0433 Transportation Legislation Review Committee

Colorado Legislative Council

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Transportation Legislation Review Committee

Report to the
COLORADO GENERAL ASSEMBLY

Colorado Legislative Council
Research Publication No. 433
November 1997
RECOMMENDATIONS FOR 1998

TRANSPORTATION LEGISLATION REVIEW COMMITTEE

Report to the
Colorado General Assembly

Research Publication No. 433
November 1997
November 14, 1997

To Members of the Sixty-first General Assembly:

Submitted herewith is the final report for the Transportation Legislation Review Committee. The committee was reconstituted pursuant to Section 43-2-145, C.R.S. (Senate Bill 36, 1986 Session). The purpose of the committee is “to give guidance and direction to the state Department of Transportation in the development of the state system of highways, and to provide legislative overview of and input into such development . . . .”

At its meeting on November 13, the Legislative Council reviewed the report of this committee. A motion to forward this report and the bills therein for consideration in the 1998 session was approved.

Respectfully submitted,

/s/ Representative Chuck Berry
Chairman
Legislative Council

CB/MW/pw
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TRANSPORTATION LEGISLATION REVIEW COMMITTEE

Members of the Committee

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Representative Bill Swenson
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EXECUTIVE SUMMARY

Committee Charge

Pursuant to Section 43-2-145, C.R.S., the Transportation Legislation Review Committee (TLRC) is authorized to give guidance and direction to the Colorado Department of Transportation in the development of the state system of highways and to provide legislative overview of such development. The committee is directed to review any phase of Department of Transportation operations, including planning and construction of highway projects. The committee is also authorized to review any phase of operations of any public highway authority (e.g., E-470 Authority) and to review the Regional Transportation District annual budget, farebox recovery ratio, and privatization of bus service.

Senate Bill 97-37, "Disposition of Abandoned Railroad Rights-of-Way," requires the executive director of the Colorado Department of Transportation to make recommendations to the TLRC concerning state acquisition of and uses for abandoned railroad rights-of-way. Pursuant to this requirement, the department provided a list of 12 corridors that may be abandoned in the near future.

Committee Activities

The committee held five meetings and one tour and received testimony on a variety of transportation-related matters from representatives of the following organizations: the Colorado Department of Transportation, the Regional Transportation District, and the E-470 Public Highway Authority. One interim meeting was devoted entirely to the consideration of Highway Users Tax Fund evasion. A tour with members of the Transportation Commission afforded members of the TLRC the opportunity to confer with southwestern Colorado officials on such issues as transportation demand management, highway access, and regional airport needs.

Committee Recommendations

As a result of committee discussion and deliberation, the committee recommends eight bills for consideration in the 1998 legislative session.

Bill A — High occupancy vehicle lanes. Bill A increases the fine for HOV lane violations to $75 for a first or second violation and $150 for a third or subsequent violation within one year. The bill also authorizes the Department of Transportation to institute a high-occupancy/toll lane (HOT lane) system under which an operator of a vehicle carrying less than the required number of persons for an HOV lane could pay a toll and use the HOV lane without penalty.
Bill B — Transportation. This bill expands the Department of Revenue’s authority to enter into motor fuel tax cooperative agreements. Currently, the department may contract with other states; Bill B allows them to contract with other jurisdictions such as foreign countries. Bill B streamlines the Ports of Entry process by eliminating the requirement that certain vehicles be issued a clearance certificate. Under this bill, the Department of Transportation is allowed to solicit for construction bids using electronic on-line access. Bill B also creates the Transportation Infrastructure Revolving Fund.

Bill C — Theft of public transportation services. Bill C makes it a Class 2 petty offense to use a public transportation facility without paying the proper fare or carrying proof that the fare has been paid.

Bill D — Survey of railroad tracks. The bill removes the requirement for a field survey to be performed by a professional land surveyor before removing railroad tracks from abandoned railroad rights-of-way. Instead, Bill D requires only a legal description of the property and rights to be conveyed.

Bill E — Special fuel taxation. Ports of Entry weigh station personnel are authorized under Bill E to detain any owner or operator of a motor vehicle to check the fuel tank of such vehicle for tax-exempt diesel fuel dyed in accordance with federal regulations. The bill allows the department to conduct audits of persons committing such violations and requires them to report these violations to the federal Internal Revenue Service.

Bill F — Photographic documents. Bill F prohibits the Division of Motor Vehicles from issuing or renewing an identification card to any person who is in the United States illegally. The bill requires applicants to demonstrate proof of residency.

Bill G — Motor vehicle registration. This bill authorizes persons who are employed in Colorado for up to 120 days during the year, or who reside in the state for up to 180 days during the year, to obtain temporary vehicle registrations for their motor vehicles. The bill also requires the Department of Revenue to begin reissuing license plates for all vehicles no later than 2001.

Bill H — Alteration of vehicle configurations. Bill H modifies the current prohibition against operating a motor vehicle with a front or rear suspension system that has been altered or changed from the manufacturer’s original design.
The Highway Legislation Review Committee (HLRC) was originally established in 1953 as part of the legislative reorganization of the state highway system that restructured the relationship between state highway, county road, and municipal street systems (Section 43-2-101, C.R.S.). The committee's original charge was to review the implementation and impact of these new highway systems. Currently, the committee is composed of six members of the General Assembly (three from the House and three from the Senate) and five citizen members appointed by the Governor. The HLRC was statutorily reconstituted in 1986 to include the following:

- Give guidance and direction to the state Department of Transportation in the development of the state transportation system and to provide legislative overview of and input into such development.

- The committee must meet at least once a year to review all transportation legislation and may consult with experts in the field of highway construction and planning or with personnel of the Department of Transportation as may be necessary. All personnel of the Department of Transportation must cooperate with the committee and with any persons assisting the committee in carrying out its duties pursuant to this section.

- The committee may review any phase of Department of Transportation operations, including planning and construction of highway projects, prior to and during the completion of such projects.

- The committee may also conduct a postoperation review of such projects to determine whether the project was completed in the most cost-effective and efficient manner.

- The committee may require the Department of Transportation to prepare and adopt 5-, 10-, and 15-year plans for the development of the state transportation system, and the committee must monitor the progress of such plans.

- The committee may also require financial or performance audits to be conducted. Upon completion of its review of the transportation laws, the committee may make recommendations to the Governor and to the General Assembly for such additional legislation as it deems necessary.

- The committee may also develop and make recommendations concerning the financing of the state transportation system. Legislation recommended by the committee shall be treated as legislation recommended by an interim legislative committee for the purposes of any introduction deadlines or bill limitations imposed by the joint rules of the General Assembly.
In 1994, pursuant to the enactment of Senate Bill 94-14, the name was changed to the Transportation Legislation Review Committee (TLRC) to correspond to the committee's oversight responsibilities of the Department of Transportation. The TLRC's statutory duties remained the same as the former HLRC's duties.

In addition to the charges included in the committee's enabling legislation, the following specific statutory charges have been assigned to the TLRC:

- **Oversight of public highway authorities (Section 43-4-514, C.R.S.),** including reviewing the operations, planning, and construction of such public highway authorities and projects as E-470 and W-470. The committee may also require financial or performance audits to be conducted. Public highway authorities are required to report annually in August to the TLRC on their activities in the preceding year and their plans for the coming year.

- **Oversight of the Regional Transportation District activities (Section 32-9-19.7 (4), (6), (7), C.R.S.),** including a review of RTD’s annual budget, farebox recovery ratio, and privatization of bus service.
COMMITTEE ACTIVITIES

The committee held five meetings and one tour and received testimony on a variety of transportation-related matters from representatives of the following organizations: the Colorado Department of Transportation, the Regional Transportation District, and the E-470 Public Highway Authority. One interim meeting was devoted entirely to the consideration of Highway Users Tax Fund evasion. A tour with members of the Transportation Commission afforded members of the TLRC the opportunity to confer with southwestern Colorado officials on such issues as transportation demand management, highway access, and regional airport needs.

Activities of the Colorado Department of Transportation

The executive director of the Colorado Department of Transportation (CDOT) provided a status report regarding statewide transportation projects and the required funding. He explained that 98 percent of the money allocated by the General Assembly in the past few legislative sessions is already dedicated toward construction projects. These projects include the eastbound portion of Interstate 70 from Washington Street to Brighton Boulevard, the construction of the Interstate 25 and U.S. 36 direct connection, and the reconstruction and widening on the east side of Berthoud Pass. It was indicated that Senate Bill 97-1, “Sales and Use Taxes,” which will allocate approximately $841 million over the next five years, will help to address some of the projected shortfall in transportation revenues.

An update also was provided on the status of House Bill 96-114, concerning the Motor Carrier Services Division and the Ports of Entry. This bill instituted changes to a number of activities that are performed by several of the state agencies that serve the commercial motor vehicle industry. One such change was the creation of the Motor Carrier Services Division within the Colorado Department of Revenue (DOR). This division was created by consolidating the Ports of Entry, International Registrations, and the Fuel Taxes Office for the purpose of providing better service to the commercial motor vehicle industry. Prior to the enactment of the legislation, CDOT and DOR were working cooperatively toward developing appropriate systems to provide the mechanism to issue permits to the ports. Currently, CDOT and the DOR are implementing electronic permitting systems that will further improve the convenience and efficiency of administering permit applications to the trucking industry. This process should be completed by December 1999.

Activities of the E-470 Public Highway Authority

The executive director of the E-470 Public Highway Authority and a member of the Board of Directors presented an update on the status of E-470. First, they presented an overview of the Authority’s internal structure. Next, they presented an overview of the
Authority's planning and construction activities. Finally, they discussed joint activities with CDOT. Internally, the Authority envisions a limited staff, supplemented with appropriate consultants and private sector contracting. Under this philosophy, it is unlikely the number of staff will increase beyond the current 35 members. The staff will oversee an operation which is estimated to generate in excess of $200 million per year in tolls and cost more than $30 million per year to operate in 2016.

**E-470 construction projects:** Operations and maintenance of Segment I, the expressway between State Highway 83 and Interstate 25 at Parker Road, are carried out through a contract with Alltech, Inc. This contract extends through February 2000. The maintenance of Segment I is managed through a contract with Parsons, Brinkerhoff, Quade & Douglas, Inc. until February 1999. Alltech and Parsons, Brinkerhoff, Quade & Douglas, Inc. are responsible for ensuring that E-470 is open and continuously operating. The 1997 budgeted expenses for all operations and maintenance activities on Segment I are $2.92 million. The final daily traffic average for 1997 will be nearly 11,000 trips, which is over three times the amount of weekday vehicle trips made in 1991.

Construction is underway on Segments II and III. When these segments are completed, the distance available for travel on the tollway will increase from the current 5.5 miles to 35 miles. Platte River Contractors, Inc., the Design/Build contractor, began construction in May 1996. Construction is occurring in two phases. The first phase, from 56th Avenue to 120th Avenue in Adams County, and Parker Road to Smoky Hill Road in Arapahoe County, should be completed no later than July 1998. The second phase, the roadway between Smoky Hill Road and 56th Avenue, should be completed no later than July 1999.

Segment IV, the 12 miles of roadway between 120th Avenue in Adams County and Interstate 25 at approximately 157th Avenue, is estimated to be the most expensive portion of the project to build. A current Segment IV estimate under traditional CDOT bidding procedures would be in excess of $165 million. It is anticipated that construction will begin in late 1999.

**Joint projects:** The E-470 Public Highway Authority and CDOT have been working together in the following manner: CDOT reviews E-470 construction plans at points where the tollway intersects interstate and state roadways; CDOT participates in the state loan match portion of the Authority Plan of Finance; and CDOT participates in the planned intergovernmental agreements relative to operation and maintenance responsibilities for areas where E-470 intersects with state roadways.

