

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

REVISED

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

LLS NO. 22-0524.02 Jason Gelender x4330

HOUSE BILL 22-1351

HOUSE SPONSORSHIP

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A BILL FOR AN ACT

101 CONCERNING A TEMPORARY REDUCTION IN THE TOTAL AMOUNT OF
102 ROAD USER CHARGES TO BE IMPOSED DURING STATE FISCAL
103 YEARS 2022-23 AND 2023-24, AND, IN CONNECTION THEREWITH,
104 TEMPORARILY REDUCING GAS PRICES AND MAKING AN
105 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>.)

Senate Bill 21-260:

- Created phased-in road usage fees on gasoline and diesel

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

SENATE
2nd Reading Unamended
April 29, 2022

HOUSE
3rd Reading Unamended
April 25, 2022

HOUSE
Amended 2nd Reading
April 22, 2022

that increase from 2 cents per gallon for state fiscal year (FY) 2022-23, when they are first imposed, to 8 cents per gallon for FYs 2028-29 through 2031-32, and thereafter continue to increase to account for inflation; and

- Temporarily reduced the amount of the road safety surcharge, which is imposed annually when a motor vehicle is registered by \$11.10 for registration periods beginning in 2022 and \$5.55 for registration periods beginning in 2023.

The bill delays the initial imposition of the road usage fees from July 1, 2022, to January 1, 2023, and increases the amount of the reduction in the road safety surcharge for registration periods beginning in 2023 from \$5.55 to \$11.10. The bill also requires transfers to be made from the general fund to the state highway fund and the highway users tax fund to hold the department of transportation, counties, and municipalities harmless from the reductions in road usage fee and road safety surcharge revenue.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 hereby finds and declares that:

4 (a) The general public faces increased economic pressure on their
5 daily lives due to rising national inflation and increasing fuel prices amid
6 the international crisis in Ukraine;

7 (b) On February 24, 2022, Russia launched a full scale assault on
8 Ukraine leading to widespread devastation, untold casualties, and global
9 economic disruptions;

10 (c) According to nonpartisan organizations, Coloradans have seen
11 a significant increase in gas prices in the weeks following the Russian
12 military invasion of Ukraine;

13 (d) The invasion of Ukraine may lead to a protracted conflict with
14 unanticipated economic impacts, and the bipartisan effort responding to
15 Russia's unjust actions announced on March 8, 2022, to ban the import of
16 Russian oil may lead to further increases in global crude oil prices;

1 (e) Delaying the implementation of the road usage fee that the
2 general assembly approved in Senate Bill 21-260, "Concerning the
3 sustainability of the transportation system in Colorado", can help put
4 money back in people's pockets during the state's economic recovery;

5 (f) The road usage fee is a two cent per gallon fee on gasoline and
6 diesel that is scheduled to go into effect in July 2022 and increase in
7 future fiscal years, and it is necessary and appropriate to delay the initial
8 implementation of the fee by nine months from July 2022 to April 2023,
9 and to use forty-four million eight hundred thousand dollars of state
10 general fund money to backfill the fee revenue loss resulting from the
11 delay;

12 (g) Reducing the amount that drivers pay for their motor vehicle
13 registrations will also reduce the financial stress many Coloradans face;

14 (h) The road safety surcharge is a motor vehicle registration fee
15 that currently costs between sixteen and thirty-nine dollars per vehicle
16 depending on the vehicle's weight. Senate Bill 21-260 reduced the amount
17 of the road safety surcharge by eleven dollars and ten cents for
18 registrations in 2022 and by five dollars and fifty-five cents for
19 registrations in 2023 without affecting surcharges for 2024 and later
20 years, and it is necessary and appropriate to increase the amount of the
21 reduction in the road safety surcharge for registrations in 2023 to eleven
22 dollars and ten cents and to use thirty-three million seven hundred
23 thousand dollars of state general fund money to backfill the fee revenue
24 loss resulting from the additional reduction.

25 (i) The department of transportation and local governments rely
26 on this money for safety projects on roads and bridges, as well as general
27 state construction funding dedicated to existing road project development;

1 (j) Building on the governor's package of requested fee relief for
2 businesses and individuals, the governor and the general assembly
3 propose to use **seventy-eight million five hundred thousand** dollars of
4 general fund money to provide fee relief for motor vehicle owners;

5 (k) The amount of funding for the road usage fee delay is
6 **forty-four million eight hundred thousand** dollars;

7 (l) The amount of funding for the additional road safety surcharge
8 reduction is **thirty-three million seven hundred thousand** dollars;

9 (m) The general assembly recognizes the importance of
10 backfilling the revenue loss resulting from the road usage fee delay and
11 additional road safety surcharge reduction from the general fund to ensure
12 that the public's safety is protected and that essential transportation dollars
13 reach the projects;

14 (n) The general assembly finds it necessary to transfer
15 **seventy-eight million five hundred thousand** dollars of general fund
16 money to the state highway fund and the highway users tax fund; and

17 (o) Transferring this money from the general fund to the state
18 highway fund and the highway users tax fund will ensure that the
19 department of transportation and local governments have the funding
20 necessary to provide transportation projects for the safety and betterment
21 of the state and local transportation systems.

