

CHAPTER 265

TRANSPORTATION

HOUSE BILL 26-1076

BY REPRESENTATIVE(S) Paschal and Lindsay, Froelich, Jackson, Nguyen, Rutinel, Duran;
also SENATOR(S) Ball and Lindstedt, Cutter, Hinrichsen, Kipp, Snyder, Coleman.

AN ACT**CONCERNING MODIFICATIONS TO SELECT STATUTORY PROVISIONS RELATING TO TRANSPORTATION.**

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

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

8-20-206.5. Environmental response surcharge - liquefied petroleum gas and natural gas inspection fund - perfluoroalkyl and polyfluoroalkyl substances cash fund - hazardous materials infrastructure cash fund - fuels impact reduction grant program - definitions - repeal.

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

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

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

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

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

(2) In addition to the county-specific functions set forth in subsection (1) of this section, the department of personnel shall take such steps as are necessary to fully implement a central state motor vehicle fleet system by January 1, 1993. The provisions of the motor vehicle fleet system created pursuant to this subsection (2) apply to the executive branch of the state of Colorado, its departments, its institutions, and its agencies; except that the governing board of each institution of higher education, by formal action of the board, and the Colorado commission on higher education, by formal action of the commission, may elect to be exempt from the provisions of this subsection (2) and may obtain a motor vehicle fleet system independent of the state motor vehicle fleet system. Under the direction of the executive director, the department of personnel shall perform the following functions pertaining to the motor vehicle fleet system throughout the state:

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

SECTION 3. In Colorado Revised Statutes, 33-61-102, **amend** (6) as follows:

33-61-102. Definitions.

As used in this article 61, unless the context otherwise requires:

(6) "Gas spot price" means the Henry Hub natural gas spot price as reported by the United States energy information administration or ~~a successor~~ ANOTHER price index selected by the commission PURSUANT TO SECTION 33-61-103 (1)(a.5).

SECTION 4. In Colorado Revised Statutes, 33-61-103, **amend** (1)(b)(I) introductory portion and (1)(b)(II); and **add** (1)(a.5) as follows:

33-61-103. Fee for oil and gas production - remediation of harm to wildlife and land - cash fund.

(1) (a.5) NO LATER THAN ONE WEEK AFTER OCTOBER 1, 2026, AND NO LATER THAN ONE WEEK AFTER THE FIRST DAY OF EACH CALENDAR QUARTER THEREAFTER, THE COMMISSION SHALL DETERMINE WHICH NATURAL GAS INDEX TO USE TO CALCULATE THE AVERAGE GAS SPOT PRICE FOR THE PREVIOUS CALENDAR QUARTER PURSUANT TO SUBSECTION (1)(b) OF THIS SECTION. IN DETERMINING WHICH NATURAL GAS INDEX TO USE, THE COMMISSION SHALL CONSIDER REGIONAL DYNAMICS IN THE NATURAL GAS MARKET THAT AFFECT THE SPOT PRICES THAT NATURAL GAS OPERATORS MAY RECEIVE FOR THEIR NATURAL GAS COMPARED TO THE GAS SPOT PRICE.

(b) (I) No later than ~~one week~~ TWO WEEKS after October 1, 2025, and no later than ~~one week~~ TWO WEEKS after the first day of each calendar quarter thereafter, the commission shall calculate, including performing any necessary measurement unit conversions to calculate, the average oil spot price and the average gas spot price for the previous calendar quarter and publish the average oil spot price and the average gas spot price on the commission's website. The commission shall routinely

provide written guidance to the division on factors relevant to the production fee amounts, including guidance on the current condition of the oil and gas market and the market's sensitivity to higher or lower production fee amounts. In preparing the written guidance, the commission shall:

(II) No later than ~~one month~~ THREE WEEKS after the commission publishes the average oil spot price and the average gas spot price for the previous calendar quarter on the commission's website pursuant to subsection (1)(b)(I) of this section, the division shall set the production fee amounts applicable to the previous calendar quarter, notify the executive director of the production fee amounts set, and publish the production fee amounts on the division's website. Prior to adopting the production fee amounts, the division shall consult with the commission on the appropriate production fee amounts for the previous quarter and take into account the maximum amounts described in section 33-61-102 (12) and other relevant factors.

