

Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

PREAMENDED

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

LLS NO. 24-0791.01 Jery Payne x2157

SENATE BILL 24-095

SENATE SPONSORSHIP

Kirkmeyer,

HOUSE SPONSORSHIP

(None),

Senate Committees

Transportation & Energy
Finance
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING MEASURES TO ADDRESS OZONE LEVELS IN AREAS THAT**
102 **DO NOT MEET FEDERAL OZONE NATIONAL AMBIENT AIR QUALITY**
103 **STANDARDS, AND, IN CONNECTION THEREWITH, ENACTING**
104 **INCENTIVE-BASED OZONE PRECURSOR EMISSIONS REDUCTION**
105 **MEASURES FOR ON-ROAD MOBILE SOURCES AND FOR LAWN**
106 **EQUIPMENT, CONDUCTING ANNUAL PHOTOCHEMICAL MODELING**
107 **STUDIES AND DATA ANALYSIS, AND 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>.)

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.

Sections 1 and 2 of the bill create a high-emitter vehicle program for owners of motor vehicles that are not in compliance with emission standards and that have been issued a certification of emissions waiver (qualified vehicle). If the owner of a qualified vehicle resides in a nonattainment area for ozone and has unsuccessfully attempted to have the motor vehicle repaired to cure the noncompliance, the owner is eligible for a voucher of \$850. The vouchers may be redeemed at qualified repair facilities that will bring the vehicle into compliance. The high-emitter vehicle program is funded by using up to 20% of the money in the AIR account in the highway users tax fund.

The high-emitter vehicle program is administered by the nonattainment area air pollution mitigation enterprise, in coordination with the department of revenue, contractors that provide inspection services, and the clean screen authority. The high-emitter vehicle program repeals when Colorado meets federal ozone national ambient air quality standards (attainment).

Section 3 requires the air quality control commission (commission) to create, in coordination with the lead agency for air quality planning for the Denver metropolitan area, a garden rebate program to increase the use of small electric motors used for outdoor power equipment. The program must:

- Provide a point-of-purchase rebate of the lesser of \$150 or one-third of the price for each piece of outdoor power equipment purchased by the end user in a nonattainment area for ozone;
- Establish a registration system for qualified retailers; and
- Require the division to publicize the garden rebate program.

The division of administration in the department of public health and environment (division) administers the garden rebate program, and the commission sets standards for qualified retailers to register for the program. If the garden rebate program exceeds its appropriation, the division may pause the program. The garden rebate program repeals January 1, 2030. **Section 4** repeals the current tax credit for buying lawn and garden equipment with an electric motor.

In current law, the clean fleet enterprise (enterprise) incentivizes and supports the use of electric motor vehicles for certain fleet uses, including transportation network companies. **Sections 5 and 6:**

- Expand the program to include light-duty trucks;
- Authorize the clean fleet enterprise to provide grants of up to 80% of a local government's cost of acquiring motor vehicles that emit low levels of nitrogen oxides for the local government to use in its motor vehicle fleet; and
- Require the enterprise to prioritize making grants to local

governments.

The grant program authorization and prioritization repeal December 31, 2029.

Section 7 requires the division to regularly perform, in the nonattainment area for ozone, photochemical modeling studies and data analysis designed to determine ambient air ozone levels and the effectiveness of policies for lowering ambient air ozone levels. The division is required to publish the results to the division's website and report the results to the commission and at its "SMART Act" hearing. **Section 7** is repealed when Colorado achieves attainment.

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

2
3 SECTION 1. In Colorado Revised Statutes, 42-4-310, add
4 (1)(d)(XIII) as follows:

5 42-4-310. Periodic emissions control inspection required.
6 (1) (d) (XIII) NOTWITHSTANDING SUBSECTIONS (1)(d)(I) TO (1)(d)(IX)
7 OF THIS SECTION, AN AUTHORIZED STATE REPRESENTATIVE SHALL NOT
8 ISSUE A CERTIFICATE OF EMISSIONS WAIVER TO A MOTOR VEHICLE THAT
9 HAS BEEN ISSUED A VOUCHER IN ACCORDANCE WITH SECTION 42-4-317
10 UNTIL THE MOTOR VEHICLE HAS RECEIVED THE ADDITIONAL REPAIRS
11 COVERED BY THE VOUCHER IN ACCORDANCE WITH THE RULES ADOPTED
12 UNDER SECTION 42-4-317 OR THE MOTOR VEHICLE REPAIRS HAVE
13 EXHAUSTED THE VOUCHER.