### Activities of the Regional Transportation District

The general manager of the Regional Transportation District (RTD) provided a status report on RTD’s new transit plan known as “Guide the Ride.” This plan was developed by RTD to address serious problems affecting the rapidly growing Denver metropolitan area. These problems include urban sprawl and increasing traffic congestion.
The purpose of this plan is to create a transit vision of how RTD can combat these problems and better serve the six-county district by 2015. The “Guide the Ride” plan was developed in response to numerous requests to improve transit throughout the region and individual communities. It consists of four elements that have been designed to work together to improve overall transit service. These four elements include the following:

- **Rapid Transit** — designed to make investments in fixed guideway systems such as light rail, commuter rail, and Bus/High Occupancy Vehicle corridors;

- **Alternative Service Program** — designed to better meet the transit needs of individual communities by implementing non-traditional transit service (such as Access-a-Cab) that specifically addresses suburban community needs;

- **Park-n-Ride Improvements** — designed to construct new Park-n-Ride lots and increase the number of spaces at existing, over-capacity Park-n-Ride lots; and

- **Bus Redeployment** — designed to capitalize on the investment in rapid transit fixed guideway systems by increasing the frequency of bus service and extending the hours of fixed route bus service to areas that are not currently well served.

The general manager explained that “Guide the Ride” would be funded through revenues from a 0.4 percent sales tax increase and from the issuance of bonds approved by the voters during the 1997 election. However, the voters did not approve this tax increase. Therefore, if “Guide the Ride” is to be implemented, it will have to be financed by means other than a sales tax increase.

**Report on Senate Bill 97-37**

Pursuant to the directive in Senate Bill 97-37, concerning the disposition of abandoned railroad rights-of-way in Colorado, CDOT submitted a report to the TLRC regarding its recommendations relative to possible rail line acquisitions. The TLRC is required to review and approve such recommendations.

SB 97-37 requires the executive director of CDOT to determine if a specific rail line and/or right-of-way serves or may serve one or more of the following purposes:

- freight or passenger service;
- maintenance of a rail corridor or railroad rights-of-way for future transportation purposes or interim recreational purposes;
- access to surrounding state manufacturing facilities; or
- any public use that is compatible with the future use as a railroad.
The report submitted by CDOT states that rail line sales occur when the larger national railroad companies, such as Burlington Northern Santa Fe (BNSF) and Union Pacific (UP), sell lines to the smaller regional companies or are requested by the Surface Transportation Board (STB) to sell a line. The larger companies usually sell rail lines to smaller companies because the line may no longer be economically viable. Rather than abandon the line, the larger company will solicit bidders for the purchase of the line to be operated by a short line or regional railroad company. These smaller companies typically have lower operating costs and do not require the same volume of business as the larger railroad companies to be profitable.

The CDOT staff completed a preliminary assessment of the rail system in Colorado to identify which rail lines may be at risk of being abandoned over the next three to five years. A total of 12 corridors were considered to be likely candidates for abandonment. At this time, the department lacks the necessary information to prioritize these 12 corridors. This list will be prioritized in 1998. Provided below is the list of the 12 corridors that may be abandoned.

- **Denver to Boulder (Valmont Branch — UP track)**. There is little activity on this line today.
- **Creede to South Fort (UP Track)**. No activity exists on this line today.
- **Delta to Montrose (UP Track)**. Union Pacific initially identified this line in its merger application to STB.
- **Sterling to Julesburg (UP Track)**. Union Pacific has had some preliminary discussions regarding the sale and/or abandonment of this rail line.
- **Pritchett to Kansas State Line (Cimarron Valley Track)**. Burlington Northern Santa Fe recently sold this line to a regional railroad company and the line has little local traffic usage.
- **Sterling to Holyoke (BNSF Track)**. The line was recently sold to a regional railroad company due to the loss of a coal contract. This line will need to support itself based on how much local business the new railroad can generate.
- **Sage to Leadville (Northern Section of Tennessee Pass — UP Trail)**. The Office of Business Development identified this section of the Tennessee Pass rail line for trail development only.
- **Leadville to Parkdale (Central Section of Tennessee Pass — UP Trail)**. This section of the Tennessee Pass rail line has been identified by the Office of Business Development for trail development only. A small section of this rail line from Parkdale to Texas Creek will retain rail service.
- **Parkdale to Canon City (Eastern Section of Tennessee Pass — UP Track)**. Rail service will be retained on this section of the Tennessee Pass rail line.
• **North Avondale to Towner (UP Track)** — The STB has already approved this line for abandonment and the Office of Business Development did not identify a viable operator.

• **Power Plant to Valmont Branch Line (UP Track)** — Tracks do not exist on this segment.

• **Denver to DIA (UP Track)** — The City and County of Denver is in the process of purchasing a portion of this railroad rights-of-way from UP for commuter rail development.

According to CDOT representatives, the 12 corridor recommendation list was developed while the Office of Business Development (OBD), the agency assigned to oversee business development on the rail lines, was undertaking the process of selecting an operator for the Tennessee Pass (Canon City to Sage) and North Avondale to Towner rail segments. That process was completed and a recommendation has been sent to the Governor. It is the department’s understanding that OBD’s recommendation is to preserve only the rail service from Canon City to Texas Creek and that the remainder of the rail (i.e., Texas Creek to Sage) be removed. As a result, rail service from North Avondale to Towner and Texas Creek to Sage will cease. Trail development will begin immediately for portions of Tennessee Pass.

Senate Bill 97-37 also allocated $1 million to the State Rail Bank Fund. The CDOT believes that this level of funding is insufficient to fully acquire any of the 12 identified corridors. These funds can be used to leverage other public and private funding sources in order to purchase one of these lines.

### Highway Users Tax Fund Evasion

Representatives from the DOR, CDOT, and the Colorado State Patrol discussed the issue of Highway Users Tax Fund (HUTF) evasion. The HUTF was created by statute in 1953 to govern the use of the highway revenues and comply with a 1934 constitutional amendment which required that highway revenues be used only for the construction, maintenance, supervision, and administration of the public highways of the state. This fund is comprised of an excise tax on motor fuel, driver license fees, vehicle registration fees, and passenger mile taxes on vehicles. A Legislative Council staff economist informed the committee that the HUTF will collect approximately $611 million in fiscal year 1996-97. Motor fuel taxes will comprise 76 percent of this amount.

Representatives from DOR explained that since each state has its own unique set of tax laws and reporting mechanisms, these differences create problems in administering and regulating tax revenues from state-to-state. Federal Highway Administration studies show that gasoline tax evasion ranges from three to seven percent of the gallons consumed and that diesel tax evasion ranges from 15 to 25 percent. This means that the United States may be losing more than $2 billion annually to evasion. To help make the administration of fuel taxes more efficient and consistent from state to state, the “Fuel Tax Evasion
"11-Point Plan" was developed by the Uniformity Committee of the Federal Tax Administration Motor Fuel Tax Section. The committee is comprised of state members representing all segments of the motor fuel industry. The following are the components of the 11-Point Plan. The DOR representatives mentioned that Colorado has addressed nine of the 11 points (points two and nine have not been addressed) in its effort to reduce HUTF evasion:

1. Adopt and implement the uniform reporting guidelines:
   a. mechanism for the states to share the information with other states; and
   b. identification by fuel type.

2. Adopt and implement the uniform definitions for imports and exports. Require licensing of and reporting by importers and exporters.

3. Incorporate the Federal Employer Identification Number, Social Security Number, or Canadian Social Insurance Number as a reference for reporting and exchanging of information between jurisdictions.

4. Require licensing of all resellers or entities who obtain tax-free inventory for ultimate resale.

5. Adopt and implement procedures to achieve total accountability of fuel to include:
   a. types of fuel that all states wish to account for or tax;
   b. schedules of accountability for fuels which may be subject to the tax;
   c. total accountability should be both on audit and on the required schedules filed with the states;
   d. reporting gallons as required by the uniform reporting guidelines;
   e. reporting of commingled inventories held by multiple owners in a terminal facility to be reported by the terminal operator; and
   f. review terminal cut-off time alternatives for declaring receipts and sales.

6. Allow for uniform electronic reporting systems by adopting the industry standards for all applications.

7. Conduct regional workshops for auditing investigative techniques to identify tax evasion schemes:
   a. education of the states by the industry with regard to accounting procedures and terminal wholesaler/distribution practices; and
   b. review of case studies which inform administrators and auditors of weaknesses in state laws, reporting procedures, and auditing techniques.

8. Review states' confidentiality laws, implement steps necessary, at a minimum, for states to provide licensing number information to industry and to provide licensing and tax information to other governmental jurisdictions.
9. Require third party reporting on the movement of fuel:
   a. transporter reports should include the movement of fuel by common or contract carriers; and
   b. adoption of uniform report forms for third party reporting.

10. Establish a fuel tax advisory group in each state to be comprised of state and industry representatives. The purpose of this group will be the implementation of the 11-Point Plan and to address new issues as they occur.

11. Encourage states to establish and adequately maintain a compliance staff dedicated to fuel tax enforcement.

**Committee Recommendations**

Recognizing the need to address HUTF evasion, the committee drafted Bill E as a first step in dealing with the issue. A complete review of Bill E is provided on page 12.
SUMMARY OF RECOMMENDATIONS

As a result of the committee's activities, the following bills are recommended to the Colorado General Assembly.

Bill A — High Occupancy Vehicle Lanes

Bill A increases the fine for high-occupancy vehicle (HOV) lane violations to $75 for a first or second violation and $150 for a third or subsequent violation within one year. The bill also removes the surcharges formerly applicable to such fines. According to the Department of Transportation, Bill A will help to reduce the frequency of such violations. Local governments would receive additional revenue from the increased fines which is dependent upon the number of citations issued within each jurisdiction. It is estimated that the loss of revenue to these funds in each judicial jurisdiction would not be significant to these funds.

To allow for greater usage of the HOV lanes, the bill also authorizes the department to institute a high-occupancy/toll lane (HOT lane) system under which a vehicle carrying less than the number of required persons could pay a toll and use the HOV lane without penalty. The CDOT would pay for the cost of issuing the permits.

Bill B — Transportation

Bill B responds to suggestions made by representatives of the DOR and the CDOT for updates in various statutes. The bill expands the DOR's authority to enter into motor fuel tax cooperative agreements, in addition to agreements with other states as allowed under current law. In order to speed up the process at weigh stations, Bill B eliminates the requirement that certain vehicles be issued a clearance certificate upon securing a valid clearance at a Port of Entry weigh station. Bill B also authorizes the DOR to charge for issuing probationary driver's licenses. The fee, which will be set by rule and regulation, is estimated to be set at $5.00, and would generate approximately $25,000 in HUTF revenue.

To allow for increased access for project bidding, the bill authorizes the CDOT to utilize electronic on-line access to solicit bids for construction contracts for public projects. Bill B also clarifies in statute that the Secretary of Transportation, rather than the Secretary of Commerce, is the appropriate official to approve the use of federal funds by the Department of Transportation to acquire land adjacent to federal-aid highways. The bill establishes a state infrastructure bank account. This type of account will allow the proceeds of the fund to be used to provide financial assistance to certain transportation projects within the state. The amount of any federal, state, or private grants or other state appropriations that may be made to this fund has not been estimated.
Bill C — Theft of Public Transportation Services

Bill C makes it a Class 2 petty offense to use a public transportation facility without paying the proper fare, carrying proof that the fare has been paid, or showing proof, upon demand, that the fare has been paid. The amount of the increase in fares would be minimal to the total transportation service budget. The amount of revenue that may be collected has not been estimated at this time.

