

Second Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO

**PREAMENDED**

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

LLS NO. 26-0614.01 Sam Anderson x4218

**HOUSE BILL 26-1076**

**HOUSE SPONSORSHIP**

**Paschal and Lindsay**, Froelich, Jackson, Nguyen, Rutinel

**SENATE SPONSORSHIP**

**Ball,**

**House Committees**

Transportation, Housing & Local Government

**Senate Committees**

Transportation & Energy

**A BILL FOR AN ACT**

101 **CONCERNING MODIFICATIONS TO SELECT STATUTORY PROVISIONS**

102 **RELATING TO TRANSPORTATION.**

**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>.)*

The bill makes the following changes to statutes concerning the department of transportation (department):

- Changes the name of the freight mobility and safety branch within the transportation development division of the department to the office of freight mobility and safety (**sections 1, 3, 5, and 9** of the bill);

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters or bold & italic numbers indicate new material to be added to existing law.  
Dashes through the words or numbers indicate deletions from existing law.*

HOUSE  
3rd Reading Unamended  
February 18, 2026

HOUSE  
Amended 2nd Reading  
February 17, 2026

- Clarifies that each state agency is responsible for paying its proportionate part of the cost of maintenance and operation of fueling infrastructure to support its motor vehicle fleet (**section 2**);
- Clarifies that a driver of a commercial vehicle may not enter the farthest left-hand general purpose lane when driving specified sections of interstate 70 (**section 4**);
- Clarifies which transportation commission district represents the city and county of Broomfield (**section 6**);
- Relocates a provision concerning the chief engineer from the statutory section governing the highway maintenance division to the statutory section governing the chief engineer (**sections 7 and 8**);
- Repeals a statutory section concerning a study prepared by legislative council staff on the transportation commission districts, which has been completed (**section 10**);
- Redirects revenue from a permitting fee imposed by the department on companies authorized to install and remove tire chains, as established in Senate Bill 25-069, from the highway users tax fund to the state highway fund (**section 11**);
- Repeals outdated and obsolete provisions concerning the highway users tax fund (**sections 12 and 13**);
- Defines "toll evasion" for purposes of civil penalties, enforcement, and administration of the use of a toll highway (**section 14**);
- Establishes a 4-year term limit for members of the nonattainment area air pollution mitigation enterprise board who are appointed by the governor and clarifies when the initial term for each appointment ends (**section 15**); and
- Repeals a requirement that the transportation commission approve transfers of money directed by the division of aeronautics from the aviation account of the transportation infrastructure revolving fund to the aviation fund, which amounts must not exceed transfers previously approved by the Colorado aeronautical board (**section 16**).

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

2           **SECTION 1.** In Colorado Revised Statutes, 8-20-206.5, **amend**  
 3 (6)(a)(II) as follows:

4           **8-20-206.5. Environmental response surcharge - liquefied**

1 **petroleum gas and natural gas inspection fund - perfluoroalkyl and**  
2 **polyfluoroalkyl substances cash fund - hazardous materials**  
3 **infrastructure cash fund - fuels impact reduction grant program -**  
4 **definitions - repeal.**

5 (6) (a) In addition to the payments collected pursuant to  
6 subsections (1)(a) and (8)(a) of this section, the executive director of the  
7 department of revenue shall also collect a fee to:

8 (II) Support the department of transportation in functions related  
9 to freight movement and infrastructure in the state, including the  
10 functions of the OFFICE OF freight mobility and safety ~~branch~~ of IN the  
11 transportation development division of the department of transportation  
12 created in section 43-1-117 (4), as well as infrastructure projects that  
13 enhance the safety of movement of commercial materials;

14 **SECTION 2.** In Colorado Revised Statutes, 24-30-1104, **amend**  
15 (2)(k) as follows:

16 **24-30-1104. Functions of the department - definitions - rules.**

17 (2) In addition to the county-specific functions set forth in  
18 subsection (1) of this section, the department of personnel shall take such  
19 steps as are necessary to fully implement a central state motor vehicle  
20 fleet system by January 1, 1993. The provisions of the motor vehicle fleet  
21 system created pursuant to this subsection (2) apply to the executive  
22 branch of the state of Colorado, its departments, its institutions, and its  
23 agencies; except that the governing board of each institution of higher  
24 education, by formal action of the board, and the Colorado commission  
25 on higher education, by formal action of the commission, may elect to be  
26 exempt from the provisions of this subsection (2) and may obtain a motor  
27 vehicle fleet system independent of the state motor vehicle fleet system.