14 SECTION 2. In Colorado Revised Statutes, add 42-4-317 as
15 follows:

16 42-4-317. Voucher program - rules. (1) THE EXECUTIVE
17 DIRECTOR OF THE DEPARTMENT SHALL COORDINATE WITH THE
18 NONATTAINMENT AREA AIR POLLUTION MITIGATION ENTERPRISE CREATED
19 IN SECTION 43-4-1303 TO CREATE A VOUCHER PROGRAM FOR MOTOR
20 VEHICLES THAT HAVE RECEIVED THE REPAIRS REQUIRED IN SECTION

1 42-4-306 BUT HAVE FAILED TO BE ISSUED A CERTIFICATE OF EMISSIONS
2 COMPLIANCE. THE VOUCHER PROGRAM MUST IDENTIFY QUALIFIED
3 VEHICLES AND THE PROCEDURE FOR ISSUING AND REDEEMING THE
4 VOUCHERS.

5 (2) THE VOUCHER PROGRAM MUST PROVIDE A VOUCHER WORTH
6 EIGHT HUNDRED FIFTY DOLLARS THAT THE OWNER OF A MOTOR VEHICLE
7 MAY REDEEM WITH A REGISTERED REPAIR FACILITY OR TECHNICIAN TO
8 PERFORM REPAIRS TO MAKE THE MOTOR VEHICLE ELIGIBLE FOR A
9 CERTIFICATE OF EMISSIONS COMPLIANCE.

10 (3) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT MAY
11 PROMULGATE RULES TO IMPLEMENT THIS SECTION.

12 (4) TO IMPLEMENT THIS SECTION, THE GENERAL ASSEMBLY SHALL
13 APPROPRIATE FUNDS FROM THE NONATTAINMENT AREA AIR POLLUTION
14 MITIGATION ENTERPRISE FUND, CREATED IN SECTION 43-4-1303 (5).

15 **SECTION 3.** In Colorado Revised Statutes, **add 25-7-146** as
16 follows:

17 **25-7-146. Appropriation to implement electric lawn**
18 **equipment program - repeal.** (1) THE GENERAL ASSEMBLY SHALL
19 APPROPRIATE ONE HUNDRED THOUSAND DOLLARS FROM THE
20 NONATTAINMENT AREA AIR POLLUTION MITIGATION ENTERPRISE FUND,
21 CREATED IN SECTION 43-4-1303 (5), TO THE DEPARTMENT OF PUBLIC
22 HEALTH AND ENVIRONMENT FOR USE BY THE LEAD AIR QUALITY PLANNING
23 AGENCY FOR THE DENVER METROPOLITAN AREA AND THE DENVER
24 METRO/NORTH FRONT RANGE OZONE NONATTAINMENT AREA IN ORDER
25 TO FUND A REBATE PROGRAM FOR THE REPLACEMENT OF GAS-POWERED
26 LAWN EQUIPMENT WITH ELECTRIC LAWN EQUIPMENT.

27 (2) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2033.

1 **SECTION 4.** In Colorado Revised Statutes, 25-7.5-102, **amend**
2 (16); and **add** (13.4) and (13.6) as follows:

3 **25-7.5-102. Definitions.** As used in this article 7.5, unless the
4 context otherwise requires:

5 (13.4) "LIGHT-DUTY VEHICLE" MEANS A MOTOR VEHICLE WITH A
6 GROSS VEHICLE WEIGHT RATING, AS DEFINED IN SECTION 42-2-402 (6), OF
7 TEN THOUSAND POUNDS OR LESS.

