

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 22-0524.02 Jason Gelender x4330

HOUSE BILL 22-1351

HOUSE SPONSORSHIP

Roberts and McLachlan, Bird, Snyder, Young

SENATE SPONSORSHIP

Pettersen,

House Committees
Finance

Senate Committees

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.

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 that increase from 2 cents per gallon for state fiscal year

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.

(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;

17 (e) Delaying the implementation of the road usage fee that the

1 general assembly approved in Senate Bill 21-260, "Concerning the
2 sustainability of the transportation system in Colorado", can help put
3 money back in people's pockets during the state's economic recovery;

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

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

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

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

26 (j) Building on the governor's package of requested fee relief for
27 businesses and individuals, the governor and the general assembly

1 propose to use sixty-three million dollars of general fund money to
2 provide fee relief for motor vehicle owners;

3 (k) The amount of funding for the road usage fee delay is
4 twenty-eight million dollars;

5 (l) The amount of funding for the additional road safety surcharge
6 reduction is thirty-five million dollars;

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

12 (n) The general assembly finds it necessary to transfer sixty-three
13 million dollars of general fund money to the state highway fund and the
14 highway users tax fund; and

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

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

22 **24-75-219. Transfers - transportation - capital construction -**
23 **definitions - repeal.** (7) In addition to any other transfers required by
24 this section:

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

26 (I) THIRTY-SEVEN MILLION EIGHT HUNDRED THOUSAND DOLLARS
27 FROM THE GENERAL FUND TO THE STATE HIGHWAY FUND; AND

1 (II) TWENTY-FIVE MILLION TWO HUNDRED THOUSAND DOLLARS
2 FROM THE GENERAL FUND TO THE HIGHWAY USERS TAX FUND.

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

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

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

15 **43-4-217. Additional funding - road usage fees - rules -**
16 **legislative declaration - definitions.** (3) (a) Except as otherwise
17 provided in subsection (6) of this section, on and after ~~July 1, 2022~~
18 JANUARY 1, 2023, each distributor of gasoline that pays the excise tax
19 imposed on gasoline shall also pay, at the same time and in the same
20 manner as the excise tax, a road usage fee in the amount specified in
21 subsection (3)(b)(I) of this section or annually calculated by the
22 department of revenue as required by subsection (3)(b)(II) or (3)(b)(III)
23 of this section.

24 (b) (I) The amount of the road usage fee for each gallon of
25 gasoline acquired, sold, offered for sale, or used in this state FROM
26 JANUARY 1, 2023, THROUGH JUNE 30, 2023, AND during state fiscal ~~years~~
27 ~~2022-23~~ YEARS 2023-24 through 2031-32 is:

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

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

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

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

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

18 **43-4-804. Highway safety projects - surcharges and fees -**
19 **crediting of money to highway users tax fund - definition.** (1) On and
20 after July 1, 2009, the following surcharges, fees, and fines shall be
21 collected and credited to the highway users tax fund created in section
22 43-4-201 (1)(a) and allocated to the state highway fund, counties, and
23 municipalities as specified in section 43-4-205 (6.3):

24 (a) (VIII) ~~(A)~~ For any registration period that begins on or after
25 January 1, 2022, but before ~~January 1, 2023~~ JANUARY 1, 2024, the amount
26 of each road safety surcharge imposed pursuant to subsection (1)(a)(I) of
27 this section is reduced by eleven dollars and ten cents.

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

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