Bill D — Survey of Railroad Tracks

This bill removes the requirement for a person or entity to have a field survey performed by a professional land surveyor before removing railroad tracks from abandoned railroad rights-of-way. Instead, Bill D requires that such a person or entity provide a legal description that is sufficient to describe the property and any rights to be conveyed. Bill D provides this remedy for railroad companies because the requirement for professional land surveyors to perform field surveys can be costly. This bill would reduce potential future expenditures. Therefore, this bill is assessed as having a conditional expenditure savings for the state.

Bill E — Special Fuel Taxation

Ports of Entry weigh station personnel are authorized under Bill E to detain any owner or operator of a motor vehicle to check the fuel tank of such vehicle for tax-exempt diesel fuel dyed in accordance with federal regulation. The bill makes it unlawful for any person to operate a motor vehicle on any public highway using such dyed fuel. According to DOR representatives, Bill E will help to lessen the evasion of the HUTF. The bill provides a remedy to the problem of individuals illegally using or transporting tax-exempt fuel. The bill also allows the department to conduct audits of persons who commit such violations and requires the reporting of these violations to the federal Internal Revenue Service. The fiscal note estimates that approximately 900 people would be convicted of such violations, and the violations would generate approximately $90,000 in fines annually to the HUTF. The total estimated potential revenue to the HUTF could range between $3.2 million and $4.4 million annually.

In addition, the bill increases the amount of money transferred to the HUTF by raising the cost of the single trip permits from one dollar to $10. The fiscal impact statement for this bill indicates that the Motor Carrier Services Division would require 3.9 FTE and $112,763 in HUTF spending authority.

Bill F — Photographic Documents

Under Bill F, the Division of Motor Vehicles is forbidden from issuing or renewing an identification card to any person who is in the United States illegally. Applicants are required to submit birth certificates or other documents of evidence of
identification issued by an entity other than a state to submit proof of legal residence in the United States. These applicants must also provide proof of residency. According to the DOR, this bill will address the problem of illegal residents applying for and receiving identification cards and then using them to receive resident benefits. The bill also allows the DOR to cancel, deny, or deny the reissuance of identification cards to nonresidents and illegal aliens. This bill is assessed as having no fiscal impact.

Bill G — Motor Vehicle Registration

Bill G authorizes persons who are employed for 120 days or less or who reside in the state for 180 days or less to obtain extended temporary vehicle registrations. These temporary permits are applicable for 120 days and cost $25. Persons applying for the permits must have their vehicles properly registered in another state and must comply with the insurance laws of that state. Any person who commits fraud in connection with an application for a vehicle permit is subject to the existing penalties for fraud in registration applications. According to DOR representatives, Bill G responds to a concern raised by HB 97-1142, which requires new residents in the state, including temporary residents or employees, to register their vehicles or be assessed $1000 in fines and penalties.

Bill G also requires the DOR to reissue all motor vehicle license plates in the state by no later than January 1, 2001, and at least every seven years thereafter. The department is directed, to the extent possible, to issue plates with a combination of letters and numbers not to exceed six characters. Persons who have current personalized license plates are allowed to retain the same number and letter combination upon purchasing personalized license plates.

The fiscal impact of reissuing all license plates under this bill is estimated at $17.9 million.

Bill H — Alteration of Vehicle Configurations

This bill modifies the current prohibition against operating a motor vehicle with a front or rear suspension system that has been altered or changed from the manufacturer’s original design. Under Bill H, a person is prohibited from operating a motor vehicle on a public highway if the configuration of the vehicle has been altered from the manufacturer’s specifications as established under federal law. Bill H also eliminates the authorization for the DOR to establish specifications for exceptions to the prohibition against alteration of suspension systems. The DOR is directed to promulgate rules to establish standards and procedures that may be used by law enforcement personnel in enforcing the prohibition against operating an improperly altered motor vehicle. Since the DOR would not require additional appropriations to promulgate the rules, this bill is assessed as having no fiscal impact.
The materials listed below are available upon request from the Legislative Council staff:

### Meeting Summaries

<table>
<thead>
<tr>
<th>Date</th>
<th>Topics Discussed</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 9, 1997</td>
<td>Colorado Department of Transportation on transportation funding, reauthorization of ISTEA, and an update on HB 96-1114 (concerning the Motor Carrier Services Division and the Ports of Entry); RTD on their 1997 budget, farebox recovery rates, and privatization of bus service; E-470 Public Highway Authority on their annual budget; and discussion of SB 97-37 concerning abandoned railroad rights-of-way</td>
</tr>
<tr>
<td>July 24, 1997</td>
<td>Highway Users Tax Fund evasion</td>
</tr>
<tr>
<td>August 20, 1997</td>
<td>Legislative bill request proposals and Transportation Operations Center briefing</td>
</tr>
<tr>
<td>September 17-19, 1997</td>
<td>Public hearing in Durango and tour of southwestern Colorado transportation projects</td>
</tr>
<tr>
<td>October 1, 1997</td>
<td>Final action on legislative bill requests</td>
</tr>
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### Reports

Reports provided to the committee:

- **Motor Fuel Tax Section Uniformity Report**, Federal Tax Administration, July 1997
- **Potential Rail Line Acquisition Report to the TLRC**, Colorado Department of Transportation, October 1, 1997
- **Presentation to the Transportation Legislation Review Committee, (1997 Annual Budget)**, Regional Transportation District, July 9, 1997
- **Report to the Transportation Legislation Review Committee**, Colorado Department of Transportation, July 9, 1997
- **Report to the Transportation Legislation Review Committee Regarding House Bill 97-1114**, Colorado Department of Transportation, July 9, 1997
BILL A

By Senator Thiebaut

A BILL FOR AN ACT
CONCERNING HIGH-OCCUPANCY VEHICLE LANES.

Bill Summary

"High-Occupancy Vehicle Lanes"
(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Transportation Legislation Review Committee. Increases the fine for HOV lane violations to $75 for a 1st or 2nd violation and $150 for a 3rd or subsequent violation within one year. Removes the surcharges formerly applicable to such fines.

Authorizes the department of transportation to institute a high-occupancy/toll lane (HOT lane) system under which a vehicle carrying less than the number of persons that would entitle the vehicle to use a high-occupancy vehicle (HOV) lane could, upon payment of a toll, use the HOV lane without penalty. Requires that HOV and HOT lanes be separated from other lanes of traffic.

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

SECTION 1. 42-4-1012 (1), Colorado Revised Statutes, is amended to read:

42-4-1012. High-occupancy vehicle (HOV) and high-occupancy/toll (HOT) lanes. (1) (a) The department of transportation and local authorities, with respect to streets and highways under their respective jurisdictions, may designate exclusive or preferential lanes for vehicles that carry a specified number of persons or that are allowed to use such lanes by payment of a specified toll or fee, which shall be credited to the highway users' tax fund. The occupancy level of vehicles and the time of day when lane usage is restricted to high occupancy vehicles, if applicable, shall be designated by official traffic control devices.

(b) Whenever practicable, the lanes designated pursuant to paragraph (a) of this subsection (1) shall be physically separated from the other lanes of a street or highway so as to minimize the interference between traffic in the designated lanes and traffic in the other lanes.

SECTION 2. 42-4-1701 (4) (a) (l) (K), Colorado Revised Statutes, is amended to read:

42-4-1701. Traffic offenses and infractions classified - penalties - penalty and surcharge schedule. (4) (a) (l) Except as provided in paragraph (c) of subsection (5) of this section, every person who is convicted of, who admits liability for, or against whom a judgment is entered for a violation of any provision of this title to which the provisions of paragraph (a) or (b) of subsection (5) of this section apply shall be fined or penalized, and have a surcharge levied thereon pursuant to section 24-4.2-104 (1) (b), C.R.S., in accordance with the penalty and surcharge schedule set forth in sub-subparagraphs (A) to (P) of this subparagraph (l); or, if no penalty or surcharge is specified in the schedule, the penalty for class A and class B traffic infractions shall be fifteen dollars, and the surcharge shall be two dollars. These penalties and surcharges shall apply whether the defendant acknowledges the defendant's guilt or liability in accordance with the procedure set forth by paragraph (a) of subsection (5) of this section.
section or is found guilty by a court of competent jurisdiction or has judgment entered against the defendant by a county court magistrate. Penalties and surcharges for violating specific sections shall be as follows:

<table>
<thead>
<tr>
<th>Section Violated</th>
<th>Penalty</th>
<th>Surcharge</th>
</tr>
</thead>
<tbody>
<tr>
<td>(K) Driving, overtaking, and passing violations:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>42-4-1001</td>
<td>$35.00</td>
<td>$4.00</td>
</tr>
<tr>
<td>42-4-1002</td>
<td>35.00</td>
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<td>42-4-1012 (3)(a)</td>
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<tr>
<td>42-4-1012 (3)(b)</td>
<td>400.00</td>
<td>150.00</td>
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</table>

SECTION 3. Effective date - applicability. (1) This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution; except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

(2) The provisions of this act shall apply to acts committed on or after the applicable effective date of this act.
TITLe: CONCERNING HIGH-OCCUPANCY VEHICLE LANES.

Summary of Legislation

This bill would increase the fine assessed for driving in a high occupancy vehicle lane (HOV) with less than the required passenger limit from $50 to $75 for a 1st or 2nd violation and from $100 to $150 for a 3rd or subsequent violation within one year. The Department of Transportation (DOT) would also be authorized to institute a high-occupancy toll lane (HOT lane) system to allow a driver to pay a fee to use a HOV lane regardless of the number of vehicle occupants without penalty. HOV and HOT lanes would be physically separated from other lanes of traffic. The surcharge assessed and deposited into each judicial jurisdictions Victims and Witnesses Assistance and Law Enforcement Fund for violating this traffic offense would be removed. The bill will become effective at 12:01 a.m. on the day following the ninety-day period after adjournment sine die of the General Assembly, or on the date of the official declaration of the vote of the people as proclaimed by the Governor, if a referendum petition is filed pursuant to Article V, Section 1 (3) of the State Constitution.

<table>
<thead>
<tr>
<th>STATE FISCAL IMPACT SUMMARY</th>
<th>FY 1998/99</th>
<th>FY 1999/00</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Revenues</td>
<td></td>
<td></td>
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<tr>
<td>HUTF</td>
<td></td>
<td>Increased fines</td>
</tr>
<tr>
<td>State Expenditures</td>
<td>Conditional</td>
<td></td>
</tr>
<tr>
<td>HUTF</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FTE Position Change</td>
<td>None</td>
<td>None</td>
</tr>
</tbody>
</table>

Local Government Impact — Increase in fine revenue - Loss to Victims Assist. Funds

State Revenues

Under current law, citations for HOV violations are not point violations against a person’s driving record and there is no accurate assessment of the number of these citations issued. Most of
these citations are issued by local governments. However, if the Colorado State Patrol issues the
citation, the Highway Users Tax Fund (HUTF) would receive half of the revenue collected from
each citation. The bill also allows the DOT to allow drivers to pay a fee to drive in the HOT lanes.
Should the DOT adopt the HOT lane program, the HUTF would receive additional revenue from
the fees charged to drive in a HOT lane. No estimate of the fee or of the number of persons that
would use the lane has been made at this time.

State Expenditures

If the DOT were to adopt the HOT lane program, the DOT would have some additional
expenditures in collecting the fees and issuing permits to those individuals that want to use the HOT
lane. However, the fee the DOT would charge would cover the cost of issuing the permit. No
additional personnel would be required to conduct this program.