1 Under the direction of the executive director, the department of personnel  
2 shall perform the following functions pertaining to the motor vehicle fleet  
3 system throughout the state:

4 (k) Allocate and charge against each state agency to which  
5 transportation OR FUELING INFRASTRUCTURE is furnished ~~on the basis of~~  
6 ~~mileage or on the basis of the period of time for which each vehicle is~~  
7 ~~assigned to the agency~~, its proportionate part of the cost of maintenance  
8 and operation of the motor vehicle fleet AND ITS SUPPORTING FUELING  
9 INFRASTRUCTURE;

10 **SECTION 3.** In Colorado Revised Statutes, 42-2-106, **amend**  
11 **(1)(e)** as follows:

12 **42-2-106. Instruction permits and temporary licenses.**

13 **(1) (e)** The department shall not issue an instruction permit OR  
14 ENDORSEMENT to a minor who is under twenty-one years of age OLD to  
15 drive a motorcycle unless the applicant has successfully completed an  
16 instruction program in motorcycle safety that is approved by the Colorado  
17 state patrol.

18 **SECTION 4.** In Colorado Revised Statutes, 42-2-118, **amend**  
19 **(1)(a)(I); and add (1)(a)(I.5)** as follows:

20 **42-2-118. Renewal of license in person, by mail, or**  
21 **electronically - donations to Emily Keyes - John W. Buckner organ**  
22 **and tissue donation awareness fund - rules - definitions.**

23 **(1) (a) (I) EXCEPT AS PROVIDED IN SUBSECTION (1)(a)(I.5) OF THIS**  
24 **SECTION, every license issued pursuant to section 42-2-114 or part 5 of**  
25 **this article 2 is renewable prior to its expiration, upon application in**  
26 **person, by mail as provided in subsection (1.3) of this section, or by**  
27 **electronic means as provided in subsection (1.5) of this section; payment**

1 of the required fee; passing of an eye test; and passing of such other  
2 examinations as the applicant's physical limitations or driver's record  
3 indicates to be desirable. If a person renews his or her license pursuant to  
4 this subsection (1)(a)(I) by electronic means, the person must attest under  
5 penalty of perjury that he or she has had an eye examination by an  
6 optometrist or an ophthalmologist within ~~three years~~ ONE YEAR before the  
7 date of application.

8 (I.5) IF AN APPLICANT APPLIES TO RENEW THEIR LICENSE WITHIN A  
9 YEAR AFTER IT HAS EXPIRED, THE RENEWED LICENSE WILL HAVE THE SAME  
10 EXPIRATION DATE AS IF IT HAD BEEN RENEWED ON TIME, SO LONG AS THE  
11 PHOTO THE DEPARTMENT HAS ON FILE WILL MEET THE REQUIREMENTS OF  
12 6 CFR 37.25 (a)(1) FOR THE FEDERAL "REAL ID ACT OF 2005" AT THE  
13 TIME OF THE NEXT EXPIRATION. THIS SUBSECTION (1)(a)(I.5) DOES NOT  
14 APPLY TO PROVISIONS OF SUBSECTION (1)(b)(I) OF THIS SECTION,  
15 AUTHORIZING EXTENSIONS.

16 **SECTION 5. Colorado Revised Statutes, 42-2-304, amend (1) as**  
17 **follows:**

18 **42-2-304. Validity of identification card - rules.**

19 (1) Except as provided in subsection (2) of this section, an  
20 identification card issued pursuant to this part 3 expires on the birthday  
21 of the registrant in the fifth year after issuance of the identification card.  
22 IF AN APPLICANT APPLIES TO RENEW THEIR IDENTIFICATION CARD WITHIN  
23 A YEAR AFTER IT HAS EXPIRED, THE RENEWED IDENTIFICATION CARD WILL  
24 BE GIVEN THE SAME EXPIRATION DATE AS IF IT HAD BEEN RENEWED ON  
25 TIME, PROVIDED THE PHOTO THE DEPARTMENT HAS ON FILE WILL MEET THE  
26 REQUIREMENTS OF 6 CFR 37.25 (a)(1) FOR THE FEDERAL "REAL ID ACT OF  
27 2005" AT THE TIME OF THE NEXT EXPIRATION. The department may purge

1 its records of such cards twelve years after issuance; except that any  
2 records concerning identification cards issued prior to April 16, 1996,  
3 may not be purged until October 1, 2003.

