

First Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

REVISED

*This Version Includes All Amendments Adopted  
on Second Reading in the Second House*

LLS NO. 17-0712.02 Nicole Myers x4326

HOUSE BILL 17-1296

HOUSE SPONSORSHIP

Nordberg and Kraft-Tharp, Saine, Winter

SENATE SPONSORSHIP

Smallwood and Jahn, Donovan, Neville T.

House Committees

Transportation & Energy  
Finance  
Appropriations

Senate Committees

State, Veterans, & Military Affairs  
Appropriations

A BILL FOR AN ACT

101 CONCERNING THE ASSIGNMENT OF STATE-OWNED MOTOR VEHICLES,  
102 AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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://leg.colorado.gov/>.)*

**Legislative Audit Committee.** The bill clarifies the criteria and requirements in connection with the assignment of a state-owned motor vehicle (vehicle) to a state agency or to an officer or employee of a state agency.

**Assignment of vehicles to a state agency.** Current law permits the division of central services in the department of personnel (division) to

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.*

SENATE  
2nd Reading Unamended  
May 9, 2017

HOUSE  
3rd Reading Unamended  
April 26, 2017

HOUSE  
Amended 2nd Reading  
April 25, 2017

permanently assign a vehicle to a state agency. The bill clarifies that the assignment of a vehicle to a state agency is authorized only when the state agency's use of the vehicle is likely to meet the minimum required mileage for the vehicle's intended work function or if the state agency can justify the need for permanent assignment of the vehicle because of its unique use. The bill also clarifies the conditions under which the division must revoke the assignment of the vehicle to a state agency.

**Assignment of vehicles to an officer or employee of a state agency.** Current law also permits a state agency to assign a vehicle to an officer or employee of the state agency under certain circumstances. The bill specifies that for purposes of the assignment of a vehicle to an officer or employee of a state agency, "state agency" does not include the judicial and legislative branches of state government, any state institution of higher education, or the Auraria higher education center, and that "state agency" does include the state board of stock inspection commissioners.

Pursuant to current law, a state agency may assign a vehicle to an officer or employee when the executive director of the state agency determines that it would promote a legitimate nonpartisan state interest, promote the efficient operation of the state motor vehicle fleet, and is cost-effective to the state agency. The bill eliminates the current criteria and specifies that a state agency may assign a vehicle to an officer or employee of the state agency for business and commuting only if:

- ! Assignment of the vehicle is necessary to conduct official and legitimate state business;
- ! The vehicle meets the federal internal revenue service (IRS) definition of qualified nonpersonal use, or assignment of the vehicle is the most cost-efficient means of transportation to the state agency; and
- ! Assignment of the vehicle complies with any additional criteria established in rules adopted by the department of personnel.

The bill requires the executive director of a state agency or their designee to authorize the assignment of a vehicle in writing and submit the authorization and any supporting documentation to the director of the division for review.

The bill requires the director of the division or the state controller, as applicable, to review any assignment of a vehicle to an officer or employee of the state agency. The director of the division or the state controller is required to verify that the state agency's assignment of a vehicle complies with state and federal law. If the review establishes that the assignment of a vehicle does not comply with state and federal law, the division is required to revoke the assignment of the vehicle.

Currently, any state officer or employee who has an assigned vehicle is required to reimburse the state for the use of the vehicle at a rate computed by the division. The bill eliminates the reimbursement

provision and specifies that when an officer or employee is assigned a vehicle because it is the most cost-efficient means of transportation to the state agency, the officer or employee is required to pay income tax on the value of the fringe benefit of the vehicle. The bill requires the state controller to calculate and report as income the value of the vehicle's fringe benefit in accordance with IRS regulations.

The division is required to establish a program and adopt rules providing for annual verification by the director of the division or the state controller that the assignment of each state-owned motor vehicle to an officer or employee of a state agency still complies with the requirements of state and federal law. The review is required for all assigned vehicles, regardless of when they were assigned. If the verification process establishes that the assignment of a vehicle does not comply with state and federal law, the division is required to revoke the assignment of the vehicle.