Local Government Impact

Local governments would receive additional revenue from the increased fines. The amount
of revenue would depend upon the number of citations issued within each jurisdiction. Local
Governments would also lose revenue to the Victims and Witnesses Assistance and Law
Enforcement Fund by removing the surcharge from this offense. It is estimated that the loss of
revenue to these funds in each judicial jurisdiction would not be significant to these funds.

Departments Contacted

Revenue Transportation
By Representative May

A BILL FOR AN ACT

CONCERNING TRANSPORTATION.

Bill Summary

"Transportation"
(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Transportation Legislation Review Committee. Expands the department of revenue's authority to enter into motor fuel tax cooperative agreements with other states by allowing them to contract with other jurisdictions, including foreign countries.

Eliminates the requirement that certain vehicles be issued a clearance certificate upon securing a valid clearance at port of entry weigh stations. Modifies a statutory reference to reflect that only vehicles having an empty weight exceeding 16,000 pounds, rather than all vehicles subject to registration fees, are required to secure a valid clearance at port of entry weigh stations. Specifies that vehicles not certificated by the public utilities commission or not otherwise approved by the department of revenue are issued a clearance receipt, rather than a clearance certificate, at port of entry weigh stations upon payment of state fees, licenses, or taxes.

Authorizes the executive director of the department of transportation to solicit bids using electronic on-line access, including the internet, for purposes of obtaining construction contracts for public projects. Clarifies that the United States secretary of transportation, rather than the United States secretary of commerce, is the appropriate official to approve the use of federal funds by the department of transportation to acquire land adjacent to federal-aid highways.

Modifies the provision governing the disposition of tolls enacted by H.B. 96-1144 to require that any fees, fares, and tolls charged for the use of any turnpike must be sufficient to pay for the reasonable return on investment of any private entity financing the turnpike project or to reimburse the department of transportation for costs relating to the turnpike project, as applicable.

Changes the date from May 1 to June 30 by which counties and municipalities must file with the highway operations and maintenance division a report of the expenditures of all moneys applied to county road systems and city street systems, respectively, during the previous calendar year.

Establishes the transportation infrastructure revolving fund, to be maintained and administered by the executive director of the department of transportation. Allows proceeds from the fund to be used to provide financial assistance for certain transportation projects within the state.

Allows the department of revenue to impose a fee to cover the direct and indirect costs of issuing probationary licenses.

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

SECTION 1. 39-27-301 (2), (5), and (7), Colorado Revised Statutes, are amended, and the said 39-27-301 is further amended by the addition of a new subsection, to read:

39-27-301. Definitions. As used in this part, unless the context otherwise requires:

(2) "Base state Jurisdiction" means the state Jurisdiction in which the motor carrier is legally domiciled or, in the case of a motor carrier who has no legal domicile, the state Jurisdiction from or in which the motor carrier's vehicles are most frequently dispatched, garaged, serviced, maintained, operated, or otherwise controlled.

(3.5) "Jurisdiction" means a state, territory, or possession of the United States, the District of Columbia, or a foreign country, including a state, province, territory, or possession of a foreign country.
(5) "Motor carrier" means an individual, limited liability company, partnership, firm, association, or private or public corporation engaged in interstate commercial operation of motor vehicles involving two or more jurisdictions, any part of which is within this state or any other state which jurisdiction that is party to an agreement under this part 3.

(7) "State" means a state, territory, or possession of the United States and the District of Columbia.

SECTION 2. 39-27-302, Colorado Revised Statutes, is amended to read:

39-27-302. Agreements between jurisdictions. The department may enter into a motor fuel tax cooperative agreement with another state jurisdiction or states which provides jurisdictions that provide for the administration, collection, and enforcement of each state's jurisdiction's motor fuel taxes on motor fuel used by motor carriers. The agreement shall not contain any provision which exempts any motor vehicle, owner, or operator from complying with the laws, rules, and regulations pertaining to motor vehicle licensing, size, weight, load, or operation upon the public highways of this state.

SECTION 3. 39-27-304 (1) (b) and (1) (g), Colorado Revised Statutes, are amended to read:

39-27-304. Provisions of agreements. (1) An agreement entered into under this part 3 may provide for:

(b) Establishing methods for base state jurisdiction fuel tax licensing, license revocation, and tax collection from motor carriers on behalf of the states which jurisdictions that are parties to the agreement;

(g) Establishing procedures for the forwarding of fuel taxes, penalties, and interest collected on behalf of another state jurisdiction to such state jurisdiction;

SECTION 4. 39-27-306 (1), Colorado Revised Statutes, is amended to read:

39-27-306. Tax collection. (1) The agreement may require the department to perform audits of licensees or persons required to be licensed and who are based in this state to determine whether motor fuel taxes to be collected under the agreement have been reported properly and paid to each state which jurisdiction that is a party to the agreement. The agreement may authorize other states jurisdictions to perform audits on licensees or persons required to be licensed and who are based in such other states jurisdictions on behalf of the state of Colorado and forward the audit findings to the department. Such findings may be served upon the licensee or such other person in the same manner as audits performed by the department.

SECTION 5. 39-27-309, Colorado Revised Statutes, is amended to read:

39-27-309. Exchange of information. The agreement may require each state jurisdiction to forward to other states jurisdictions that are a party to the agreement any information available which relates relating to the acquisition, sales, use, or movement of motor fuels by any licensee or person required to be licensed. The department may further disclose to other states jurisdictions that are a party to the agreement information which relates relating to the persons, offices, motor vehicles, and other real and personal property of persons licensed or required to be licensed under the agreement.
SECTION 6. 39-27-310 (1), Colorado Revised Statutes, is amended to read:

39-27-310. Construction of this part 3 - rules and regulations. (1) This part 3 shall be applied and construed to effectuate its general purpose to make uniform the law with respect to the subject of this part 3 among states enacting it for the purpose of participating in a multijurisdictional motor fuel tax agreement.

SECTION 7. 42-8-105 (1), (2), (3), and (4), Colorado Revised Statutes, are amended to read:

42-8-105. Clearance of motor vehicles at port of entry weigh stations. 
(1) Every owner or operator of a motor vehicle that is subject to payment of registration fees under the provisions of section 42-3-134 (13) (b) and every owner or operator of a motor vehicle or combination of vehicles having a manufacturer's gross vehicle weight rating or gross combination weight rating of twenty-six thousand one pounds or more shall secure a valid clearance from an office of the department of revenue, from an officer of the Colorado state patrol, or from a port of entry weigh station before operating such vehicle or combination of vehicles or causing such vehicle or combination of vehicles to be operated on the public highways of this state, but an owner or operator shall be deemed to have complied with the provisions of this subsection (1) if the owner or operator secures a valid clearance from the first port of entry weigh station located within five road miles of the route that the owner or operator would normally follow from the point of departure to the point of destination. An owner or operator shall not be required to seek out a port of entry weigh station not located on the route such owner or operator is following if the owner or operator secures a special revocable permit from the department of revenue in accordance with the provisions of subsection (4) of this section. A vehicle of a seating capacity of fourteen or more passengers registered under the provisions of section 42-3-134 (4) (c) (1) or (21) (a) shall not be required to secure a valid clearance pursuant to this section.
(2) It is unlawful for any owner or operator of a motor vehicle subject to the provisions of section 42-3-134 subsection (1) of this section to permit the travel of such motor vehicle on the public highways of this state without first having secured a valid clearance certificate as provided in said subsection (1), of this section; and every such owner or operator shall be required to seek out a port of entry weigh station for the purpose of securing such valid clearance certificate, whether or not such port of entry weigh station is located on the route which the owner or operator is following, unless a valid clearance certificate or a special permit in accordance with subsection (4) of this section has previously been secured.
(3) Every owner or operator of a motor vehicle which is subject to the provisions of section 42-3-134 subsection (1) of this section shall secure a valid clearance at each port of entry weigh station located on the route which the owner or operator would normally follow from the point of departure to the point of destination for verification of its previously secured clearance certificate.
(4) The department of revenue may issue a special revocable permit to the owner or operator of any vehicle being operated over a regularly scheduled route waiving the requirement that the owner or operator seek out and secure a valid clearance at a port of entry weigh station not located directly on the
route being followed. In order for the permit to be effective, the vehicle must be operating over a regularly scheduled route which has previously been cleared with the department of revenue.

SECTION 8. 42-8-106, Colorado Revised Statutes, is amended to read:

42-8-106. Issuance of clearance receipts. All owners and operators of motor vehicles subject to the payment of fees, licenses, or taxes imposed by the laws of this state, including foreign vehicles, which have not been properly certificated or permitted by the public utilities commission or which have not been approved by the department of revenue for monthly or periodic payment of such fees, licenses, or taxes shall be issued a clearance certificate receipt at a port of entry weigh station only after such fees, licenses, or taxes which may be due are paid or compliance is had with regulatory acts. A clearance certificate receipt issued under this section shall specify the date upon which such receipt was issued, and amounts of fees, licenses, or taxes to be paid. Such certificate receipt shall be valid only for the routes dates and trips specified thereon and for the length of time specified thereon. The executive director of the department of revenue, through the port of entry weigh stations, may also issue permits for oversize and overweight commercial hauls pursuant to rules and regulations governing such hauls established by the department of transportation. Failure to secure such clearance certificate receipt shall subject the owner or operator to a penalty of double the amount of any tax, license, or fee due which shall be in addition to and distinct from the penalty provided for in section 42-8-109.

SECTION 9. 43-1-105, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

43-1-105. Powers and duties of the executive director. (4) The executive director shall have the power to solicit bids using electronic on-line access, including the Internet, for purposes of acquiring construction contracts for public projects as provided in section 24-92-103, C.R.S.

SECTION 10. 24-92-103 (3), Colorado Revised Statutes, is amended to read:

24-92-103. Construction of public projects - competitive sealed bidding. (3) Adequate public notice of the invitation for bids shall be given at least fourteen days prior to the date set forth therein for the opening of bids, pursuant to rules. Such notice may include publication by electronic on-line access pursuant to section 24-92-104.5, or in a newspaper of general circulation at least fourteen days prior to bid opening.

SECTION 11. Article 92 of title 24, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

24-92-104.5. Solicitation of bids by electronic on-line access - department of transportation. The executive director of the department of transportation may invite bids using electronic on-line access, including the Internet, for purposes of acquiring construction contracts for public projects on behalf of the department of transportation.

SECTION 12. 43-1-210 (2), Colorado Revised Statutes, is amended to read:

43-1-210. Acquisition and disposition of property. (2) The department of transportation may acquire by purchase, exchange, or condemnation excess
right-of-way whenever in the opinion of the chief engineer public interest, safety, or convenience will be served by acquiring such excess. In connection with the construction, maintenance, and supervision of the public highways of this state, the department of transportation may also acquire by purchase, exchange, or condemnation strips or parcels of land, or interests therein, adjacent to federal-aid highways necessary for the restoration, preservation, and enhancement of scenic beauty and for the development of rest, recreation, and sanitary areas; but no state funds shall be expended to acquire said strips or parcels of land, or interests therein, necessary for the restoration, preservation, and enhancement of scenic beauty and for the development of rest, recreation, and sanitary areas unless the acquisition and development of land for such purposes is approved by the secretary of transportation to make the state eligible for reimbursement from federal funds.