4 **SECTION 6.** In Colorado Revised Statutes, 42-4-106, **amend**  
5 (5)(a)(I)(E), (5)(a)(I)(G), and (5)(c)(I) as follows:

6 **42-4-106. Who may restrict right to use highways - definitions**  
7 **- rules.**

8 (5) (a) (I) (E) The driver of a commercial vehicle, with four or  
9 more drive wheels, other than a bus, shall affix tire chains to at least four  
10 of the drive wheel tires when the vehicle is required to be equipped with  
11 tire chains under this subsection (5). The driver of a bus shall affix tire  
12 chains to at least two of the drive wheel tires when the vehicle is required  
13 to be equipped with tire chains under this subsection (5) INCLUDING A  
14 BUS, MUST AFFIX TIRE CHAINS OR APPROVED ALTERNATE TRACTION  
15 DEVICES TO THE NUMBER OF DRIVE WHEEL TIRES REQUIRED BY AND IN THE  
16 MANNER PRESCRIBED BY THE DEPARTMENT OF TRANSPORTATION'S RULES  
17 GOVERNING CHAIN LAW AND PASSENGER VEHICLE TRACTION LAW  
18 REQUIREMENTS ON THE STATE HIGHWAY SYSTEM.

19 (G) On August 7, 2024, the OFFICE of freight mobility and safety  
20 branch created in section 43-1-117 (4) shall launch an awareness  
21 campaign on any laws enacted that modify subsection (5)(a)(I)(C) of this  
22 section.

23 (c) As used in this subsection (5):

24 (I) "Alternate traction device" means a device that is approved by  
25 the Colorado department of transportation as capable of providing  
26 traction comparable to that of metal chains or tire cables under similar  
27 conditions.

1           **SECTION 7.** In Colorado Revised Statutes, 42-4-1014, **amend**  
2 (1) introductory portion as follows:

3           **42-4-1014. No commercial vehicles in the left lane - penalty.**

4           (1) A driver of a commercial vehicle may not enter the ~~furthest~~  
5 ~~left~~ FARTHEST LEFT-HAND GENERAL PURPOSE lane when driving in the  
6 following areas of interstate 70 unless specifically required or authorized  
7 to pass by law:

8           **SECTION 8.** In Colorado Revised Statutes, 42-4-1701, **amend**  
9 (4)(d.7)(II)(B) as follows:

10           **42-4-1701. Traffic offenses and infractions classified -**  
11 **penalties - penalty and surcharge schedule - repeal.**

12           (4) (d.7) (II) (B) Notwithstanding any provision of law to the  
13 contrary, for each fine collected pursuant to section 42-4-617 (4) and  
14 subsection (4)(d.7)(I) of this section, the state treasurer shall credit  
15 one-half of the amount of the fine to the account. All money credited to  
16 the account is continuously appropriated to the department of  
17 transportation and to the OFFICE OF freight mobility and safety ~~branch~~  
18 created within the transportation development division of the department  
19 of transportation pursuant to section 43-1-117 to pay costs associated with  
20 the provision of educational outreach and public information about  
21 runaway truck events, the purchase and implementation of equipment for  
22 the purpose of reducing the frequency of runaway truck events, and the  
23 completion of studies of means by which the state may reduce the  
24 frequency of runaway truck events and improve overall commercial  
25 motor vehicle safety on state highways that pass through the mountains  
26 of the state.

27           **SECTION 9.** In Colorado Revised Statutes, 43-1-106, **amend** (2)

1 introductory portion and (2)(d) as follows:

2 **43-1-106. Transportation commission - efficiency and**  
3 **accountability committee - powers and duties - report - rules -**  
4 **definitions.**

5 (2) ~~One member of the commission shall be appointed by the~~  
6 ~~governor from each of the following districts~~ THE GOVERNOR SHALL  
7 APPOINT ONE MEMBER OF THE COMMISSION FROM EACH OF THE  
8 FOLLOWING DISTRICTS:

9 (d) District 4: The counties of Adams and Boulder AND THE CITY  
10 AND COUNTY OF BROOMFIELD;

11 **SECTION 10.** In Colorado Revised Statutes, 43-1-110, **add with**  
12 **amended and relocated provisions (5)** as follows:

13 **43-1-110. Powers and duties of the chief engineer - hearings**  
14 **- rule-making.**

15 (5) [Formerly 43-1-114 (3)] Whenever the chief engineer is  
16 authorized to enter into contracts or agreements, ~~the contracts or~~  
17 ~~agreements must be executed~~ THE CHIEF ENGINEER, OR THEIR DESIGNEE,  
18 MUST EXECUTE THE CONTRACTS OR AGREEMENTS in the name of the  
19 department of transportation, state of Colorado. ~~by the chief engineer, or~~  
20 ~~his or her designee~~ Whenever the chief engineer is authorized to acquire  
21 or convey real or personal property, ~~title thereto must be acquired or~~  
22 ~~conveyed~~ THE CHIEF ENGINEER, OR THEIR DESIGNEE, MUST ACQUIRE OR  
23 CONVEY THE TITLE in the name of the department of transportation, state  
24 of Colorado, and THE CHIEF ENGINEER, OR THEIR DESIGNEE, MUST  
25 EXECUTE all such conveyances. ~~must be executed by the chief engineer,~~  
26 ~~or his or her designee~~ All suits or proceedings brought by or against the  
27 chief engineer must be in the name of the department of transportation,

1 state of Colorado.