On or before September 1, 2019, the department of personnel is required to report to the legislative audit committee regarding the implementation and enforcement of the bill. The department may make recommendations regarding further modifications to the criteria and requirements for the assignment of vehicles to officers and employees of state agencies for business and commuting purposes.

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

2 **SECTION 1.** In Colorado Revised Statutes, **amend** 24-30-1112  
3 as follows:

4 **24-30-1112. Permanent assignment of vehicles - state agency**  
5 **- verification of minimum mileage - revocation.** (1) A STATE-OWNED  
6 MOTOR VEHICLE THAT IS PART OF THE STATE MOTOR VEHICLE FLEET  
7 ESTABLISHED PURSUANT TO SECTION 24-30-1104 (2) MAY BE ASSIGNED BY  
8 THE DIVISION TO A STATE AGENCY PURSUANT TO THIS SECTION. IN  
9 ADDITION, ANY STATE-OWNED MOTOR VEHICLE THAT IS ASSIGNED TO A  
10 STATE AGENCY MAY BE FURTHER ASSIGNED BY THE EXECUTIVE DIRECTOR  
11 OF THE STATE AGENCY OR BY THE EXECUTIVE DIRECTOR'S DESIGNEE TO AN  
12 OFFICER OR EMPLOYEE OF THE STATE AGENCY PURSUANT TO SECTION  
13 24-30-1113.

1           ~~(1)~~ (2) Unless ~~an~~ A STATE agency can justify to the division the  
2 need for permanent assignment OF A VEHICLE because of ~~the~~ ITS unique  
3 use, ~~of a vehicle~~; THE DIVISION MAY PERMANENTLY ASSIGN a state-owned  
4 ~~passenger~~ motor vehicle ~~shall not be permanently assigned~~ to A STATE  
5 AGENCY ONLY IF THE USE OF THE VEHICLE BY THE STATE AGENCY IS  
6 LIKELY TO MEET THE MINIMUM REQUIRED MILEAGE ESTABLISHED BY THE  
7 DEPARTMENT OF PERSONNEL FOR THE UTILIZATION CLASSIFICATION  
8 ASSOCIATED WITH THE VEHICLE'S INTENDED WORK FUNCTION AND THE USE  
9 OF SUCH VEHICLE BY THE STATE AGENCY COMPLIES WITH ANY ADDITIONAL  
10 CRITERIA ESTABLISHED BY THE DIVISION IN RULES. A VEHICLE THAT IS  
11 ASSIGNED TO A STATE AGENCY MUST BE PARKED AT A STATE FACILITY, AS  
12 DEFINED BY RULE, WHEN THE VEHICLE IS NOT IN USE UNLESS THE VEHICLE  
13 HAS BEEN ASSIGNED TO AN OFFICER OR EMPLOYEE OF THE STATE AGENCY  
14 PURSUANT TO SECTION 24-30-1113.

15           ~~(a) Any agency, state officer, or state employee, if the use of such~~  
16 ~~vehicle is not likely to meet the minimum required mileage established by~~  
17 ~~the department of personnel for the utilization classification associated~~  
18 ~~with the vehicle's intended work function unless:~~

19           ~~(I) The state officer's or employee's duties are routinely related to~~  
20 ~~public safety; and~~

21           ~~(II) The state officer's or employee's duties are likely to expose~~  
22 ~~such officer or employee routinely to life-threatening situations.~~

23           ~~(2)~~ (3) The division shall establish a program and adopt rules ~~and~~  
24 ~~regulations~~ providing for annual verification that each ~~permanently~~  
25 ~~assigned~~ STATE-OWNED motor vehicle PERMANENTLY ASSIGNED TO A  
26 STATE AGENCY has met the minimum required mileage based on the  
27 appropriate utilization classification. If verification establishes that a

1 vehicle has not met the minimum annual mileage rate AND OTHER  
2 CRITERIA ESTABLISHED IN RULES and if the responsible state agency  
3 cannot justify such lower mileage OR FAILURE TO MEET OTHER CRITERIA,  
4 THE DIVISION SHALL REVOKE THE permanent assignment ~~shall be revoked~~  
5 OF THE VEHICLE immediately.