**SECTION 13.** The introductory portion to 43-3-212.5 (1), Colorado Revised Statutes, is amended to read:

43-3-212.5. Disposition of tolls - when bonds issued. (1) If any bonds are issued pursuant to this part 2, any fees, fares, and tolls to be charged for the use of any turnpike shall be fixed and adjusted so that the fees, fares, and tolls collected, along with other revenues, if any, are at least sufficient to ensure, as applicable:

(a) Reimbursement or payment to the department of transportation for all costs relating to or resulting from the turnpike project, including, but not limited to, costs for the design, finance, construction, operation, maintenance, improvement, and reconstruction of the turnpike, and for all works, facilities, and means necessary or convenient to the full exercise of the powers granted to the department of transportation under this part 2;

(b) The reasonable return on investment of any private entity financing the turnpike project by means of a public-private initiative pursuant to section 43-3-202.5 and part 12 of article 1 of this title.

**SECTION 15.** 43-2-120 (1), Colorado Revised Statutes, is amended to read:

43-2-120. Annual county reports. (1) On or before the first day of May thirtieth day of June of each year, the board of county commissioners of each county shall cause to be made and filed with the highway operations and maintenance division a complete report of the expenditures of all moneys applied to county road systems during the calendar year ending on the thirty-first day of December next preceding. The highway operations and maintenance division shall prescribe the form and contents of such report.

**SECTION 16.** 43-2-132 (1), Colorado Revised Statutes, is amended to read:

43-2-132. Annual municipal reports. (1) On or before the first day of May thirtieth day of June of each year, every city, city and county, and incorporated town shall cause to be made and filed with the highway operations
and maintenance division a complete report of the expenditures of all moneys applied to city street systems during the calendar year ending on the thirty-first day of December next preceding. The highway operations and maintenance division shall prescribe the form and contents of such report.

SECTION 17. 43-1-105 (1), Colorado Revised Statutes, is amended by the addition of a new paragraph to read:

43-1-105. Powers and duties of the executive director. (1) The executive director shall:

(e) Maintain and administer the transportation infrastructure revolving fund pursuant to the provisions of section 43-1-113.5.

SECTION 18. 43-1-106 (8), Colorado Revised Statutes, is amended by the addition of a new paragraph to read:

43-1-106. Transportation commission - powers and duties. (8) In addition to all other powers and duties imposed upon it by law, the commission has the following powers and duties:

(s) To promulgate rules for the maintenance and administration of the transportation infrastructure revolving fund in accordance with section 43-1-113.5.

SECTION 19. Part 1 of article 1 of title 43, Colorado Revised Statutes, is amended by the addition of a new section to read:

43-1-113.5. Creation and administration of transportation infrastructure revolving fund. (1) There is hereby created in the state treasury the transportation infrastructure revolving fund, referred to in this section as the "revolving fund", which shall be maintained and administered by the executive director. The revolving fund shall consist of federal, state, or private grants and all moneys that may be transferred or appropriated thereto by the general assembly or that may otherwise be made available to the fund pursuant to law. All interest or other return on the investment of moneys in the revolving fund and all payments of principal and interest credited to the revolving fund as repayment of loans and other financial assistance provided from the revolving fund pursuant to this section shall be credited to the revolving fund. The state treasurer shall be authorized to invest moneys in the revolving fund in such manner as allowed by law so long as such moneys are not needed for the purpose of the revolving fund. Moneys in the revolving fund are continuously appropriated to the department for the purposes set forth in this section. Any moneys credited to the revolving fund shall remain in the revolving fund and shall not revert to the general fund at the end of any given fiscal year.

(2) The revolving fund shall include a highway account, a transit account, an aviation account, and a rail account. The executive director shall determine how moneys in the revolving fund shall be allocated among these separate accounts, in accordance with state and federal law.

(3) The commission shall adopt rules in accordance with the "State Administrative Procedure Act" regarding:

(a) The eligibility requirements for financial assistance from the revolving fund;

(b) The disbursement of revolving fund moneys;
(c) The interest rates to be charged on loans made from the revolving fund, and
(d) The repayment of loans made from the revolving fund.

(4) Subject to the provisions of section 18 of Article X of the state constitution, moneys in the revolving fund may be used for the following purposes:

(a) To provide assistance to public and private entities for the acquisition, improvement, or construction of highways, multimodal transportation, and intermodal transportation facilities in the state. Such assistance includes, but is not limited to, the making of loans and other forms of financial assistance for qualified projects.

(b) To pay the costs incurred by the state treasurer and the department in the performance of duties pursuant to this section; and

(c) Any other purpose consistent with the provisions of this section.

(5) Except as otherwise provided in subsection (6) of this section, "qualified project" means:

(a) Any public or private transportation project as authorized by the commission, including, but not limited to, planning, environmental impact studies, feasibility studies, engineering, construction, reconstruction, resurfacing, restoring, rehabilitation, or replacement of a public or private transportation facility within the state;

(b) The acquisition of real or personal property, or interests therein, for a public or private transportation facility within the state;

(c) Any highway, transit, aviation, rail, or other transportation project within the state that is eligible for financing or financial assistance under state or federal law;

(d) The maintenance, repair, improvement, or construction of any public or private highway, road, street, parkway, transit, aviation, or rail project within the state, and

(e) The acquisition, improvement, or construction of rights-of-way, bridges, tunnels, railroad-highway crossings, drainage structures, signs, guardrails, or protective structures within this state.

(6) The term "qualified project" shall not include transportation facilities and other transportation projects that are restricted to private use.

(7) In addition to requiring interest to be paid on loans made from the revolving fund, the executive director may charge to and collect from public and private entities receiving assistance from the revolving fund fees and charges sufficient to reimburse the department for reasonable expenses incurred in processing and reviewing applications and in recommending loans and financial assistance pursuant to the provisions of this section.

(8) (a) If a recipient of financial assistance from the revolving fund fails to meet any of the terms or conditions of the loan or other form of assistance, the department may bring a right of action through the state attorney general pursuant to section 43-1-112 against such
recipient in district court to seek any applicable legal or equitable remedy, including reasonable attorneys fees.

(b) Except as otherwise provided in paragraph (c) of this subsection (8), in addition to the remedies provided under paragraph (a) of this subsection (8), if the recipient is a municipality or county and such recipient defaults on the repayment of any loan made from the revolving fund, the department may withhold funds that it would otherwise disburse to the recipient. In no event shall the amount withheld exceed the amount that a recipient owes to the revolving fund. Funds withheld from a defaulting recipient shall be deposited in the account of the revolving fund from which the recipient received financial assistance and credited towards the amount due to such fund from the recipient.

(c) For purposes of paragraph (b) of this subsection (8), the department may only withhold funds it would otherwise disburse to a municipality or county from the highway users tax fund if such municipality or county defaults on the repayment of a loan made from the revolving fund for the construction, maintenance, or supervision of a public highway in this state.

SECTION 20. 42-2-114, Colorado Revised Statutes, is amended by the addition of a new subsection to read:

42-2-114. License issued - fees. (2.5) The department shall charge a fee for issuing any probationary license. Such fee shall be set by rule of the department and shall compensate the department for the direct and indirect costs of issuing such license.

SECTION 21. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.
TITLE: CONCERNING TRANSPORTATION.

The bill would allow the Department of Revenue (DOR) to enter into motor fuel tax cooperative agreements with other states by allowing them to contract with other jurisdictions, including foreign countries for tax collection. Several changes would be made to the statutes concerning Ports of Entry weigh stations to allow for an automated port clearance procedure and reduce the time it takes for vehicles to clear the ports.

The Department of Transportation (DOT) would be allowed to solicit bids using electronic on-line access, including the Internet, to obtain construction contracts for public projects. The correct federal official would be designated in statute to approve the use of federal funds by the DOT to acquire land adjacent to federal-aid highways. The disposition of tolls enacted by H.B. 96-1144 would be modified to require that any fees, fares, and tolls charged must be sufficient to pay for the reasonable return on investment or to reimburse the DOT for costs relating to the turnpike project.
The date by which cities and counties must file a report indicating expenditures for all road and street systems would change from May 1 to June 30.

The bill would create the Transportation Infrastructure Revolving Fund within the DOT and provide a continuous appropriation authority to the DOT from the fund. The fund could receive appropriations from the General Assembly and grants from federal, state, or private sources which would contain four subaccounts for highways, transit, aviation, and rail. The DOT would determine the amounts allotted to each account. Expenditures from the accounts would be subject to the provisions of Article X, Section 18 of the Colorado Constitution which limits expenditures of motor fuel and motor vehicle related fees and taxes to public highway purposes and aviation fuel taxes to aviation purposes.

Disbursements from the fund would be used to assist public and private entities for the acquisition, improvement, or construction of highways or multi modal and intermodal transportation facilities. The fund would also pay the administrative costs of the DOT and the State Treasurer. The bill allows the DOT to charge interest on loans, recover the costs of processing and reviewing applications, and file civil actions for failure to repay loans. Cities and counties that failed to repay loans would have their HUTF distributions withheld for the amount of the outstanding balance.

The DOR would be authorized to charge a fee for probationary driver's licenses. The fee would be set by rule and regulation. The bill would become effective upon the Governor's signature.

**State Revenues**

The bill would give the DOR the ability to charge a fee for issuing a probationary driver's licenses. Approximately 5,000 probationary licenses were issued in FY 1996-97. The estimated fee the DOR would assess is $5.00 which would generate an estimated $25,000 in HUTF revenue.

The amount of any federal, state, or private grants or other State appropriations that may be made to the revolving fund has not been estimated.

**State Expenditures**

Under current law, the Motor Vehicle Division of the DOR is funded from the General Fund and the DOR does not charge for issuing probationary licenses. The bill allows the DOR to charge a fee for issuing the probationary license and recover the costs of issuing the license from the license fee authorized in this bill. This would allow the DOR to fund this program from HUTF revenues. The estimated cost of issuing 5,000 probationary licenses is $25,000. The DOR's General Fund appropriation would be reduce by $25,000 and a $25,000 HUTF appropriation would be added.

The amount of any revenues that may be deposited into the revolving fund has not been estimated. However, the bill provides the DOT with continuous spending authority for dispersing the funds to public and private entities.
The administrative costs of administering the fund would be recovered from the moneys in the fund. The administrative costs to the DOT and the State Treasurer are estimated to be minimal. The DOT would also experience costs associated with processing and reviewing applications for revolving fund loans. These costs would vary depending upon the proposals submitted. It would appear that the DOT could accomplish these additional duties within their current personal service appropriations. No additional FTE would be required.

Local Government Impact

Local governments would receive a share of the additional fees assessed by the DOR for issuing probationary licenses. These funds would be dispersed under the old distribution formula with 65 percent to the State, 26 percent to counties and 9 percent to cities.

Spending Authority

This fiscal note implies that the Department of Revenue would require a $25,000 reduction in General Fund spending authority and a $25,000 HUTF appropriation for FY 1998-99 to implement this bill.

Departments Contacted

Revenue Transportation Treasurer

Omissions and Technical or Mechanical Defects

Section 43-4-201, (3), C.R.S. (SB 95-047) provides that only the Colorado State Patrol and the Motor Carriers Service section of the DOR can receive appropriations from the HUTF. This bill would allow the DOR to use HUTF revenues to pay the costs of this bill.
BILL C

By Representative June

A BILL FOR AN ACT
CONCERNING THE THEFT OF PUBLIC TRANSPORTATION SERVICES.

Bill Summary

"Theft Of Public Transportation Services"
(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Transportation Legislation Review Committee. Makes it a class 2 petty offense to use a public transportation facility without paying the proper fare, carrying proof that the fare has been paid, or showing proof, upon demand, that the fare has been paid.