8 (13.6) "LOCAL GOVERNMENT" MEANS A CITY OR COUNTY.

9 (16) "Motor vehicle fleet" means a group of motor vehicles that
10 is owned or operated:

11 (a) By a governmental entity for a public purpose, including ~~but~~
12 ~~not limited to~~ public school transportation or law enforcement; or

13 (b) By a business entity for a business if:

14 (I) The group of motor vehicles is composed primarily of
15 LIGHT-DUTY VEHICLES, heavy-duty motor vehicles, medium-duty motor
16 vehicles, or refrigerated trailer units; or

17 (II) The group of motor vehicles is:

18 (A) Owned or operated by a company that rents motor vehicles in
19 the fleet to transportation network company drivers for use in providing
20 transportation network company services; or ~~is~~

21 (B) Owned and operated directly, or indirectly through
22 independent contractors who own or lease individual motor vehicles in
23 the group, by a transportation network company or by a retailer for the
24 purpose of making retail deliveries.

25 **SECTION 5.** In Colorado Revised Statutes, 25-7.5-103, **amend**
26 (6)(d); and **add** (12) as follows:

27 **25-7.5-103. Clean fleet enterprise - creation - board - powers**

1 **and duties - fees - fund - repeal.** (6) In addition to any other powers and
2 duties specified in this section, the board has the following general
3 powers and duties:

4 (d) To contract with any public or private entity, including state
5 agencies, consultants, and the attorney general's office, for professional
6 and technical assistance, office space, and administrative services, advice,
7 and other services related to the conduct of the affairs of the enterprise.
8 The enterprise is encouraged to issue grants on a STREAMLINED AND
9 competitive basis based on written criteria established by the enterprise
10 in advance of any deadlines for the submission of grant applications. The
11 board shall generally avoid using sole-source contracts.

12 (12) (a) THE ENTERPRISE MAY PROVIDE FUNDING THROUGH A
13 GRANT PROGRAM TO PROVIDE UP TO FIFTY PERCENT OF A LOCAL
14 GOVERNMENT'S COST OF ACQUIRING ELECTRIC LIGHT-DUTY VEHICLES FOR
15 THE LOCAL GOVERNMENT TO USE IN ITS MOTOR VEHICLE FLEET.

16 (b) IN IMPLEMENTING SUBSECTION (9) OF THIS SECTION AND THIS
17 SUBSECTION (12), THE BOARD SHALL PRIORITIZE MAKING GRANTS TO
18 LOCAL GOVERNMENTS.

19 (c) THIS SUBSECTION (12) IS REPEALED, EFFECTIVE DECEMBER 31,
20 2029.

21 **SECTION 6. In Colorado Revised Statutes, 25-7.5-103, amend**
22 **(9)(b)(I) as follows:**

23 **25-7.5-103. Clean fleet enterprise - creation - board - powers**
24 **and duties - fees - fund. (9) (b) The enterprise may provide funding or**
25 **financing through grant programs, rebate programs, revolving loan funds,**
26 **or such other strategies as the board finds effective:**

27 **(I) To help public and private owners and operators of motor**

1 vehicle fleets finance electric motor vehicle acquisitions to reduce the
2 up-front costs of acquiring electric motor vehicles, through December 31,
3 2026, to help public and private owners and operators of motor vehicle
4 fleets finance acquisitions of compressed natural gas motor vehicles that
5 are trucks if at least ninety percent of the fuel for the trucks will be EMIT
6 LOW LEVELS OF NITROGEN OXIDES WHEN USED TO POWER THE TRUCK,
7 INCLUDING recovered methane, and, on and after January 1, 2027, for so
8 long as the enterprise determines that electric motor vehicles are not yet
9 practically available or do not meet the operational requirements such as
10 cargo carrying capacity and driving range for specific categories of
11 trucks, to help public and private owners and operators of motor vehicle
12 fleets finance acquisitions of compressed natural gas motor vehicles that
13 are trucks if at least ninety percent of the fuel for the trucks will be EMIT
14 LOW LEVELS OF NITROGEN OXIDES WHEN USED TO POWER THE TRUCK,
15 INCLUDING recovered methane;

