAME" and substitute "THIRTY DOLLARS OF  
8 EACH FEE".
- 9 Page 15, line 13, strike "C.R.S." and substitute "C.R.S., AND TWENTY  
10 DOLLARS OF EACH FEE TO THE ELECTRIC VEHICLE GRANT FUND CREATED  
11 IN SECTION 24-38.5-103, C.R.S.".
- 12 Page 15, line 21, strike "This" and substitute "Sections 2 and 11 of this  
13 act take effect August 15, 2013, and the remainder of this".

\*\* \*\*\* \*\* \*\*\* \*\*