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

SECTION 1. Article 4 of title 18, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW PART to read:

PART 8
THEFT OF PUBLIC TRANSPORTATION SERVICES

18-4-801. Definitions. As used in this Part 8, unless the context otherwise requires:

(1) "Proof of prior fare payment" means:
   (a) A transit pass valid for the day and time of use;
   (b) A receipt showing payment of the applicable fare for use of a public transportation facility during the day and time specified in the receipt; or
   (c) A prepaid ticket or series of tickets showing cancellation by a public transportation entity used within the day and time specified in the ticket.

(2) "Public transportation entity" means a mass transit district, mass transit authority, or any other public entity authorized under the laws of this state to provide mass transportation services to the general public.

(3) "Public transportation facility" means a bus, train, light rail vehicle, or any other mode of transportation used by a public transportation entity to provide transportation services to the general public.

(4) "Transit pass" means any pass, coupon, transfer, card, identification, token, ticket, or other document, whether issued by a public transportation entity or issued by an employer to employees pursuant to an agreement with a public transportation entity, used to obtain public transportation services.

18-4-802. Theft of public transportation services by fare evasion. (1) A person commits theft of public transportation services by fare evasion if such person either occupies, rides in, or uses a public transportation facility without paying the applicable fare or occupies, rides in, or uses a public transportation facility without carrying proof of prior fare payment.

(2) Any person who claims to have the right to occupy, ride in, or use a public transportation facility based upon possession of proof of prior fare payment must show such proof of prior fare payment upon
DEMAND OF A PEACE OFFICER OR AN EMPLOYEE OR AGENT OF A PUBLIC TRANSPORTATION ENTITY. FAILURE TO SHOW PROOF OF PRIOR FARE PAYMENT UPON SUCH DEMAND SHALL CONSTITUTE A VIOLATION OF SUBSECTION (1) OF THIS SECTION.

(3) ANY VIOLATION OF THIS SECTION IS A CLASS 2 PETTY OFFENSE AND SHALL BE PUNISHABLE BY A FINE NOT TO EXCEED ONE HUNDRED DOLLARS.

SECTION 2. Effective date - applicability. (1) This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution; except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

(2) The provisions of this act shall apply to all offenses committed on or after the applicable effective date of this act.
Title: Concerning the Theft of Public Transportation Services

Summary of Legislation

The bill would make it a class 2 petty offense, punishable by a fine of up to $100, to use public transportation without paying the proper fare, carrying proof, or showing proof, upon demand, that the fare has been paid. The bill will become effective at 12:01 a.m. on the day following the ninety-day period after adjournment sine die of the General Assembly, or on the date of the official declaration of the vote of the people as proclaimed by the Governor, if a referendum petition is filed pursuant to Article V, Section 1 (3) of the State Constitution.

Local Government Impact

This bill would affect local governmental entities which provide public transportation services. This bill would primarily impact light rail or other services where an employee of the agency does not witness the payment of the fee at the time the person enters the vehicle. The public transportation service provider would experience a revenue increase from people who may have avoided the fare in the past that would now pay the fare and avoid the possible fine imposed. The amount of the increase in fares would be minimal to the total transportation service budget.

Under current law, ticket enforcement is based on a local city ordinance. For the Regional Transportation District’s (RTD) light rail, ticket verification is contracted to a security company. A rider in violation receives a warning for the first offense and their name is placed in a database. On second and subsequent violations, RTD managers and supervisors or local police officers may issue a citation. RTD has indicated that approximately 238 tickets were issued under the current
practice. Local governments that have jurisdiction over the tickets would receive additional fine revenue. Denver’s current ordinance imposes a $26 fine for the first offense, $51 for the second, and $76 for the third and subsequent offenses. This bill would allow a court to impose a fine of up to $100 for each offense. The amount of fines revenue that may be collected has not been estimated at this time.

Departments Contacted

Transportation
BILL D

By Senator Mutzebaugh

A BILL FOR AN ACT
CONCERNING THE PERFORMANCE OF A FIELD SURVEY BY A PROFESSIONAL LAND SURVEYOR BEFORE RAILROAD TRACKS ARE REMOVED FROM ABANDONED RAILROAD RIGHTS-OF-WAY TO CREATE A LEGAL DESCRIPTION OF THE PROPERTY.

Bill Summary

"Survey Of Railroad Tracks"
(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Transportation Legislation Review Committee: Replaces the requirement for a person or entity to cause a field survey to be performed by a professional land surveyor before removing railroad tracks from abandoned railroad rights-of-way with the requirement that such person or entity provide a legal description that is sufficient to describe the property and any rights to be conveyed.

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

SECTION 1. 43-1-1311, Colorado Revised Statutes, is amended to read:

43-1-1311. Railroad track removal - legal description. (1) Before any railroad tracks are removed from abandoned railroad rights-of-way in Colorado, if a proper legal description is not available, the person or entity removing the railroad tracks shall cause a field survey of the centerline of such railroad tracks to be made by a professional land surveyor, if title to any land references such railroad tracks. The professional land surveyor shall deposit a survey plat in accordance with section 38-50-101, C.R.S., showing the following: PROVIDE A LEGAL DESCRIPTION SUFFICIENT TO DESCRIBE THE PROPERTY AND ANY RIGHTS TO BE CONVEYED.

(a) Field-measured dimensions of the centerline of the railroad tracks; and

(b) Field-measured bearing and distance ties to public land survey monument corners so that no point on said abandoned railroad rights-of-way is further than two miles from a public land survey monument corner.

SECTION 2. Effective date. This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution; except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.
CONCERNING THE PERFORMANCE OF A FIELD SURVEY BY A PROFESSIONAL LAND SURVEYOR BEFORE RAILROAD TRACKS ARE REMOVED FROM ABANDONED RAILROAD RIGHTS-OF-WAY TO CREATE A LEGAL DESCRIPTION OF THE PROPERTY.

Summary of Legislation

The bill would eliminate the statutory requirement that a field survey be conducted by a professional land surveyor before railroad tracks can be removed from abandoned railroad rights-of-way if a legal description is not available and replace it with a requirement to provide a legal description sufficient to describe the property and any rights conveyed. The bill will become effective at 12:01 a.m. on the day following the ninety-day period after adjournment sine die of the General Assembly, or on the date of the official declaration of the vote of the people as proclaimed by the Governor, if a referendum petition is filed pursuant to Article V, Section 1 (3) of the State Constitution.

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<thead>
<tr>
<th>STATE FISCAL IMPACT SUMMARY</th>
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<tr>
<td>Potential expenditure decrease</td>
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<tr>
<td>FTE Position Change</td>
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Local Government Impact — Potential expenditure decrease

State Expenditures

Under the current law, when a railroad is abandoned and there is no legal description available, the entity removing the tracks, be it the railroad company or the State, would be required to conduct a survey of the railroad right-of-way before the tracks could be removed. A railroad company could abandon a railroad right-of-way and determine that the cost of removing the tracks exceeded the benefits and leave the entities acquiring the right-of-way to remove or repair the tracks. If the State were to acquire the right-of-way with the tracks intact, and the state wanted to remove...
the tracks and utilize the right-of-way for other purposes, the State would be required to provide a legal description of the property and not a survey of the right-of-way. This bill would reduce potential future expenditures. Therefore, this bill is assessed as having a conditional expenditure savings for the State.

Local Government Impact

A local governmental entity would be impacted in the same manner as the State.

Spending Authority

No spending authority would be required for this bill.

Departments Contacted

Transportation

FACTS AND ASSUMPTIONS

Assumptions

1. That the State or local governmental entities will acquire an abandoned railroad right-of-way in the future that will have the tracks intact.

2. That the State or local governmental entities would utilize the right-of-way for other purposes and need to remove the railroad track.

3. That under current law the State or local governmental entities would be required to conduct a survey of an abandoned railroad right-of-way with the railroad tracks intact.
BILL E

By Representative Swenson

A BILL FOR AN ACT

CONCERNING THE REGULATION OF SPECIAL FUEL.

Bill Summary

"Special Fuel Taxation"

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Transportation legislation review committee. Authorizes ports of entry weigh station personnel, upon stopping any owner or operator of a motor vehicle for reasonable cause, to check the fuel tank of such vehicle for tax-exempt diesel fuel dyed in accordance with federal regulations. Makes it unlawful for any person to operate a motor vehicle on any public highway using such dyed fuel and specifies the penalty for committing such violation. Allows the department of revenue to conduct audits of persons committing such violations and requires the department to report such violations to the federal internal revenue service.

Increases from one dollar to 10 dollars the fee for each single trip permit required for special fuel importers.

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

SECTION 1. (2), Colorado Revised Statutes, is amended to read:

42-8-104. Powers and duties. (2) (a) The personnel of a port of entry weigh station, during the time that they are actually engaged in performing their duties as such and while acting under proper orders or regulations issued by the executive director of the department of revenue, shall have and exercise all the powers invested in peace officers in connection with the enforcement of the provisions of this article, articles 2 and 20 of this title, part 5 of article 4 of this title, and section 42-4-235: except that they shall not have the power to serve civil writs and process. and

(b) In addition to the powers specified in paragraph (a) of this subsection (2), in the exercise of their duties, such personnel shall have the authority to:

(I) Require the owner or operator of any motor vehicle when stopped for reasonable cause to submit to an inspection of the fuel tank of such vehicle for the purpose of ensuring that the vehicle is not operating on the public highways of the state using tax-exempt diesel fuel dyed in accordance with federal regulations in violation of section 42-4-1414, and

(II) Restrain and detain persons or vehicles and may impound any vehicle until any tax or license fee imposed by law is paid or until compliance is had with any tax or regulatory law or regulation issued thereunder.

SECTION 2. Part 14 of article 4 of title 42, Colorado Revised Statutes, is amended by the addition of a new section to read:

42-4-1414. Use of dyed fuel on highways prohibited. (1) No person shall operate a motor vehicle upon any highway of the state using tax-exempt diesel fuel dyed in accordance with state and federal regulations.

(2) (a) Any person who violates subsection (1) of this section commits a class B traffic infraction.

(b) Any person who commits a subsequent violation of subsection (1) of this section within a twelve-month period shall be subject to an increased penalty pursuant to section 42-4-1701 (4) (a) (I) (N)
(3) ANY PERSON VIOLATING ANY PROVISION OF THIS SECTION SHALL BE SUBJECT TO AUDIT BY THE DEPARTMENT REGARDING PAYMENT OF MOTOR FUEL TAX. THE DEPARTMENT SHALL NOTIFY THE FEDERAL INTERNAL REVENUE SERVICE OF ANY VIOLATION ARISING UNDER THE PROVISIONS OF THIS SECTION.