2 **SECTION 11.** In Colorado Revised Statutes, 43-1-114, **repeal** (3)  
3 as follows:

4 **43-1-114. Highway maintenance division - creation.**

5 (3) ~~Whenever the chief engineer is authorized to enter into~~  
6 ~~contracts or agreements, the contracts or agreements must be executed in~~  
7 ~~the name of the department of transportation, state of Colorado, by the~~  
8 ~~chief engineer, or his or her designee. Whenever the chief engineer is~~  
9 ~~authorized to acquire or convey real or personal property, title thereto~~  
10 ~~must be acquired or conveyed in the name of the department of~~  
11 ~~transportation, state of Colorado, and all such conveyances must be~~  
12 ~~executed by the chief engineer, or his or her designee. All suits or~~  
13 ~~proceedings brought by or against the chief engineer must be in the name~~  
14 ~~of the department of transportation, state of Colorado.~~

15 **SECTION 12.** In Colorado Revised Statutes, 43-1-117, **amend**  
16 (4) as follows:

17 **43-1-117. Transportation development division - created -**  
18 **duties - office of freight mobility and safety - repeal.**

19 (4) The OFFICE OF freight mobility and safety ~~branch~~ is created in  
20 the transportation development division. The function of the OFFICE OF  
21 freight mobility and safety ~~branch~~ is to plan, design, and implement  
22 programs and projects that enhance freight mobility and safety within the  
23 state. No later than January 1, 2022, the OFFICE OF freight mobility and  
24 safety ~~branch~~ shall provide to the commission a long-term strategic plan  
25 that sets forth the vision and goals for the ~~branch~~ OFFICE, key priorities for  
26 all freight-related programs, activities, and projects, and guidelines for  
27 coordination between the ~~branch~~ OFFICE and the freight advisory

1 committee.

2 **SECTION 13.** In Colorado Revised Statutes, 43-1-117.5, **add (6)**  
3 **as follows:**

4 **(6) NOTHING IN THIS ARTICLE 1 MEANS THAT THE TRANSIT AND**  
5 **RAIL DIVISION HAS EXCLUSIVE AUTHORITY AND RESPONSIBILITY FOR THE**  
6 **POWERS AND DUTIES DESCRIBED IN THIS ARTICLE 1. OTHER DIVISIONS OR**  
7 **ENTERPRISES UNDER THE DEPARTMENT MAY UNDERTAKE TRANSIT AND**  
8 **RAIL-RELATED POWERS AND DUTIES AS IDENTIFIED BY THE DEPARTMENT**  
9 **OR ENTERPRISE BOARD, CONSISTENT WITH APPLICABLE LAW.**

10 **SECTION 14.** In Colorado Revised Statutes, **repeal** 43-1-124 as  
11 follows:

12 **43-1-124. Study of transportation commission districts.**

13 ~~No later than August 1, 2016, legislative council staff, with the~~  
14 ~~cooperation of the department, shall prepare and present to the~~  
15 ~~transportation legislation review committee a research study of the~~  
16 ~~commission districts established in section 43-1-106 (2). The study must~~  
17 ~~document changes since the last time the general assembly modified the~~  
18 ~~number and boundaries of the commission districts, including changes in~~  
19 ~~population, number of lane miles, and annual vehicle miles traveled for~~  
20 ~~each of the districts and must take into account existing county and~~  
21 ~~municipal boundaries, regional transportation authorities and districts,~~  
22 ~~and transportation planning regions.~~

23 **SECTION 15.** In Colorado Revised Statutes, 43-2-150, **amend**  
24 **(2)(d) as follows:**

25 **43-2-150. Roadside chain service - rules - permits - fees -**  
26 **liability - definition.**

27 (2) (d) The department may charge a fee to issue a permit to an

1 applicant. The fee must be set in an amount to offset the direct and  
2 indirect costs of issuing permits under this subsection (2). The state  
3 treasurer shall credit the fees to the STATE highway ~~users tax~~ fund created  
4 in ~~section 43-4-201~~ SECTION 43-1-219.