6 ~~(3)~~ (4) The division shall adopt rules ~~and regulations~~ governing  
7 the procedure for revocation of assignment of state-owned motor vehicles  
8 THAT HAVE BEEN PERMANENTLY ASSIGNED TO A STATE AGENCY.  
9 Revocation of assignment shall occur when ~~it has been determined~~ THE  
10 DIVISION DETERMINES that:

11 (a) The vehicle has been used for other than official business or  
12 HAS BEEN USED FOR COMMUTING without ~~the state agency executive~~  
13 ~~director's approval as provided in~~ BEING ASSIGNED TO AN OFFICER OR  
14 EMPLOYEE OF THE STATE AGENCY PURSUANT TO section 24-30-1113;

15 (b) (I) ~~Required reports have not been filed or reports which have~~  
16 ~~been filed~~ THE STATE AGENCY HAS NOT SUBMITTED REPORTS OR OTHER  
17 DOCUMENTATION TO THE DIVISION THAT IT IS REQUIRED TO SUBMIT  
18 PURSUANT TO RULES ADOPTED BY THE DIVISION; OR

19 (II) ANY REPORTS OR OTHER DOCUMENTATION THAT THE STATE  
20 AGENCY HAS SUBMITTED fail to meet the standards established in rules  
21 ~~and regulations~~ adopted by the division for the ~~filing~~ SUBMISSION of such  
22 reports AND DOCUMENTATION and ~~such deficiencies are not cured~~ THE  
23 STATE AGENCY HAS NOT CURED THE DEFICIENCIES within thirty days after  
24 receiving notification from the division of such deficiency;

25 (c) THE STATE AGENCY HAS KNOWINGLY AND WILLFULLY SUPPLIED  
26 false information ~~has knowingly and willfully been supplied on an~~  
27 ~~application for permanent assignment, commuting reimbursement form,~~

1 ~~or other required report or form~~ TO THE DIVISION REGARDING THE  
2 PERMANENT ASSIGNMENT OF THE MOTOR VEHICLE TO THE STATE AGENCY;

3 ~~(d) An individual required to do so fails to sign all reports or~~  
4 ~~forms submitted for vehicles permanently assigned and fails to cure the~~  
5 ~~deficiency within thirty days after receiving notification from the division~~  
6 ~~of such deficiency;~~

7 ~~(e)~~ (d) That a state-owned motor vehicle has been abused; or

8 ~~(f)~~ (e) That a violation of other rules ~~or regulations~~ promulgated  
9 by the division has occurred which warrants revocation of assignment TO  
10 THE STATE AGENCY as specified in the rules ~~and regulations~~ adopted by  
11 the division.

12 ~~(4)~~ (5) THE DIVISION SHALL NOT HONOR new requisitions for  
13 assignment of vehicle following the revocation of assignment ~~shall not be~~  
14 ~~honored~~ until the division is assured that the violation for which a vehicle  
15 was previously revoked will not recur.

16 **SECTION 2.** In Colorado Revised Statutes, **repeal and reenact,**  
17 **with amendments,** 24-30-1113 as follows:

18 **24-30-1113. Assignment of vehicles to state agency officers or**  
19 **employees - report to legislative audit committee - definition - repeal.**

20 (1) NOTWITHSTANDING SECTION 24-30-1102 (5), AS USED IN THIS  
21 SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES, "STATE AGENCY"  
22 MEANS THE STATE OR ANY DEPARTMENT, BOARD, BUREAU, COMMISSION,  
23 INSTITUTION, OR OTHER AGENCY OF THE STATE; EXCEPT THAT "STATE  
24 AGENCY" DOES NOT INCLUDE ANY STATE INSTITUTION OF HIGHER  
25 EDUCATION, THE AURARIA HIGHER EDUCATION CENTER, OR THE  
26 LEGISLATIVE AND JUDICIAL BRANCHES OF STATE GOVERNMENT. AS USED  
27 IN THIS SECTION, "STATE AGENCY" DOES INCLUDE THE STATE BOARD OF