16 **SECTION 7.** In Colorado Revised Statutes, **add** 25-7-147 as
17 follows:

18 **25-7-147. Photochemical modeling required for state**
19 **implementation plan - repeal.** (1) THE COMMISSION AND DIVISION
20 SHALL USE PHOTOCHEMICAL MODELING AND DATA ANALYSIS AS THE BASIS
21 FOR REVISING THE STATE IMPLEMENTATION PLAN IN 2026. THE
22 PHOTOCHEMICAL MODELING MUST CONFORM WITH THE COMPREHENSIVE
23 AIR QUALITY MODELING SYSTEM WITH EXTENSION.

24 (2) THE COMMISSION AND DIVISION SHALL IMPLEMENT THIS
25 SECTION BY CONTRACTING WITH A RESEARCH INSTITUTION TO CONDUCT
26 THE PHOTOCHEMICAL MODELING AND DATA ANALYSIS.

27 (3) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2027. _____

1 **SECTION 8.** In Colorado Revised Statutes, 42-4-306, **amend**
2 **(3)(b)(V)(A); and add (3)(b)(V)(C) as follows:**

3 **42-4-306. Powers and duties of commission - automobile**
4 **inspection and readjustment program - basic emissions program -**
5 **enhanced emissions program - clean screen program.**

6 **(3) (b) (V) (A) Notwithstanding any contrary provision in the**
7 **"Procurement Code", articles 101 to 112 of title 24, C.R.S., or this article**
8 **ARTICLE 4, any contract for inspection services may be renewed for a term**
9 **not to exceed two years, after which the contract may be renewed for a**
10 **single term of up to four years or rebid; except that inspection fees during**
11 **any such four-year renewal contract shall be as determined under ARE**
12 **SUBJECT TO section 42-4-311 (6).**

13 **(C) NOTWITHSTANDING ANY CONTRARY PROVISION IN THE**
14 **"PROCUREMENT CODE", ARTICLES 101 TO 112 OF TITLE 24, OR THIS**
15 **ARTICLE 4, THE DIVISION SHALL RENEGOTIATE OR RENEW A CONTRACT FOR**
16 **INSPECTION SERVICES IN EXISTENCE ON JULY 1, 2024, NO LATER THAN**
17 **OCTOBER 1, 2024, TO ACCOUNT FOR THE FEE ESTABLISHED IN SECTION**
18 **42-4-311 (6) AS IT WILL BECOME EFFECTIVE ON THE EFFECTIVE DATE OF**
19 **THIS SUBSECTION (3)(b)(I)(C) AND FOR A TERM NOT TO EXCEED FOUR**
20 **YEARS, AFTER WHICH THE CONTRACT MAY BE RENEWED FOR A SINGLE**
21 **TERM OF UP TO FOUR YEARS OR REBID. THE NEW CONTRACT MUST PROVIDE**
22 **FOR ADDING ADDITIONAL TESTING STATIONS AND EXPANDING THE CLEAN**
23 **SCREEN INSPECTION UNITS.**

24 **SECTION 9.** In Colorado Revised Statutes, 42-4-311, **amend**
25 **(4)(a)(I) and (6)(a); repeal (6)(b); and add (4)(a)(III) as follows:**

26 **42-4-311. Operation of inspection and readjustment stations**
27 **- inspection-only facilities - fleet inspection stations - motor vehicle**

1 dealer test facilities - enhanced inspection centers. (4) (a) (I) SUBJECT
2 TO SUBSECTION (4)(a)(III) OF THIS SECTION, a licensed inspection and
3 readjustment station, inspection-only facility, or motor vehicle dealer test
4 facility shall charge a fee not to exceed fifteen dollars for the inspection
5 of vehicles, model year 1981 and older, at facilities licensed or authorized
6 within either the basic or enhanced emissions program; except that for
7 1982 model and newer vehicles a test facility may charge a fee not to
8 exceed ~~twenty-five~~ THIRTY-FIVE dollars.