SECTION 3. 42-4-1701 (4) (a) (I) (N), Colorado Revised Statutes, is amended to read:

42-4-1701. Traffic offenses and infractions classified - penalties - penalty and surcharge schedule. (4) (a) (I) Except as provided in paragraph (c) of subsection (5) of this section, every person who is convicted of, who admits liability for, or against whom a judgment is entered for a violation of any provision of this title to which the provisions of paragraph (a) or (b) of subsection (5) of this section apply shall be fined or penalized, and have a surcharge levied thereon pursuant to section 24-4.2-104 (1) (I), C.R.S., in accordance with the penalty and surcharge schedule set forth in sub-subparagraphs (A) to (P) of this subparagraph (I); or, if no penalty or surcharge is specified in the schedule, the penalty for class A and class B traffic infractions shall be fifteen dollars, and the surcharge shall be two dollars. These penalties and surcharges shall apply whether the defendant acknowledges the defendant's guilt or liability in accordance with the procedure set forth by paragraph (a) of subsection (5) of this section or is found guilty by a court of competent jurisdiction or has judgment entered against the defendant by a county court magistrate. Penalties and surcharges for violating specific sections shall be as follows:

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SECTION 4. 39-27-205 (3) (a), Colorado Revised Statutes, is amended to read:

39-27-205. Tax collection. (3) (a) Except as provided in paragraph (a) of subsection (2) of this section and in section 39-27-202 (2) (d), every person who imports into this state special fuel within the fuel tank of a motor vehicle and who is not required to report special fuel usage under the provisions of subsection (2) of this section shall obtain from the port of entry, or from the office of the department of revenue nearest the point of entry into this state, or from any officer of the Colorado state patrol a single trip permit that shall contain a description of the motor vehicle, a description of the points of travel within the
state of Colorado, and such other information as the executive director may require. At the time of issuance of such single trip permit, a tax will be computed and paid based on the consumption rate of four miles per gallon for special fuel consumed within Colorado at the special fuel tax rate provided by section 39-27-202. A fee of one dollar TEN DOLLARS shall be paid for each single trip permit, and the permit shall be valid for a period of seventy-two hours.

SECTION 5. Effective date. This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution; except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.
CONCERNING THE REGULATION OF SPECIAL FUEL

The bill would allow Ports of Entry personnel to inspect fuel tanks of motor vehicles and check for use of tax exempt dyed diesel fuel when vehicles stop at a Port of Entry weigh station. The operation of a vehicle using dyed fuel would also become illegal. Conviction of this offense would be a class B traffic infraction, make the violator subject to a Department of Revenue (DOR) audit, and the DOR would be required to notify the Internal Revenue Service of the violation. The single trip permit fee would also increase from $1 to $10. The bill will become effective at 12:01 a.m. on the day following the ninety-day period after adjournment sine die of the General Assembly, or on the date of the official declaration of the vote of the people as proclaimed by the Governor, if a referendum petition is filed pursuant to Article V, Section 1 (3) of the State Constitution.

State Revenues Impact

Revenues to the HUTF would increase in the following three areas: an increase in special fuel taxes caused by increased compliance, increase in single trip permit fee from one dollar to ten dollars, and fines. Therefore, the bill is assessed as having a fiscal impact. The bill would increase the current one dollar fee for a single day trip permit to ten dollars. This nine dollar increase would apply to approximately 19,000 operators. The estimated increase in fees is $171,000 annually ($9 X 19,000).
States that have adopted dyed fuel testing programs have experienced a five to seven percent increase in special fuel tax collections. It is estimated that Colorado would experience a similar increase in special fuel taxes. Colorado collected approximately $60 million in special fuel taxes in FY 1996-97. A five percent increase would generate approximately $3.0 million in additional special fuel tax collections. A seven percent increase would generate approximately $4.2 million in additional special fuel tax collections.

The bill also would impose a fine of $100 and a twelve dollar surcharge for persons convicted of violating the new program one time a year. It is estimated that approximately 900 persons would be convicted of violating this bill annually. This would generate approximately $90,000 in fines annually to the HUTF. An estimated $10,800 would be collected from the twelve dollar surcharge which would go directly to the county with jurisdiction over the matter. Subsequent violations within a twelve month period would result in a $500 fine and a sixty dollar surcharge. Total estimated potential revenue to the HUTF could range between $3,261,000 and $4,461,000 annually.

State Expenditures

The Motor Carriers Services Division in the Department of Revenue would require 3.9 FTE and $112,763 HUTF as a result of this bill. Approximately $34,967 in program one-time startup costs would be funded by an existing federal grant. Startup costs provide training and fuel testing supplies. On-going operating costs would be minimal and provided within the division’s existing resources. Personal services would be for 2.9 FTE Port of Entry Officers ($90,169) to conduct an estimated 30,000 ten minute fuel tank inspections/tests and issue an estimated 900 citations for violations. An additional 1.0 FTE Administrative Assistant ($22,594) would be required to collect data on violators for audit purposes, maintain accounts, and develop a tracking system for the program.

Expenditures Not Shown

Pursuant to the Joint Budget Committee’s budget policies, the following expenditures have not been included in this fiscal note:

- health and life insurance costs; $8,624
- short-term disability costs; $226
- inflationary cost factors;
- leased space; and
- indirect costs.

Local Government Impact

Cities and counties would receive additional HUTF distributions as a result of increased compliance with the special fuel tax. The additional revenues would be distributed to cities and counties using both of the current HUTF distribution formulas. County courts with jurisdiction over the citations would receive the additional surcharges.
Bill - E

Spending Authority

This fiscal note implies that the Department of Revenue would require 3.9 FTE and $112,763 in HUTF spending authority for FY 1998-99 to implement this bill. The DOR does not require spending authority for the federal grant.

Departments Contacted  Revenue
A BILL FOR AN ACT
CONCERNING REQUIREMENTS FOR THE ISSUANCE OF PHOTOGRAPHIC DOCUMENTS
BY THE DIVISION OF MOTOR VEHICLES IN THE DEPARTMENT OF REVENUE.

Bill Summary
"Photographic Documents"
(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Transportation Legislation Review Committee. Forbids the division of motor vehicles in the department of revenue from issuing or renewing an identification card to any person who is in the United States illegally. Requires applicants for identification cards who submit birth certificates or other documentary evidence of identification issued by an entity other than a state or the United States to submit proof of legal residence in the United States. Requires an applicant for an identification card to provide proof of residency. Allows the department to cancel, deny, or deny the reissuance of an identification card to nonresidents and to persons who are in the United States illegally.

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

SECTION 1. 42-2-302 (2), Colorado Revised Statutes, is amended to read:

42-2-302. Department may issue - limitations. (2) (a) The department shall issue an identification card only upon the furnishing of a birth certificate or other documentary evidence of identity that the department may require. An applicant who submits a birth certificate or other documentary evidence issued by an entity other than a state or the United States shall also submit such proof of legal presence in the United States as required by rule of the department. The department may assess a fee under section 42-2-306 (1) (b) if the department is required to undertake additional efforts to verify the identity of the applicant.

(b) The department may not issue an identification card to any person whose presence in the United States is in violation of federal immigration laws.

(c) The department may not issue an identification card to any person who is not a resident of the state of Colorado. The department shall issue an identification card only upon the furnishing of such evidence of residency that the department may require.

SECTION 2. 42-2-302 (3) (a), Colorado Revised Statutes, is amended to read:

42-2-302. Department may issue - limitations. (3) (a) The department has the authority to cancel, deny, or deny the reissuance of the identification card of a person upon determining that the person is not entitled to issuance of the identification card for the following reasons:

(I) Failure to give the required or correct information in an application or commission of any fraud in making such application; or

(II) Permission of an unlawful or fraudulent use or conviction of misuse of an identification card;

(III) The person's presence in the United States is in violation of federal immigration laws; or

(IV) The person is not a resident of the state of Colorado.

SECTION 3. 42-2-304 (1.5), Colorado Revised Statutes, is amended to read:
42-2-304. **Validity of identification card.** (1.5) (a) Any individual who has been issued an identification card pursuant to this section may renew the card prior to the expiration of the card upon application in person and payment of the required fee.

(b) The department may not renew an identification card for a person if the person would not be eligible for an identification card pursuant to section 42-2-302 (2) (b) or (2) (c).

**SECTION 4. Effective date - applicability.** This act shall take effect July 1, 1998, and shall apply to photographic documents issued on or after said date.

**SECTION 5. Safety clause.** The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.
CONCERNING REQUIREMENTS FOR THE ISSUANCE OF PHOTOGRAPHIC DOCUMENTS BY THE DIVISION OF MOTOR VEHICLES IN THE DEPARTMENT OF REVENUE.

Summary of Assessment

The bill would prevent the Department of Revenue (DOR) from issuing or renewing an identification card to any person who is in the United States illegally. Identification card applicants would be required to submit evidence or proof of legal residence in Colorado and the United States. The bill would become effective July 1, 1998.

The number of persons whose identification card would be denied or not be renewed is estimated to be minimal. The number of persons and the amount of additional time required for persons proving legal residency is estimated to be minimal. Additional computer programming required by this bill would be minimal and could be completed during the normal program updating procedures. Therefore, this bill is assessed as having no fiscal impact.
By Representative May

A BILL FOR AN ACT
CONCERNING THE REGISTRATION OF MOTOR VEHICLES, AND, IN CONNECTION THEREWITH, AUTHORIZING EXTENDED TEMPORARY REGISTRATION OF MOTOR VEHICLES, REQUIRING THE PERIODIC REISSUANCE OF ALL MOTOR VEHICLE LICENSE PLATES, AND MAKING AN APPROPRIATION.

Bill Summary

"Motor Vehicle Registration"
(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Transportation Legislation Review Committee. Authorizes persons who are employed in Colorado for no more than 120 days or who reside in Colorado for no more than 180 days to obtain extended temporary vehicle registrations for motor vehicles of less than 6500 pounds. Provides that extended temporary registration permit shall be for a period of 120 days. Prohibits the extended temporary registration of a motor vehicle for more than 120 days in any 12-month period and prohibits the transfer of such registration to another motor vehicle. Sets the fee for extended temporary registration at $25, with the county clerk retaining $5 of such fee to defray expenses if the county clerk issues the registration. Requires that a motor vehicle be validly registered in another state to obtain extended temporary registration in Colorado. Requires a person who has obtained extended temporary registration for a vehicle to comply with the motor vehicle insurance laws of the state in which the vehicle is permanently registered. Provides that a person who has obtained extended temporary registration for a motor vehicle is not required to obtain a driver's license in the state in which such person is a permanent resident.

Subjects any person who commits fraud in connection with an application for extended temporary registration to the existing penalties for fraud in registration applications. Prohibits any person from operating a motor vehicle with an extended temporary registration plate, certificate, or permit that is expired and imposes a $100 fine for violating such prohibition.

Requires the department of revenue to reissue all motor vehicle license plates in the state by no later than January 1, 2001, and at least every 7 years thereafter. Directs the department, to the extent that it is practical, to issue plates with a combination of letters and numbers not exceeding 6 characters. Allows persons who have current motor vehicle plates to retain the same number and letter combination upon purchasing personalized license plates.

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

SECTION 1. Article 3 of title 42, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

42-3-103.5. Extended temporary registration - fees - violations. (1) IN LIEU OF REGISTRATION UNDER SECTION 42-3-103, THE OWNER OF A MOTOR VEHICLE WEIGHING LESS THAN SIX THOUSAND FIVE HUNDRED POUNDS MAY APPLY FOR EXTENDED TEMPORARY REGISTRATION OF THE MOTOR VEHICLE. THE FOLLOWING PERSONS ARE ELIGIBLE FOR EXTENDED TEMPORARY REGISTRATION UNDER THE PROVISIONS OF THIS SECTION:

(a) A PERSON WHO IS GAINFULLY EMPLOYED IN THIS STATE FOR A PERIOD OF NO MORE THAN ONE HUNDRED TWENTY DAYS IN ANY TWELVE-MONTH PERIOD AND WHO DOES NOT OWN OR OPERATE A BUSINESS IN THE STATE; OR

(b) A PERSON WHO RESIDES IN THIS STATE FOR NO MORE THAN ONE HUNDRED EIGHTY DAYS IN ANY TWELVE-MONTH PERIOD AND WHO IS NOT GAINFULLY EMPLOYED IN THE STATE AND DOES NOT OWN OR OPERATE A BUSINESS IN THE STATE.