1 STOCK INSPECTION COMMISSIONERS, CREATED IN SECTION 35-41-101.

2 (2) (a) THE EXECUTIVE DIRECTOR OF A STATE AGENCY OR THE  
3 EXECUTIVE DIRECTOR'S DESIGNEE MAY ASSIGN A STATE-OWNED MOTOR  
4 VEHICLE THAT HAS BEEN ASSIGNED TO THE STATE AGENCY PURSUANT TO  
5 SECTION 24-30-1112 TO AN OFFICER OR EMPLOYEE OF THE STATE AGENCY  
6 FOR CONDUCTING STATE BUSINESS AND COMMUTING. COMMUTING  
7 INCLUDES TRAVELING FROM AN OFFICER'S OR EMPLOYEE'S PERSONAL  
8 RESIDENCE TO ONE OR MORE REGULAR PLACES OF BUSINESS. A  
9 STATE-OWNED MOTOR VEHICLE MAY BE PARKED AT THE PERSONAL  
10 RESIDENCE OF AN OFFICER OR EMPLOYEE OF A STATE AGENCY FOR MORE  
11 THAN ONE DAY PER MONTH ONLY IF THE STATE AGENCY HAS ASSIGNED  
12 THE VEHICLE TO THE OFFICER OR EMPLOYEE PURSUANT TO THIS SECTION.  
13 THE ASSIGNMENT OF A STATE-OWNED MOTOR VEHICLE PURSUANT TO THIS  
14 SECTION MUST COMPLY WITH THE REQUIREMENTS OF SECTION 24-30-1112.

15 (b) THE EXECUTIVE DIRECTOR OF A STATE AGENCY OR THE  
16 EXECUTIVE DIRECTOR'S DESIGNEE MUST AUTHORIZE THE ASSIGNMENT OF  
17 A VEHICLE IN WRITING AND SUBMIT THE AUTHORIZATION AND ANY  
18 SUPPORTING DOCUMENTATION TO THE DIRECTOR OF THE DIVISION FOR  
19 FINAL APPROVAL. THE EXECUTIVE DIRECTOR OF A STATE AGENCY OR THE  
20 EXECUTIVE DIRECTOR'S DESIGNEE SHALL AUTHORIZE THE ASSIGNMENT OF  
21 A VEHICLE ONLY IF:

22 (I) ASSIGNMENT OF THE VEHICLE IS NECESSARY TO CONDUCT  
23 OFFICIAL AND LEGITIMATE STATE BUSINESS;

24 (II) ASSIGNMENT OF THE VEHICLE SATISFIES AT LEAST ONE OF THE  
25 FOLLOWING REQUIREMENTS:

26 (A) THE VEHICLE MEETS THE FEDERAL INTERNAL REVENUE  
27 SERVICE DEFINITION OF QUALIFIED NONPERSONAL USE, AS SPECIFIED IN 26

1 CFR 1.274-5 (k); OR

2 (B) THE ASSIGNMENT OF THE VEHICLE IS THE MOST  
3 COST-EFFICIENT MEANS OF TRANSPORTATION, AS DEFINED IN RULES  
4 ADOPTED BY THE DEPARTMENT OF PERSONNEL, TO THE STATE AGENCY;  
5 AND

6 (III) ASSIGNMENT OF THE VEHICLE COMPLIES WITH ANY  
7 ADDITIONAL CRITERIA ESTABLISHED IN RULES ADOPTED BY THE  
8 DEPARTMENT OF PERSONNEL.

