

**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**

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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.**

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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 also modifies the definition of "gallon" to include gallon

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.*

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  
5 a motor vehicle on the state highways are currently subject to the state

1 special fuel tax;

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

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

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

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

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

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

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

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

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

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

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

26 (b) While owners of motor vehicles that are propelled by plug-in  
27 electricity pay state sales and use tax on their vehicle purchases and

1 annual specific ownership taxes and vehicle registration fees, electricity  
2 is not taxed as a special fuel;

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

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

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

11 **8-20-102. Duties of director of division of oil and public safety.**

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

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

3           **8-20-201. Definitions.** As used in this part 2, unless the context  
4 otherwise requires:

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

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

15           **8-20-206.5. Environmental response surcharge - liquefied**  
16 **petroleum gas and natural gas inspection fund - definitions.**

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

1 furnished by the executive director. The provisions of this section shall  
2 not apply to fuel that is especially prepared and sold for use in aircraft or  
3 railroad equipment or locomotives.

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

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

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

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

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

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

24 (II) The executive director of the department of revenue shall  
25 adjust the fees collected pursuant to this article so that the balance of  
26 unexpended and unencumbered moneys in the liquefied petroleum gas  
27 AND NATURAL GAS inspection fund does not exceed the amount necessary

1 to accumulate and maintain in the liquefied petroleum gas AND NATURAL  
2 GAS inspection fund a reserve sufficient to defray administrative expenses  
3 of the division of oil and public safety for a period of two months.

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

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

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

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

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

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

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

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

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

26 (IV) The moneys in the liquefied petroleum gas AND NATURAL  
27 GAS inspection fund and all interest earned on the moneys in the fund

1 shall remain in such fund and shall not be credited or transferred to the  
2 general fund or any other fund at the end of any fiscal year.

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

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

16 (4) For the purposes of this section:

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

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

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

24 **39-27-101. Definitions - construction.** As used in this part 1,  
25 unless the context otherwise requires:

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

27 (I) A gasoline or special fuel broker, ~~and~~ any person who sells



1 special fuel to another distributor, broker, or vendor, and any vendor of  
2 ~~liquefied petroleum gases~~ LIQUEFIED PETROLEUM GAS OR NATURAL GAS;

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

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

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

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

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

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

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

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

1 (11) "Gallons" means:

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

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

7 (c) FOR PURPOSES OF COMPRESSED NATURAL GAS, GALLONS AS  
8 MEASURED BY THE VOLUMETRIC REPORTING REQUIREMENTS THAT ARE  
9 INCLUDED IN THE FEDERAL EXCISE TAX RETURN, FORM 720, ESTABLISHED  
10 BY THE FEDERAL INTERNAL REVENUE SERVICE, OR ANY SUCCESSOR FORM  
11 THAT IS USED FOR PAYING THE FEDERAL FUEL TAX.

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

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

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

24 (A) THREE CENTS PER GALLON OR A FRACTION THEREOF FOR THE  
25 2014 CALENDAR YEAR;

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

1 (C) NINE CENTS PER GALLON OR A FRACTION THEREOF FOR THE  
2 2016 CALENDAR YEAR;

3 (D) TWELVE CENTS PER GALLON OR A FRACTION THEREOF FOR THE  
4 2017 CALENDAR YEAR;

5 (E) FIFTEEN CENTS PER GALLON OR A FRACTION THEREOF FOR THE  
6 2018 CALENDAR YEAR; AND

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

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

12 (A) THREE CENTS PER GALLON OR A FRACTION THEREOF FOR THE  
13 2014 CALENDAR YEAR;

14 (B) FIVE CENTS PER GALLON OR A FRACTION THEREOF FOR THE  
15 2015 CALENDAR YEAR;

16 (C) SEVEN CENTS PER GALLON OR A FRACTION THEREOF FOR THE  
17 2016 CALENDAR YEAR;

18 (D) EIGHT CENTS PER GALLON OR A FRACTION THEREOF FOR THE  
19 2017 CALENDAR YEAR;

20 (E) TEN CENTS PER GALLON OR A FRACTION THEREOF FOR THE  
21 2018 CALENDAR YEAR; AND

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

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

26 (A) THREE CENTS PER GALLON OR A FRACTION THEREOF FOR THE  
27 2014 CALENDAR YEAR;

1 (B) FIVE CENTS PER GALLON OR A FRACTION THEREOF FOR THE  
2 2015 CALENDAR YEAR;

3 (C) SEVEN CENTS PER GALLON OR A FRACTION THEREOF FOR THE  
4 2016 CALENDAR YEAR;

5 (D) NINE CENTS PER GALLON OR A FRACTION THEREOF FOR THE  
6 2017 CALENDAR YEAR;

7 (E) ELEVEN CENTS PER GALLON OR A FRACTION THEREOF FOR THE  
8 2018 CALENDAR YEAR; AND

9 (F) THIRTEEN AND ONE-HALF CENTS PER GALLON OR A FRACTION  
10 THEREOF FOR CALENDAR YEARS BEGINNING ON AND AFTER JANUARY 1,  
11 2019.

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

1 preceding calendar month. When such gasoline or special fuel is  
2 delivered from a terminal in a carload lot, the quantity thereof and the  
3 amount of tax thereon shall be computed in the same manner as in the  
4 case of a distributor.

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

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

<b>Gross Weight in Pounds</b>	<b>Annual License Tax Fee</b>
<del>(I) 1-10,000</del>	<del>\$ 70.00</del>
<del>(H) 10,001-16,000</del>	<del>100.00</del>
<del>(HH) Over 16,000</del>	<del>125.00</del>

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

1 the license tax shall be reduced by one-twelfth for each complete month  
2 that shall have elapsed since the beginning of such year.