SECTION 5. In Colorado Revised Statutes, 42-2-106, **amend** (1)(e) as follows:

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

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

SECTION 6. In Colorado Revised Statutes, 42-2-118, **amend** (1)(a)(I); and **add** (1)(a)(I.5) as follows:

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

(1)(a)(I) EXCEPT AS PROVIDED IN SUBSECTION (1)(a)(I.5) OF THIS SECTION, every license issued pursuant to section 42-2-114 or part 5 of this article 2 is renewable prior to its expiration, upon application in person, by mail as provided in subsection (1.3) of this section, or by electronic means as provided in subsection (1.5) of this section; payment of the required fee; passing of an eye test; and passing of such other examinations as the applicant's physical limitations or driver's record indicates to be desirable. If a person renews his or her license pursuant to this subsection (1)(a)(I) by electronic means, the person must attest under penalty of perjury that he or she has had an eye examination by an optometrist or an ophthalmologist within ~~three years~~ ONE YEAR before the date of application.

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

SECTION 7. In Colorado Revised Statutes, 42-2-304, **amend** (1) as follows:

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

(1) Except as provided in subsection (2) of this section, an identification card issued pursuant to this part 3 expires on the birthday of the registrant in the fifth year after issuance of the identification card. IF AN APPLICANT APPLIES TO RENEW THEIR IDENTIFICATION CARD WITHIN A YEAR AFTER IT HAS EXPIRED, THE RENEWED IDENTIFICATION CARD WILL BE GIVEN THE SAME EXPIRATION DATE AS IF IT HAD BEEN RENEWED ON TIME, PROVIDED THE PHOTO THE DEPARTMENT HAS ON FILE WILL MEET THE REQUIREMENTS OF 6 CFR 37.25 (a)(1) FOR THE FEDERAL "REAL ID ACT OF 2005" AT THE TIME OF THE NEXT EXPIRATION. The department may purge its records of such cards twelve years after issuance; except that any records concerning identification cards issued prior to April 16, 1996, may not be purged until October 1, 2003.

SECTION 8. In Colorado Revised Statutes, 42-4-106, **amend** (5)(a)(I)(E), (5)(a)(I)(G), and (5)(c)(I) as follows:

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

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

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

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

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

SECTION 9. In Colorado Revised Statutes, 42-4-1014, **amend** (1) introductory portion as follows:

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

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

SECTION 10. In Colorado Revised Statutes, 42-4-1701, **amend** (4)(d.7)(II)(B) as follows:

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

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

SECTION 11. In Colorado Revised Statutes, 43-1-106, **amend** (2) introductory portion and (2)(d) as follows:

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

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

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

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

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

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

SECTION 13. In Colorado Revised Statutes, 43-1-114, **repeal** (3) as follows:

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

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

SECTION 14. In Colorado Revised Statutes, 43-1-117, **amend** (4) as follows:

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

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

SECTION 15. In Colorado Revised Statutes, 43-1-117.5, **add** (6) as follows:

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

SECTION 16. In Colorado Revised Statutes, **repeal** 43-1-124 as follows:

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

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

SECTION 17. In Colorado Revised Statutes, 43-2-150, **amend** (2)(d) as follows:

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

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

SECTION 18. In Colorado Revised Statutes, 43-2-402, **amend** (1) as follows:

43-2-402. Noise mitigation measures.

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

SECTION 19. In Colorado Revised Statutes, 43-2-403, **amend** (1); and **repeal** (3)(c)(I) as follows:

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

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

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

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

SECTION 20. In Colorado Revised Statutes, **repeal** 43-2-404 as follows:

43-2-404. Rule-making authority.