5 **SECTION 16.** In Colorado Revised Statutes, 43-2-402, **amend**  
6 **(1)** as follows:

7 **43-2-402. Noise mitigation measures.**

8 **(1)** An applicant may submit an application for noise mitigation  
9 **measures to the department between November 1 and March 31, in**  
10 **accordance with the application procedures established by the**  
11 **transportation commission by rule.**

12 **SECTION 17.** In Colorado Revised Statutes, 43-2-403, **amend**  
13 **(1); and repeal (3)(c)(I)** as follows:

14 **43-2-403. Noise mitigation - privately funded - rules.**

15 **(1)** An applicant may submit an application for noise mitigation  
16 **measures to be privately funded to the department at any time, in**  
17 **accordance with the application procedures established by the**  
18 **transportation commission by rule.**

19 **(3) (c)** Noise mitigation measures constructed in accordance with  
20 **this section shall:**

21 **(I) Comply with applicable rules and procedural directives of the**  
22 **department and the transportation commission;**

23 **SECTION 18.** In Colorado Revised Statutes, **repeal** 43-2-404 as  
24 **follows:**

25 **43-2-404. Rule-making authority.**

26 **The transportation commission created by part 1 of article 1 of this**  
27 **title shall promulgate rules in accordance with article 4 of title 24, C.R.S.,**

1 to implement the provisions of this part 4. The rules shall include noise  
2 mitigation standards and a list of approved noise mitigation measures and  
3 products that meet the standards.

4 **SECTION 19.** In Colorado Revised Statutes, 43-4-205, **amend**  
5 (6) introductory portion, (6)(b) introductory portion, and (6.5)(a); and  
6 **repeal** (6)(a), (7), and (13) as follows:

7 **43-4-205. Allocation of fund - repeal.**

8 (6) Revenue raised by the excise tax imposed on gasoline and  
9 special fuel pursuant to sections 39-27-102 and 39-27-102.5 in excess of  
10 seven cents per gallon of tax shall MUST be placed in the highway users  
11 tax fund to be allocated as follows: ~~except that revenue raised by the~~  
12 ~~excise tax imposed on gasoline in excess of eighteen cents per gallon of~~  
13 ~~tax shall be allocated according to subsection (6)(b) of this section~~

14 (a) ~~Sixteen percent of such revenue shall be deposited in a special~~  
15 ~~account within the highway users tax fund until July 1, 1997, and shall be~~  
16 ~~expended only for highway bridge repair, replacement, or posting,~~  
17 ~~pursuant to provisions of paragraph (a) of subsection (7) of this section.~~

18 (b) The ~~remaining balance of such~~ revenue may be expended only  
19 for improvements to highways within the state, including new  
20 construction, safety improvements, maintenance, and capacity  
21 improvements, and for other transportation-related projects to the extent  
22 authorized by subsection (6.8) of this section and sections 43-4-206 (3),  
23 43-4-207 (1), and 43-4-208 (1), and may not be expended for  
24 administrative purposes. Such revenue is allocated as follows:

25 (6.5) (a) Except as otherwise provided in subsections (6.4) and  
26 (6.7) of this section, the revenue accrued to and transferred to the  
27 highway users tax fund pursuant to section 24-75-219 or 39-26-123 (4)(a)

1 ~~or appropriated to the highway users tax fund pursuant to House Bill~~  
2 ~~02-1389, enacted in 2002, must be paid to the state highway fund for~~  
3 ~~allocation to the department of transportation and expended as provided~~  
4 ~~in section 43-4-206 (2).~~

5 ~~(7) (a) Revenues accumulated in the special account for highway~~  
6 ~~bridges, as provided in paragraph (a) of subsection (6) of this section,~~  
7 ~~shall be allocated at least once each year among state, counties, and~~  
8 ~~municipal highway systems based on total cost needs under the criteria~~  
9 ~~developed by means of the most current report of the federal bridge~~  
10 ~~inventory program. For the fiscal year commencing on July 1, 1981, the~~  
11 ~~allocation shall be determined in accordance with needs developed by~~  
12 ~~October 1, 1981. In subsequent fiscal years, the allocation shall be~~  
13 ~~determined in accordance with needs reports available on January 1,~~  
14 ~~1982, and January 1 of each subsequent year, with the allocation amounts~~  
15 ~~to be effective on July 1 of each year. After allocation of the state share~~  
16 ~~of the special bridge account, the share for the counties and municipalities~~  
17 ~~shall be allocated, subject to annual appropriation by the general~~  
18 ~~assembly, based upon need as determined by the special highway~~  
19 ~~committee which shall be composed of four representatives each from~~  
20 ~~counties and municipalities. Allocations to local governments shall~~  
21 ~~require a minimum of twenty percent of local matching funds from~~  
22 ~~revenues other than the special bridge account within the highway users~~  
23 ~~tax fund.~~

24 ~~(b) Repealed.~~

25 ~~(13) All of the additional revenues which are credited to the~~  
26 ~~highway users tax fund as a result of the enactment of House Bill No.~~  
27 ~~1012 at the first extraordinary session of the fifty-seventh general~~

1 ~~assembly shall be expended only for improvements to highways within~~  
2 ~~the state, including new construction, safety improvements, maintenance,~~  
3 ~~and capacity improvements. No moneys shall be expended for~~  
4 ~~administrative purposes.~~