9 (c) AN EXECUTIVE DIRECTOR OF A STATE AGENCY OR THE  
10 EXECUTIVE DIRECTOR'S DESIGNEE WHO AUTHORIZES THE ASSIGNMENT OF  
11 A STATE-OWNED MOTOR VEHICLE TO AN OFFICER OR EMPLOYEE OF THE  
12 STATE AGENCY SHALL MAINTAIN DOCUMENTATION OF THE ASSIGNMENT,  
13 INCLUDING THE EXECUTIVE DIRECTOR'S JUSTIFICATION FOR AUTHORIZING  
14 THE ASSIGNMENT OF THE VEHICLE. AT LEAST ANNUALLY, THE EXECUTIVE  
15 DIRECTOR OF A STATE AGENCY OR THE EXECUTIVE DIRECTOR'S DESIGNEE  
16 SHALL REVIEW EACH ASSIGNMENT OF A VEHICLE TO ENSURE THAT THE  
17 ASSIGNMENT COMPLIES WITH THE REQUIREMENTS OF THIS SECTION.

18 (3) THE DIRECTOR OF THE DIVISION OR THE STATE CONTROLLER,  
19 OR THE DESIGNEE OF EITHER OFFICIAL, AS APPLICABLE, SHALL REVIEW ANY  
20 ASSIGNMENT OF A STATE-OWNED MOTOR VEHICLE TO AN OFFICER OR  
21 EMPLOYEE OF A STATE AGENCY. THE DIRECTOR OF THE DIVISION OR THE  
22 STATE CONTROLLER, OR THE DESIGNEE OF EITHER OFFICIAL, AS  
23 APPLICABLE, SHALL VERIFY THAT THE ASSIGNMENT OF THE VEHICLE  
24 COMPLIES WITH THE REQUIREMENTS SPECIFIED IN SUBSECTION (2) OF THIS  
25 SECTION AND THE REGULATIONS OF THE FEDERAL INTERNAL REVENUE  
26 SERVICE. IF THE REVIEW ESTABLISHES THAT THE ASSIGNMENT OF A  
27 VEHICLE DOES NOT COMPLY WITH SUCH REQUIREMENTS, THE DIRECTOR OF



1 THE DIVISION SHALL REVOKE THE ASSIGNMENT OF THE VEHICLE.

2 (4) IN ADDITION TO THE INITIAL APPROVAL REQUIRED BY  
3 SUBSECTION (3) OF THIS SECTION, THE DIVISION SHALL ESTABLISH A  
4 PROGRAM AND ADOPT RULES PROVIDING FOR ANNUAL REVIEW AND  
5 VERIFICATION BY THE DIRECTOR OF THE DIVISION OR THE STATE  
6 CONTROLLER, OR THE DESIGNEE OF EITHER OFFICIAL, AS APPLICABLE, THAT  
7 EACH STATE-OWNED MOTOR VEHICLE ASSIGNED TO AN OFFICER OR  
8 EMPLOYEE OF A STATE AGENCY STILL COMPLIES WITH THE REQUIREMENTS  
9 OF SUBSECTION (2) OF THIS SECTION AND THE REGULATIONS OF THE  
10 FEDERAL INTERNAL REVENUE SERVICE. THE REQUIREMENTS OF THIS  
11 SUBSECTION (4) APPLY TO ALL STATE-OWNED MOTOR VEHICLES, WHETHER  
12 THEY WERE ASSIGNED BEFORE, ON, OR AFTER SEPTEMBER 1, 2017. IF THE  
13 VERIFICATION PROCESS ESTABLISHES THAT THE ASSIGNMENT OF A VEHICLE  
14 NO LONGER COMPLIES WITH SUBSECTION (2) OF THIS SECTION OR THE  
15 REGULATIONS OF THE FEDERAL INTERNAL REVENUE SERVICE, THE DIVISION  
16 SHALL REVOKE THE ASSIGNMENT OF THE VEHICLE.