~~The transportation commission created by part 1 of article 1 of this title shall promulgate rules in accordance with article 4 of title 24, C.R.S., to implement the provisions of this part 4. The rules shall include noise mitigation standards and a list of approved noise mitigation measures and products that meet the standards.~~

SECTION 21. In Colorado Revised Statutes, 43-4-205, **amend** (6) introductory portion, (6)(b) introductory portion, and (6.5)(a); and **repeal** (6)(a), (7), and (13) as follows:

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

(6) Revenue raised by the excise tax imposed on gasoline and special fuel pursuant to sections 39-27-102 and 39-27-102.5 in excess of seven cents per gallon of tax ~~shall~~ **MUST** be placed in the highway users tax fund to be allocated as follows: ~~except that revenue raised by the excise tax imposed on gasoline in excess of~~

~~eighteen cents per gallon of tax shall be allocated according to subsection (6)(b) of this section~~

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

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

~~(6.5) (a) Except as otherwise provided in subsections (6.4) and (6.7) of this section, the revenue accrued to and transferred to the highway users tax fund pursuant to section 24-75-219 or 39-26-123 (4)(a) or appropriated to the highway users tax fund pursuant to House Bill 02-1389, enacted in 2002, must be paid to the state highway fund for allocation to the department of transportation and expended as provided in section 43-4-206 (2).~~

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

~~(b) Repealed.~~

~~(13) All of the additional revenues which are credited to the highway users tax fund as a result of the enactment of House Bill No. 1012 at the first extraordinary session of the fifty-seventh general assembly shall be expended only for improvements to highways within the state, including new construction, safety improvements, maintenance, and capacity improvements. No moneys shall be expended for administrative purposes.~~

SECTION 22. In Colorado Revised Statutes, 43-4-206, **amend** (2)(a) introductory portion as follows:

43-4-206. State allocation.

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

SECTION 23. In Colorado Revised Statutes, 43-4-803, **add** (23.7) as follows:

43-4-803. Definitions.

(23.7) "TOLL EVASION" MEANS:

(a) FAILING TO PAY A TOLL OR AVOIDING A TOLL; OR

(b) ENTERING OR EXITING A TOLL LANE OUTSIDE OF A DESIGNATED ACCESS OR EGRESS POINT, INCLUDING SWERVING BETWEEN A TOLL LANE AND A GENERAL PURPOSE LANE, WITHOUT REGARD TO WHETHER A TOLL WAS ASSESSED OR PAID.

SECTION 24. In Colorado Revised Statutes, 43-4-1202, **amend** (9.7) as follows:

43-4-1202. Definitions.

As used in this part 12, unless the context otherwise requires:

(9.7) "Gas spot price" means the Henry Hub natural gas spot price as reported by the United States energy information administration or ~~a successor~~ ANOTHER price index selected by the energy and carbon management commission created in section 34-60-104.3 AND PURSUANT TO SECTION 43-4-1204 (1)(a.5).

SECTION 25. In Colorado Revised Statutes, 43-4-1204, **amend** (1)(b)(I) introductory portion and (1)(b)(II); and **add** (1)(a.5) as follows:

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

(1) (a.5) NO LATER THAN ONE WEEK AFTER OCTOBER 1, 2026, AND NO LATER THAN ONE WEEK AFTER THE FIRST DAY OF EACH CALENDAR QUARTER THEREAFTER, THE ENERGY AND CARBON MANAGEMENT COMMISSION CREATED IN SECTION 34-60-104.3 (1) SHALL DETERMINE WHICH NATURAL GAS INDEX TO USE PURSUANT TO SECTION 33-61-102(6). IN DETERMINING WHICH NATURAL GAS INDEX TO USE, THE ENERGY AND CARBON MANAGEMENT COMMISSION SHALL CONSIDER REGIONAL DYNAMICS IN THE NATURAL GAS MARKET THAT AFFECT THE SPOT PRICES THAT NATURAL GAS OPERATORS MAY RECEIVE FOR THEIR NATURAL GAS COMPARED TO THE GAS SPOT PRICE.