5 **SECTION 20.** In Colorado Revised Statutes, 43-4-206, **amend**  
6 (2)(a) introductory portion as follows:

7 **43-4-206. State allocation.**

8 (2) (a) Revenue accrued to and transferred to the highway users  
9 tax fund pursuant to section 39-26-123 (4)(a) ~~or appropriated to the~~  
10 ~~highway users tax fund pursuant to House Bill 02-1389, enacted at the~~  
11 ~~second regular session of the sixty-third general assembly,~~ and credited  
12 to the state highway fund pursuant to section 43-4-205 (6.5) shall be  
13 expended by the department of transportation for the implementation of  
14 the strategic transportation project investment program:

15 **SECTION 21.** In Colorado Revised Statutes, 43-4-803, **add**  
16 (23.7) as follows:

17 **43-4-803. Definitions.**

18 (23.7) "TOLL EVASION" MEANS:

- 19 (a) FAILING TO PAY A TOLL OR AVOIDING A TOLL; OR
- 20 (b) ENTERING OR EXITING A TOLL LANE OUTSIDE OF A DESIGNATED  
21 ACCESS OR EGRESS POINT, INCLUDING SWERVING BETWEEN A TOLL LANE  
22 AND A GENERAL PURPOSE LANE, WITHOUT REGARD TO WHETHER A TOLL  
23 WAS ASSESSED OR PAID.

24 **SECTION 22.** In Colorado Revised Statutes, 43-4-806, **add (6)(r)**  
25 as follows:

26 **43-4-806. High-performance transportation enterprise -**  
27 **creation - enterprise status - board - funds - powers and duties - user**

1 fees - limitations - reporting requirements - violations on the peak  
2 period shoulder lanes - legislative declaration - definitions.

3 (6) In addition to any other powers and duties specified in this  
4 section, the transportation enterprise board has the following powers and  
5 duties:

6 (r) (I) AS PART OF A CONTRACT RELATED TO THE PROVISION OF  
7 PUBLIC PASSENGER RAIL SERVICE WITH A PASSENGER RAIL FACILITY  
8 PROVIDER OR PASSENGER RAIL OPERATOR AND SUBJECT TO THE  
9 REQUIREMENTS OF THIS SUBSECTION (6)(r), TO AGREE TO AND OBTAIN,  
10 DIRECTLY OR INDIRECTLY, AN INSURANCE POLICY AGAINST LIABILITIES OF  
11 THE TRANSPORTATION ENTERPRISE AND THE PASSENGER RAIL FACILITY  
12 PROVIDER, PASSENGER RAIL OPERATOR, OR BOTH, AND TO PAY ANY  
13 DEDUCTIBLE, RETENTION, OR SIMILAR CHARGE UNDER THE POLICY  
14 REGARDLESS OF THE SOURCE OF THE LIABILITY FROM WHICH THE CHARGE  
15 ARISES.

16 (II) BEFORE EXERCISING THE AUTHORITY GRANTED IN THIS  
17 SUBSECTION (6)(r), THE TRANSPORTATION ENTERPRISE BOARD MUST MAKE  
18 A FINDING THAT THE CONTRACT FOR THE PROVISION OF PUBLIC PASSENGER  
19 RAIL SERVICE WITH A PASSENGER RAIL FACILITY PROVIDER OR PASSENGER  
20 RAIL OPERATOR SERVES A VALID PUBLIC PURPOSE AND THAT THE RISKS TO  
21 THE ENTERPRISE THAT MAY ARISE FROM ENTERING INTO THE CONTRACT  
22 ARE SUFFICIENTLY LIMITED AND OUTWEIGHED BY THE BENEFITS OF THE  
23 CONTRACT.

24 (III) FOR PURPOSES OF THIS SUBSECTION (6)(r):

25 (A) "PASSENGER RAIL FACILITY PROVIDER" MEANS A CLASS I  
26 RAILROAD, A SPECIAL DISTRICT CREATED PURSUANT TO TITLE 32 THAT IS  
27 INTENDED TO PROVIDE TRANSPORTATION SERVICES BY RAIL, A REGIONAL

1 TRANSPORTATION AUTHORITY CREATED PURSUANT TO PART 6 OF ARTICLE  
2 4 OF TITLE 43 INCLUDING A TRANSPORTATION PLANNING ORGANIZATION  
3 EXERCISING THE POWERS OF A REGIONAL TRANSPORTATION AUTHORITY,  
4 AND A CONTRACTOR TO SUCH A RAILROAD, SPECIAL DISTRICT, OR  
5 AUTHORITY, BUT ONLY IF THE RAILROAD, SPECIAL DISTRICT, AUTHORITY,  
6 OR CONTRACTOR OWNS OR EXERCISES CONTROL OVER PROPERTY THAT  
7 WILL BE USED IN THE OPERATION OF THE PUBLIC PASSENGER RAIL SERVICE  
8 TO BE PROVIDED PURSUANT TO THE CONTRACT SPECIFIED IN SUBSECTION  
9 (6)(r)(I) OF THIS SECTION.