9 (III) THE DIVISION SHALL ANNUALLY ADJUST FOR INFLATION OR
10 DEFLATION THE FEES DESCRIBED IN SUBSECTION (4)(a)(I) OF THIS SECTION.
11 THE DIVISION MAY ROUND THE ADJUSTED AMOUNT UPWARD OR
12 DOWNWARD AS APPROPRIATE. INFLATION OR DEFLATION IS MEASURED BY
13 THE ANNUAL PERCENTAGE CHANGE IN THE UNITED STATES DEPARTMENT
14 OF LABOR'S BUREAU OF LABOR STATISTICS CONSUMER PRICE INDEX, OR A
15 SUCCESSOR INDEX, FOR DENVER-AURORA-LAKEWOOD FOR ALL ITEMS
16 PAID BY URBAN CONSUMERS.

17 (6) (a) The fee charged for enhanced emissions inspections
18 performed within the enhanced emissions program area on 1982 and later
19 motor vehicles shall MUST not be any greater than that determined by the
20 contract and in no case greater than ~~twenty-five~~ THIRTY-FIVE dollars. The
21 fee charged for clean screen inspections performed on vehicles registered
22 in the basic area shall MUST not be any greater than that determined by the
23 contract and in no case greater than fifteen dollars. ~~Such~~ THE fee shall
24 MUST not exceed the maximum fee required to be posted by the enhanced
25 inspection center pursuant to section 42-4-305 for the inspection of any
26 motor vehicle required to be inspected under section 42-4-310.

27 (b) During the two-year renewal of the contract entered into

1 pursuant to section 42-4-307 (10), the commission shall hold a hearing to
2 determine the maximum fee that may be charged pursuant to the contract
3 for inspections during any subsequent renewal term. The maximum fee
4 must be based on estimated actual operating costs during the life of the
5 contract, determined pursuant to the proceeding, plus a percentage to be
6 determined by the commission, not to exceed ten percent and not to
7 exceed twenty-five dollars.

8 **SECTION 10. Appropriation.** (1) For the 2024-25 state fiscal
9 year, \$100,000 is appropriated to the department of public health and
10 environment for use by the air pollution control division. This
11 appropriation is from the nonattainment area air pollution mitigation
12 enterprise fund created in section 43-4-1303 (5)(a), C.R.S. To implement
13 this act, the division may use this appropriation for program costs related
14 to administration.

15 (2) For the 2024-25 state fiscal year, \$15,897 is appropriated to
16 the department of revenue. This appropriation is from the nonattainment
17 area air pollution mitigation enterprise fund created in section 43-4-1303
18 (5)(a), C.R.S. To implement this act, the department may use this
19 appropriation as follows:

20 (a) \$13,022 for use by the division of motor vehicles for personal
21 services related to vehicle services, which amount is based on an
22 assumption that the division will require an additional 0.3 FTE;

23 (b) \$1,984 for use by the division of motor vehicles for DRIVES
24 maintenance and support;

25 (c) \$384 for division of motor vehicles for operating expenses
26 related to vehicle services; and

27 (d) \$210 for the executive director's office for personal services

1 related to administration and support; and

2 (e) \$297 for the purchase of information technology services.

3 (3) For the 2024-25 state fiscal year, \$297 is appropriated to the
4 office of the governor for use by the office of information technology.

5 This appropriation is from reappropriated funds received from the
6 department of revenue under subsection (2)(e) of this section. To
7 implement this act, the office may use this appropriation to provide
8 information technology services for the department of revenue.

9 **SECTION 11. Act subject to petition - effective date -**
10 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
11 the expiration of the ninety-day period after final adjournment of the
12 general assembly; except that, if a referendum petition is filed pursuant
13 to section 1 (3) of article V of the state constitution against this act or an
14 item, section, or part of this act within such period, then the act, item,
15 section, or part will not take effect unless approved by the people at the
16 general election to be held in November 2024 and, in such case, will take
17 effect on the date of the official declaration of the vote thereon by the
18 governor.

19 (2) This act applies to taxable actions occurring on or after the
20 applicable effective date of this act.