(b) (I) No later than ~~one week~~ TWO WEEKS after October 1, 2025, and no later than ~~one week~~ TWO WEEKS after the first day of each calendar quarter thereafter, the

energy and carbon management commission, created in section 34-60-104.3 (1), shall calculate, including performing any necessary measurement unit conversions to calculate, the average oil spot price and the average gas spot price for the previous calendar quarter and publish the average oil spot price and average gas spot price on the energy and carbon management commission's website. The energy and carbon management commission shall routinely provide written guidance to the enterprise on factors relevant to the production fee amounts, including guidance on the current condition of the oil and gas market and the market's sensitivity to higher or lower production fee amounts. In preparing the written guidance, the energy and carbon management commission shall:

(II) No later than ~~one month~~ THREE WEEKS after the energy and carbon management commission publishes the average oil spot price and the average gas spot price for the previous calendar quarter on the energy and carbon management commission's website pursuant to subsection (1)(b)(I) of this section, the enterprise shall set the production fee amounts applicable to the previous calendar quarter, notify the executive director of the department of revenue of the production fee amounts set, and publish the production fee amounts on the enterprise's website. Prior to adopting the production fee amounts, the enterprise shall consult with the energy and carbon management commission on the appropriate production fee amounts for the previous quarter and take into account the maximum amounts described in section 43-4-1202 and other relevant market factors.

SECTION 26. In Colorado Revised Statutes, 43-4-806, **add** (6)(r) as follows:

43-4-806. High-performance transportation enterprise - creation - enterprise status - board - funds - powers and duties - user fees - limitations - reporting requirements - violations on the peak period shoulder lanes - legislative declaration - definitions.

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

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

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

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

(A) "PASSENGER RAIL FACILITY PROVIDER" MEANS A CLASS I RAILROAD, A SPECIAL DISTRICT CREATED PURSUANT TO TITLE 32 THAT IS INTENDED TO PROVIDE TRANSPORTATION SERVICES BY RAIL, A REGIONAL TRANSPORTATION AUTHORITY CREATED PURSUANT TO PART 6 OF ARTICLE 4 OF TITLE 43 INCLUDING A TRANSPORTATION PLANNING ORGANIZATION EXERCISING THE POWERS OF A REGIONAL TRANSPORTATION AUTHORITY, AND A CONTRACTOR TO SUCH A RAILROAD, SPECIAL DISTRICT, OR AUTHORITY, BUT ONLY IF THE RAILROAD, SPECIAL DISTRICT, AUTHORITY, OR CONTRACTOR OWNS OR EXERCISES CONTROL OVER PROPERTY THAT WILL BE USED IN THE OPERATION OF THE PUBLIC PASSENGER RAIL SERVICE TO BE PROVIDED PURSUANT TO THE CONTRACT SPECIFIED IN SUBSECTION (6)(r)(I) OF THIS SECTION.

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

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

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

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

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

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

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

SECTION 28. In Colorado Revised Statutes, 43-4-1301, **amend** (1)(b) as follows:

43-4-1301. Legislative declaration.

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

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

SECTION 29. In Colorado Revised Statutes, 43-4-1303, **amend** (2)(b), (3) introductory portion, and (6)(b); and **add** (2)(c) and (3)(d) as follows:

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

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

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

(3) The business purpose of the enterprise is to mitigate the environmental and health impacts of increased air pollution from motor vehicle emissions in nonattainment areas that results from the rapid and continuing growth in retail deliveries made by motor vehicles and in prearranged rides provided by transportation network companies by providing funding for AND DESIGN AND CONSTRUCTION OVERSIGHT AND MANAGEMENT OF eligible projects that reduce traffic, including demand management projects that encourage alternatives to driving alone or that directly reduce air pollution, such as retrofitting of construction equipment, construction of roadside vegetation barriers, and planting trees along medians. To allow the enterprise to accomplish this purpose and fully exercise its powers and duties through the board, the enterprise may:

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

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

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

SECTION 30. In Colorado Revised Statutes, 43-10-103, **amend** (2)(m) as follows:

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

(2) The division shall provide support for the Colorado aeronautical board in fulfilling its duties. The duties of the division also include, but are not limited to, the following:

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

SECTION 31. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2026 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: June 1, 2026