10 (B) "PASSENGER RAIL OPERATOR" MEANS A PROVIDER OF TRAIN  
11 AND ENGINE CREWS AND FUNCTIONS ASSOCIATED WITH THE OPERATION  
12 AND MAINTENANCE OF THE EQUIPMENT ASSOCIATED WITH PROVIDING  
13 PASSENGER RAIL SERVICE.

14 (IV) NOTHING IN THIS SUBSECTION (6)(r) WAIVES, DIMINISHES, OR  
15 OTHERWISE AFFECTS ANY IMMUNITIES OR DEFENSES AVAILABLE TO THE  
16 TRANSPORTATION ENTERPRISE OR ANY OTHER IMPACTED PUBLIC ENTITY.

17 (V) ANY PREMIUM, DEDUCTIBLE, RETENTION, OR SIMILAR CHARGE  
18 REQUIRED TO BE PAID UNDER A TERM IN AN AGREEMENT ENTERED INTO  
19 UNDER THE AUTHORITY GRANTED IN THIS SUBSECTION (6)(r) IS PAYABLE  
20 ONLY FROM REVENUE AVAILABLE FOR SUCH PAYMENTS CONSISTENT WITH  
21 SUBSECTION (5) OF THIS SECTION. NOTHING IN THIS SUBSECTION (6)(r)  
22 ALTERS ANY CONTRACTUAL RESTRICTIONS ON REVENUES PLEDGED TO THE  
23 PAYMENT OF OBLIGATIONS UNDERTAKEN PURSUANT TO THE AUTHORITY  
24 GRANTED TO THE TRANSPORTATION ENTERPRISE IN SUBSECTION (6)(c) OF  
25 THIS SECTION.

26 **SECTION 23. In Colorado Revised Statutes, 43-4-1204, amend**  
27 **(3)(c)(III) as follows:**

1            **43-4-1204. Production fee for clean transit imposed by the**  
2            **enterprise - local transit operations program - local transit grant**  
3            **program - rail funding program - cash funds - report.**

4            (3) (c) Pursuant to the purposes of the local transit operations  
5            program, the enterprise shall allocate money from the local transit  
6            operations cash fund to eligible entities using a formula developed by the  
7            board, which shall be based on population, population density, local  
8            zoning, transit ridership, vehicle revenue miles, share of  
9            disproportionately impacted community population, and other  
10           transit-related criteria. An eligible entity that is awarded money from the  
11           local transit operations cash fund shall:

12           (III) Use the entirety of the money no later than two years after the  
13           contract allocating the money is finalized; EXCEPT THAT THE CLEAN  
14           TRANSIT ENTERPRISE BOARD MAY EXTEND THIS PERIOD BY ONE YEAR FOR  
15           CAPITAL AWARD CONTRACTS.

16           **SECTION 24. In Colorado Revised Statutes, 43-4-1301, amend**  
17           **(1)(b) as follows:**

18           **43-4-1301. Legislative declaration.**

19           (1) The general assembly hereby finds and declares that:

20           (b) It is necessary and appropriate to offset and mitigate these  
21           impacts by creating a nonattainment area air pollution mitigation  
22           enterprise that has the business purpose of providing funding for AND  
23           DESIGN AND CONSTRUCTION OVERSIGHT AND MANAGEMENT OF eligible  
24           projects that reduce traffic congestion, including demand management  
25           projects that encourage alternatives to driving alone, and thereby reduce  
26           travel delays, engine idle time, and unproductive fuel consumption or that  
27           directly reduce emissions by means such as retrofitting of construction

1 equipment;

2 **SECTION 25.** In Colorado Revised Statutes, 43-4-1303, **amend**  
3 (2)(b), (3) introductory portion, and (6)(b); and add (2)(c) and (3)(d) as  
4 follows:

5 **43-4-1303. Nonattainment area air pollution mitigation**  
6 **enterprise - creation - board - powers and duties - rules - fees - fund.**

7 (2) (b) ~~Appointed members~~ EXCEPT AS PROVIDED IN SUBSECTION  
8 (2)(c) OF THIS SECTION, MEMBERS OF THE BOARD APPOINTED BY THE  
9 GOVERNOR ~~serve at the pleasure of the governor~~ FOR TERMS OF FOUR  
10 YEARS. A MEMBER WHO IS APPOINTED TO FILL A VACANCY ON THE BOARD  
11 SHALL SERVE THE REMAINDER OF THE UNEXPIRED TERM OF THE FORMER  
12 MEMBER. The other board members serve for as long as they hold their  
13 executive director positions or are designated to serve by an executive  
14 director.