22 **SECTION 2.** In Colorado Revised Statutes, 24-75-219, **add**
23 (7)(b.5) as follows:

24 **24-75-219. Transfers - transportation - capital construction -**
25 **definitions - repeal.** (7) In addition to any other transfers required by
26 this section:

27 (b.5) ON JULY 1, 2022, THE STATE TREASURER SHALL TRANSFER:

1 (I) FORTY-SEVEN MILLION ONE HUNDRED THOUSAND DOLLARS
2 FROM THE GENERAL FUND TO THE STATE HIGHWAY FUND; AND

3 (II) THIRTY-ONE MILLION FOUR HUNDRED THOUSAND DOLLARS
4 FROM THE GENERAL FUND TO THE HIGHWAY USERS TAX FUND.

5 **SECTION 3.** In Colorado Revised Statutes, 43-4-205, **amend**
6 (6.8)(c) introductory portion as follows:

7 **43-4-205. Allocation of fund.** (6.8) (c) Money RECEIVED BY THE
8 STATE FROM THE FEDERAL CORONAVIRUS STATE FISCAL RECOVERY FUND
9 AND transferred ~~from the general fund~~ to the highway users tax fund
10 pursuant to section 24-75-219 (7)(a)(III) AND MONEY TRANSFERRED FROM
11 THE GENERAL FUND TO THE HIGHWAY USERS TAX FUND PURSUANT TO
12 SECTION 24-75-219 (7)(b.5)(II) must be allocated and expended as
13 follows:

14 **SECTION 4.** In Colorado Revised Statutes, 43-4-217, **amend**
15 (3)(a), (3)(b)(I) introductory portion, (3)(b)(I)(A), (4)(a), (4)(b)(I)
16 introductory portion, and (4)(b)(I)(A) as follows:

17 **43-4-217. Additional funding - road usage fees - rules -**
18 **legislative declaration - definitions.** (3) (a) Except as otherwise
19 provided in subsection (6) of this section, on and after ~~July 1, 2022~~ **APRIL**
20 **1, 2023**, each distributor of gasoline that pays the excise tax imposed on
21 gasoline shall also pay, at the same time and in the same manner as the
22 excise tax, a road usage fee in the amount specified in subsection (3)(b)(I)
23 of this section or annually calculated by the department of revenue as
24 required by subsection (3)(b)(II) or (3)(b)(III) of this section.

25 (b) (I) The amount of the road usage fee for each gallon of
26 gasoline acquired, sold, offered for sale, or used in this state FROM **APRIL**
27 **1, 2023, THROUGH JUNE 30, 2023, AND during state fiscal years 2022-23**

1 YEARS 2023-24 through 2031-32 is:

2 (A) Two cents per gallon for state fiscal year 2022-23 FROM APRIL
3 1, 2023, THROUGH JUNE 30, 2023;

4 (4) (a) Except as otherwise provided in subsection (6) of this
5 section, on and after July 1, 2022 APRIL 1, 2023, each distributor of
6 special fuel that pays the excise tax imposed on special fuel shall also
7 pay, at the same time and in the same manner as the excise tax, a road
8 usage fee in the amount specified in subsection (4)(b)(I) of this section or
9 annually calculated by the department of revenue as required by
10 subsection (4)(b)(II) or (4)(b)(III) of this section.

11 (b) (I) The amount of the road usage fee for each gallon of special
12 fuel acquired, sold, offered for sale, or used in this state FROM APRIL 1,
13 2023, THROUGH JUNE 30, 2023, AND during state fiscal years 2022-23
14 YEARS 2023-24 through 2031-32 is:

15 (A) Two cents per gallon for state fiscal year 2022-23 FROM APRIL
16 1, 2023, THROUGH JUNE 30, 2023;

17 **SECTION 5.** In Colorado Revised Statutes, 43-4-804, **amend**
18 (1)(a)(VIII) as follows:

19 **43-4-804. Highway safety projects - surcharges and fees -**
20 **crediting of money to highway users tax fund - definition.** (1) On and
21 after July 1, 2009, the following surcharges, fees, and fines shall be
22 collected and credited to the highway users tax fund created in section
23 43-4-201 (1)(a) and allocated to the state highway fund, counties, and
24 municipalities as specified in section 43-4-205 (6.3):

25 (a) (VIII) ~~(A)~~ For any registration period that begins on or after
26 January 1, 2022, but before January 1, 2023 JANUARY 1, 2024, the amount
27 of each road safety surcharge imposed pursuant to subsection (1)(a)(I) of

1 this section is reduced by eleven dollars and ten cents.

2 ~~(B) For any registration period that begins on or after January 1,~~
3 ~~2023, but before January 1, 2024, the amount of each road safety~~
4 ~~surcharge imposed pursuant to subsection (1)(a)(I) of this section is~~
5 ~~reduced by five dollars and fifty-five cents.~~

6 **SECTION 6. Appropriation.** For the 2022-23 state fiscal year,
7 \$5,850 is appropriated to the department of revenue for use by the
8 division of motor vehicles. This appropriation is from the general fund.
9 To implement this act, the department may use this appropriation for
10 DRIVES maintenance and support.

11 **SECTION 7. Safety clause.** The general assembly hereby finds,
12 determines, and declares that this act is necessary for the immediate
13 preservation of the public peace, health, or safety.