3 (c) Upon payment of the tax required by this subsection (5), the  
4 executive director of the department of revenue shall issue a decal, which  
5 shall be valid for the current calendar year and shall be attached to the  
6 upper right-hand corner of the front windshield on the motor vehicle for  
7 which it was issued.

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

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

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

1 ~~the motor vehicle license number, the number of gallons or, in the case~~  
2 ~~of natural gas, the energy equivalent in gallons placed in such fuel tank,~~  
3 ~~and the tax due thereon.~~

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

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

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

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

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

1           (8) ~~The department of revenue is authorized to promulgate~~  
2 ~~reasonable rules, consistent with this part 1, concerning annual license tax~~  
3 ~~fees collected and decals issued pursuant to subsections (5) and (6) of this~~  
4 ~~section, including, but not limited to, reporting procedures, reporting~~  
5 ~~forms, and the penalties described in sections 39-27-114 and 39-27-120.~~

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

10           

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

13           **39-27-103. Refunds - penalties - checkoff.** (3) (a.3) (I) Any  
14 person who purchases or uses gasoline for the propulsion of an aircraft  
15 shall be entitled to a refund by the controller if:

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

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

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

25           **SECTION 9.** In Colorado Revised Statutes, 39-27-105, **amend**  
26 (1.3) (d) as follows:

27           **39-27-105. Collection of tax on gasoline and special fuel.**



1 (1.3) (d) Distributors may aggregate figures stated in the reports required  
2 by this part 1 for liquefied petroleum gas and natural gas for sales of such  
3 fuels to a particular class or type of individual user. ~~or holder of the~~  
4 ~~decals authorized by section 39-27-102.5 (5)~~. Distributors of liquefied  
5 petroleum gas and natural gas shall not be required to separately report  
6 the amount of sales to individual users.

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

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

22 **SECTION 11.** In Colorado Revised Statutes, **add** 39-27-122 and  
23 39-27-123 as follows:

24 **39-27-122. Measurement - liquefied petroleum gas and natural**  
25 **gas - director of division of oil and public safety - rules.** PRIOR TO  
26 JANUARY 1, 2014, THE DIRECTOR OF THE DIVISION OF OIL AND PUBLIC  
27 SAFETY SHALL PROMULGATE REASONABLE RULES RELATED TO THE

1 ACCURATE MEASUREMENT OF LIQUEFIED PETROLEUM GAS AND NATURAL  
2 GAS. THEREAFTER, THE DIRECTOR MAY MODIFY OR UPDATE THE RULES IN  
3 HIS OR HER DISCRETION.

4 **39-27-123. Department of transportation - special fuels -**  
5 **impact - report.** (1) ON OR BEFORE JANUARY 1, 2017, THE DEPARTMENT  
6 OF TRANSPORTATION, THE DEPARTMENT OF REVENUE, THE DIVISION OF OIL  
7 AND PUBLIC SAFETY IN THE DEPARTMENT OF LABOR AND EMPLOYMENT,  
8 AND THE COLORADO ENERGY OFFICE SHALL JOINTLY PREPARE AND SUBMIT  
9 A REPORT TO THE TRANSPORTATION LEGISLATION REVIEW COMMITTEE  
10 CREATED IN SECTION 43-2-145 (1), C.R.S. THE REPORT MUST INCLUDE:

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

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

17 (c) A RECOMMENDATION ON WHETHER THE TAX LEVIED PURSUANT  
18 TO THIS PART 1 SHOULD BE COLLECTED WHEN THE SPECIAL FUEL IS  
19 SUPPLIED TO THE USER AT A RESIDENTIAL HOME, INCLUDING COMPRESSED  
20 NATURAL GAS THAT IS EXEMPT FROM TAXATION UNDER SECTION  
21 39-27-102.5 (9), AND IF SO, ANY RECOMMENDATIONS FOR HOW TO  
22 COLLECT THIS TAX; AND

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

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

3 **SECTION 12.** In Colorado Revised Statutes, 42-3-304, **add** (25)  
4 as follows:

5 **42-3-304. Registration fees - passenger and passenger-mile**  
6 **taxes - clean screen fund - repeal.** (25) (a) BEGINNING JANUARY 1,  
7 2014, IN ADDITION TO ANY OTHER FEE IMPOSED BY THIS SECTION, COUNTY  
8 CLERKS AND RECORDERS SHALL ANNUALLY COLLECT A FEE OF FIFTY  
9 DOLLARS AT THE TIME OF REGISTRATION ON EVERY MOTOR VEHICLE THAT  
10 IS PROPELLED BY PLUG-IN ELECTRICITY. COUNTY CLERKS AND RECORDERS  
11 SHALL TRANSMIT THE FEE TO THE STATE TREASURER, WHO SHALL CREDIT  
12 THIRTY DOLLARS OF EACH FEE TO THE HIGHWAY USERS TAX FUND  
13 CREATED IN SECTION 43-4-201, C.R.S., AND TWENTY DOLLARS OF EACH  
14 FEE TO THE ELECTRIC VEHICLE GRANT FUND CREATED IN SECTION  
15 24-38.5-103, C.R.S.

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

23 **SECTION 13. Act subject to petition - effective date.** Sections  
24 2 and 11 of this act take effect August 15, 2013, and the remainder of this  
25 act takes effect January 1, 2014; except that, if a referendum petition is  
26 filed pursuant to section 1 (3) of article V of the state constitution against  
27 this act or an item, section, or part of this act within the ninety-day period

1 after final adjournment of the general assembly, then the act, item,  
2 section, or part will not take effect unless approved by the people at the  
3 general election to be held in November 2014 and, in such case, will take  
4 effect on the date of the official declaration of the vote thereon by the  
5 governor.