



**Colorado
Legislative
Council
Staff**

SB16-166

**FINAL
FISCAL NOTE**

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-1127
Prime Sponsor(s): Sen. Woods
Rep. Kagan

Date: August 18, 2016
Bill Status: Signed into Law
Fiscal Analyst: Larson Silbaugh (303-866-4720)

BILL TOPIC: TRANSPORTATION FUEL DISTRIBUTORS' TAX LIENS

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue		
State Expenditures	Workload increase.	
FTE Position Change		
Appropriation Required: None.		
Future Year Impacts: Ongoing state workload increase.		

Summary of Legislation

This bill allows a fuel distributor to file a lien against a fuel retailer for any unreimbursed gasoline and special fuel taxes that the distributor pays to the Department of Revenue. It also establishes the priority for the lien and requirements for filing and enforcing the lien.

Background

The state's gasoline tax is imposed on the sale of gasoline and its derivatives at a rate of 22¢ per gallon. The special fuel tax is imposed on the sale of diesel engine fuel and other alternative fuels at a rate of 20.5¢ per gallon.

Gasoline and special fuel taxes are remitted by the fuel distributor and are due once the fuel is removed from storage for distribution. Colorado allows the tax to be deferred for up to three transfers of fuel after it has left the terminal of origin, as long as the transfer is between licensed distributors. The tax is calculated on gross gallons acquired and is required to be remitted on all transfers from the previous month by the 26th calendar day of the following month.

State Expenditures

This bill creates a new lien that can be filed against retailers or other commercial users of fuel, and also creates a cause of action for foreclosure and enforcement of those liens in the district court of the county where the lien is filed. A new cause of action may increase the number of cases filed in state trial courts. This increased workload can be accomplished with existing appropriations.

Local Government Impact

This bill may increase revenue and workload for clerk and recorders office to file liens. The filing fees charged by clerks will cover any increased workload costs. Liens are filed with the clerks office in the county where the retailer is located.

Effective Date

The bill was signed into law by the Governor on June 10, 2016, and it became effective on August 10, 2016.

State and Local Government Contacts

Clerk and Records
Judicial

Information Technology
Revenue