17 (5) ANY OFFICER OR EMPLOYEE OF A STATE AGENCY WHO IS  
18 ASSIGNED A STATE-OWNED MOTOR VEHICLE BECAUSE IT IS THE MOST  
19 COST-EFFICIENT MEANS OF TRANSPORTATION AS SPECIFIED IN SUBSECTION  
20 (2)(b)(II)(B) OF THIS SECTION IS REQUIRED TO PAY INCOME TAX ON THE  
21 VALUE OF THE FRINGE BENEFIT OF THE VEHICLE. THE STATE CONTROLLER,  
22 OR THE STATE CONTROLLER'S DESIGNEE, SHALL CALCULATE AND REPORT  
23 AS INCOME THE VALUE OF THE FRINGE BENEFIT OF THE VEHICLE IN  
24 ACCORDANCE WITH THE REGULATIONS OF THE FEDERAL INTERNAL  
25 REVENUE SERVICE. THE STATE CONTROLLER SHALL PROMULGATE RULES  
26 REGARDING HOW THE VALUE OF THE FRINGE BENEFIT WILL BE  
27 CALCULATED AND REPORTED.

1           (6) THE DIRECTOR OF THE DIVISION, OR THE DIRECTOR'S DESIGNEE,  
2           AND THE STATE CONTROLLER, OR STATE CONTROLLER'S DESIGNEE, SHALL  
3           PROMULGATE RULES AS REQUIRED IN THIS SECTION AND MAY  
4           PROMULGATE ADDITIONAL RULES DEEMED NECESSARY FOR THE  
5           IMPLEMENTATION OF THIS SECTION. SUCH RULES SHALL BE PROMULGATED  
6           IN ACCORDANCE WITH ARTICLE 4 OF THIS TITLE 24.

7           (7) (a) ON OR BEFORE SEPTEMBER 1, 2019, THE DEPARTMENT OF  
8           PERSONNEL SHALL REPORT TO THE LEGISLATIVE AUDIT COMMITTEE  
9           REGARDING THE IMPLEMENTATION AND ENFORCEMENT OF THIS SECTION.  
10          THE DEPARTMENT MAY MAKE RECOMMENDATIONS REGARDING FURTHER  
11          MODIFICATIONS TO THE CRITERIA AND REQUIREMENTS FOR THE  
12          ASSIGNMENT OF A STATE-OWNED MOTOR VEHICLE TO AN OFFICER OR  
13          EMPLOYEE OF A STATE AGENCY.

14          (b) THIS SUBSECTION (7) IS REPEALED, EFFECTIVE JULY 1, 2020.

15          **SECTION 3.** In Colorado Revised Statutes, 24-30-1115, **amend**  
16          (1) as follows:

17          **24-30-1115. Motor fleet management fund - creation.**

18          (1) There is hereby created a fund to be known as the motor fleet  
19          management fund, which shall be administered by the department of  
20          personnel and which shall consist of all moneys which may be transferred  
21          thereto in accordance with section 24-30-1104 (2)(k). ~~or 24-30-1113 (4).~~

22          **SECTION 4. Appropriation - adjustments to 2017 long bill.**

23          (1) To implement this act, appropriations made in the annual general  
24          appropriation act for the 2017-18 state fiscal year to the department of  
25          personnel are adjusted as follows:

26          (a) The FTE related to the cash funds appropriation from the  
27          department of personnel revolving fund created in section 24-30-1108

1 (1), C.R.S., for personal services related to integrated document solutions  
2 is decreased by 2.0 FTE.

3 (2) For the 2017-18 state fiscal year, \$196,235 is appropriated to  
4 the department of personnel. This appropriation is from the motor fleet  
5 management fund created in section 24-30-1115 (1), C.R.S. To  
6 implement this act, the program may use this appropriation as follows:

7 (a) \$185,119 for personal services related to the fleet management  
8 program and motor pool services, which amount is based on an  
9 assumption that the program will require an additional 1.8 FTE; and

10 (b) \$11,116 for operating expenses related to the fleet  
11 management program and motor pool services.

12 **SECTION 5. Effective date.** This act takes effect September 1,  
13 2017.

14 **SECTION 6. Safety clause.** The general assembly hereby finds,  
15 determines, and declares that this act is necessary for the immediate  
16 preservation of the public peace, health, and safety.