15 (c) THE TERM OF EACH INITIAL MEMBER OF THE BOARD APPOINTED  
16 BY THE GOVERNOR ENDS ON JANUARY 15, 2027. FOR ONLY THE TERM  
17 IMMEDIATELY FOLLOWING THIS INITIAL TERM, THE MEMBERS DESCRIBED  
18 IN SUBSECTIONS (2)(a)(I)(A) AND (2)(a)(I)(B) OF THIS SECTION AND ONE  
19 OF THE MEMBERS DESCRIBED IN SUBSECTION (2)(a)(I)(D) OF THIS SECTION  
20 SERVE A TERM OF THREE YEARS. ALL OTHER TERMS OF SERVICE FOR ANY  
21 MEMBER APPOINTED BY THE GOVERNOR ARE FOUR YEARS, AS DESCRIBED  
22 IN SUBSECTION (2)(b) OF THIS SECTION.

23 (3) The business purpose of the enterprise is to mitigate the  
24 environmental and health impacts of increased air pollution from motor  
25 vehicle emissions in nonattainment areas that results from the rapid and  
26 continuing growth in retail deliveries made by motor vehicles and in  
27 prearranged rides provided by transportation network companies by

1 providing funding for AND DESIGN AND CONSTRUCTION OVERSIGHT AND  
2 MANAGEMENT OF eligible projects that reduce traffic, including demand  
3 management projects that encourage alternatives to driving alone or that  
4 directly reduce air pollution, such as retrofitting of construction  
5 equipment, construction of roadside vegetation barriers, and planting trees  
6 along medians. To allow the enterprise to accomplish this purpose and  
7 fully exercise its powers and duties through the board, the enterprise may:

8 (d) ENGAGE IN ALL ACTIVITIES NECESSARY TO DIRECTLY MITIGATE  
9 THE ENVIRONMENTAL AND HEALTH IMPACTS OF AIR POLLUTION,  
10 INCLUDING THE ADMINISTRATION, ACQUISITION, DESIGN, CONSTRUCTION,  
11 IMPROVEMENT, MAINTENANCE, AND PURSUIT OF OTHER INNOVATIVE AND  
12 EFFICIENT MEANS OF COMPLETING ELIGIBLE PROJECTS AND CONTRACTING  
13 WITH A PERSON, FIRM, OR CORPORATION FOR THE PERFORMANCE OF ANY  
14 SUCH WORK.

15 (6) In addition to any other powers and duties specified in this  
16 section, the board has the following general powers and duties:

17 (b) To acquire, hold title to, and dispose of, AND VOLUNTARILY  
18 PURCHASE, DESIGN, CONSTRUCT, IMPROVE, MAINTAIN, ADMINISTER, AND  
19 OPERATE real and personal property, INCLUDING RIGHTS-OF-WAY AND ALL,  
20 OR PORTIONS OF, ELIGIBLE PROJECTS, NECESSARY FOR THE PURPOSES OF  
21 THE ENTERPRISE AND TO CONTRACT WITH A PERSON, FIRM, OR  
22 CORPORATION FOR THE PERFORMANCE OF ANY SUCH WORK;

23 **SECTION 26.** In Colorado Revised Statutes, 43-10-103, **amend**  
24 **(2)(m)** as follows:

25 **43-10-103. Division of aeronautics created - duties.**

26 (2) The division shall provide support for the Colorado  
27 aeronautical board in fulfilling its duties. The duties of the division also

1 include, but are not limited to, the following:

2 (m) Directing the state treasurer to transfer ~~moneys~~ MONEY from  
3 the aviation fund created by section 43-10-109 to the aviation account of  
4 the transportation infrastructure revolving fund created by section  
5 43-1-113.5, but only if such transfer is approved by the board. The  
6 division may direct the state treasurer to transfer ~~moneys~~ MONEY from the  
7 aviation account back to the aviation fund in an amount not exceeding the  
8 amounts previously transferred from the aviation fund, but only if such  
9 transfer is approved by the board. ~~and by the transportation commission.~~

10 **SECTION 27. Act subject to petition - effective date.** This act  
11 takes effect at 12:01 a.m. on the day following the expiration of the  
12 ninety-day period after final adjournment of the general assembly (August  
13 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a  
14 referendum petition is filed pursuant to section 1 (3) of article V of the  
15 state constitution against this act or an item, section, or part of this act  
16 within such period, then the act, item, section, or part will not take effect  
17 unless approved by the people at the general election to be held in  
18 November 2026 and, in such case, will take effect on the date of the  
19 official declaration of the vote thereon by the governor.