(2) (a) (1) THE OWNER OF A VEHICLE MAY APPLY FOR EXTENDED TEMPORARY REGISTRATION FOR A PERIOD OF ONE HUNDRED TWENTY DAYS. NO VEHICLE MAY
HE REGISTERED UNDER THE PROVISIONS OF THIS SECTION FOR MORE THAN ONE HUNDRED TWENTY DAYS IN ANY TWELVE-MONTH PERIOD AND NO MORE THAN ONE EXTENDED TEMPORARY REGISTRATION MAY BE ISSUED FOR ANY MOTOR VEHICLE IN ANY TWELVE-MONTH PERIOD.

(ii) If the owner of a vehicle registered under the provisions of this section reaches the maximum time period for extended temporary registration in a twelve-month period, the owner is then required to register the vehicle pursuant to section 42-3-103 in order to continue to operate such vehicle within the state. If the owner of a motor vehicle applies to register such vehicle under section 42-3-103 within six months after the expiration of an extended temporary registration of such vehicle under the provisions of this section, the owner of the vehicle is required to pay a prorated amount of the specific ownership taxes under section 42-3-107 for the period of time that the vehicle was under extended temporary registration. Such prorated specific ownership taxes are in addition to the payment of all normally applicable taxes and fees for motor vehicle registration.

(b) An owner of a motor vehicle is eligible for extended temporary registration only if the motor vehicle is validly registered in another state and the registration period in such other state extends through the end of the period of the extended temporary registration.

(c) The owner of a motor vehicle that has been temporarily registered under the provisions of this section shall comply with the motor vehicle insurance laws of the state in which the vehicle is permanently registered and need not conform to the motor vehicle insurance laws of Colorado.

(d) An extended temporary registration permit may not be transferred to another motor vehicle.

(3) The fee for an extended temporary registration permit is twenty-five dollars for the one-hundred-twenty-day registration period. If an extended temporary registration permit for a motor vehicle is obtained through an authorized agent of the department, the authorized agent shall retain five dollars of such fee to defray expenses.

(4) A person who has obtained an extended temporary registration permit for a vehicle is not required to obtain a driver's license in Colorado if such person has a valid driver's license issued by the state in which such person is a permanent resident.

(5) The department shall provide registration permits for extended temporary registrations. The owner of a vehicle registered under the provisions of this section shall display such permit pursuant to the requirements of section 42-3-123 (2).

(6) (a) Any person who commits a fraud in an application under this section is subject to the penalties imposed for violation of section 42-3-133 (1) (e). Such person continues to be liable for any unpaid registration fees, specific ownership taxes, or other taxes and fees connected with the registration of a vehicle that is owed by such person.
(b) No person may operate a vehicle with an extended temporary registration permit after the expiration of the period for which the permit was issued. Any person who violates the provisions of this paragraph (b) commits a class B traffic infraction.

SECTION 2. 10-4-705 (1), Colorado Revised Statutes, is amended to read:

10-4-705. Coverage compulsory. (1) (a) Every owner of a motor vehicle who operates the motor vehicle on the public highways of this state or who knowingly permits the operation of the motor vehicle on the public highways of this state shall have in full force and effect a complying policy under the terms of this part 7 covering the said motor vehicle, and any owner who fails to do so shall be subject to the sanctions provided under section 42-4-1409 and section 42-7-301, C.R.S., of the "Motor Vehicle Financial Responsibility Act".

(b) The owner of a motor vehicle that is under extended temporary registration pursuant to section 42-3-103.5, C.R.S., is required to conform to the motor vehicle insurance requirements of the state in which such vehicle is permanently registered instead of the insurance requirements established under Colorado law.

SECTION 3. 42-1-210 (1), Colorado Revised Statutes, is amended to read:

42-1-210. County clerk and recorders and manager of revenue as agents - legislative declaration - fee. (1) (a) The county clerk and recorder in each county in the state of Colorado, and in the city and county of Denver the manager of revenue, is hereby designated as the authorized agent of the department for the administration of the provisions of articles 3 and 6 of this title relating to registrations of motor vehicles in such county; and for the enforcement of the provisions of section 42-6-139 relating to the registering and titling of motor vehicles in such county; and for the enforcement of the provisions of section 38-29-120, C.R.S., relating to the titling of manufactured homes; but any such authorized agent in a county has the power to appoint and employ such motor vehicle registration and license clerks as are actually necessary in the issuance of motor vehicle licenses and shall retain for the purpose of defraying such expenses, including mailing, a sum equal to one dollar per paid motor vehicle registration and registration requiring a metallic plate, plates, or validation tab or sticker as provided in section 42-3-113. This fee of one dollar shall apply to every registration of a motor vehicle which is designed primarily to be operated or drawn on any highway of this state, except such vehicles as are specifically exempted from payment of any registration fee by the provisions of article 3 of this title, and shall be in addition to the annual registration fee prescribed by law for such vehicle. Such fee of one dollar, when collected by the department, shall be credited to the same fund as registration fees collected by the department. The county clerk and recorders and the manager of revenue in the city and county of Denver so designated as the authorized agents of the department, as provided in this section, shall serve as such authorized agents under the provisions of this part 2 without additional remuneration or fees, except as otherwise provided in articles 1 to 6 of this title.

(b) The fee established by paragraph (a) of this subsection (1) does not apply to an extended temporary registration under section 42-3-103.5.

SECTION 4. 42-3-113, Colorado Revised Statutes, is amended by the addition of a new subsection to read:
42-3-113. Number plates furnished - style - periodic reissuance - repeal.

(5) (a) On or before January 1, 2001, the department shall reissue all number plates that have been issued for motor vehicles in the state. When reissuing such plates, the department, to the extent that it is practical, shall issue new plates that have identifying characters limited to no more than a total of six numbers and letters; except that, such character limitation does not apply to personalized license plates issued under section 42-3-114. If the owner of a motor vehicle wishes to be issued a number plate that contains the same characters as the number plate for such vehicle prior to reissuance, the owner may apply for a personalized plate pursuant to the provisions of section 42-3-114.

(b) The department shall reissue all motor vehicle number plates at least every seven years after January 1, 2001.

(c) (1) The department shall report to the senate transportation committee and the house transportation and energy committee regarding the department's plan for implementing the requirements of this subsection (5).

(ii) This paragraph (c) is repealed, effective July 1, 1999.

SECTION 5. 42-3-124 (3), Colorado Revised Statutes, is amended by the addition of a new paragraph to read:

42-3-124. Expiration - temporary, new, and old plates - reflectorized plates. (3) (c) The department is authorized to issue individual extended temporary registration permits pursuant to the requirements of section 42-3-103.5 upon the filing of an application by any owner and the payment of the required registration fee.

SECTION 6. 42-4-1701 (4) (a) (I) (B), Colorado Revised Statutes, is amended to read:

42-4-1701. Traffic offenses and infractions classified - penalties - penalty and surcharge schedule. (4) (a) (I) Except as provided in paragraph (c) of subsection (5) of this section, every person who is convicted of, who admits liability for, or against whom a judgment is entered for a violation of any provision of this title to which the provisions of paragraph (a) or (b) of subsection (5) of this section apply shall be fined or penalized, and have a surcharge levied thereon pursuant to section 24-4.2-104 (1) (b) (I), C.R.S., in accordance with the penalty and surcharge schedule set forth in sub-subparagraphs (A) to (P) of this subparagraph (I); or, if no penalty or surcharge is specified in the schedule, the penalty for class A and class B traffic infractions shall be fifteen dollars, and the surcharge shall be two dollars. These penalties and surcharges shall apply whether the defendant acknowledges the defendant's guilt or liability in accordance with the procedure set forth by paragraph (a) of subsection (5) of this section or is found guilty by a court of competent jurisdiction or has judgment entered against the defendant by a county court magistrate. Penalties and surcharges for violating specific sections shall be as follows:

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**SECTION 7. Appropriation.** In addition to any other appropriation, there is hereby appropriated, out of any moneys in the general fund not otherwise appropriated, to the department of revenue, for allocation to the motor vehicle division, for the fiscal year beginning July 1, 1998, the sum of __ dollars ($) and __ FTE, or so much thereof as may be necessary, for the implementation of this act.

**SECTION 8. Effective date - applicability.** (1) This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution; except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

(2) The provisions of this act shall apply to applications for motor vehicle registration received on or after the applicable effective date of this act.
Bill - G

Colorado Legislative Council Staff
STATE and LOCAL
FISCAL NOTE
State HUTF Revenue Impact
State General and Cash Fund Expenditure Impact
Local Revenue and Expenditure Impact

Drafting Number: LLS 98-083
Prime Sponsor(s): Rep. May
Sen. Mutzebaugh

Date: November 3, 1997
Bill Status: Transportation Legislative Review Committee
Fiscal Analyst: Scott Nachtrieb (866-4752)

TITLE: CONCERNING THE REGISTRATION OF MOTOR VEHICLES, AND, IN CONNECTION THEREWITH, AUTHORIZING EXTENDED TEMPORARY REGISTRATION OF MOTOR VEHICLES, REQUIRING THE PERIODIC REISSUANCE OF ALL MOTOR VEHICLE LICENSE PLATES, AND MAKING AN APPROPRIATION.

Summary of Legislation

The bill would allow persons employed in Colorado for no more than 120 days or who reside in Colorado for no more than 180 days to obtain extended temporary vehicle registrations. The owner of a vehicle could register for up to 120 days in any 12-month period. The Department of Revenue (DOR) would impose a $25 temporary registration fee. County Clerks would retain $5 of the fee. Existing penalties for fraud in registration applications would apply to persons convicted of violating this bill. Operating a motor vehicle with an extended temporary registration plate, certificate, or permit that is expired would be illegal and violators would be subject to a maximum fine of $100.

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<tr>
<td>State Revenues</td>
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<td>ETE Position Change</td>
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<td>3.9 ETE</td>
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</table>

Local Government Impact — See Local Government Impact section

* See State Revenue section

The bill also requires the DOR to reissue all motor vehicle license plates in the state by no later than January 1, 2001, and at least every seven years thereafter. Persons would be able to retain the same number and letter combinations for personalized license plates. The bill will become effective at 12:01 a.m. on the day following the ninety-day period after adjournment sine die of the General Assembly, or on the date of the official declaration of the vote of the people as proclaimed.
by the Governor, if a referendum petition is filed pursuant to Article V, Section 1 (3) of the State Constitution.

State Revenues

* This does not include a revenue estimate from increased compliance and enforcement. There may be a number of persons that currently do not pay motor vehicle registration fees and taxes. Recent estimates by private sources indicate that Colorado's revenue loss is between $6.0 million and $11.0 million. This bill may make it easier to enforce motor vehicle registrations since issuing a new license plate may make it easier to determine who has purchased new plates and who hasn't purchased them.

The bill would provide that persons employed in Colorado for more than 120 days or those who reside in the state for more than 180 days, must obtain temporary registration for their motor vehicle. The number of persons this bill would impact has not been estimated. However, a number of persons this bill would impact may have registered their motor vehicle last year to avoid the potential $500 fine and $500 civil penalty imposed in HB 97-1142. An unknown number of persons from this group may pay less in registration fees and Specific Ownership Taxes (SOT) under this bill than they do under current law. In addition, a number of persons that may not currently be registered may register as a result of this bill and increase revenues. The revenue impact from these two groups has not been determined. However, the Highway Users Tax Fund (HUTF) would receive any additional revenues from an increase in registrations.

The provision of the bill that would reissue license plates every seven years would have an expected revenue increase in the first year of implementation (FY 1999-00). It is assumed that approximately 153,983 vehicle owners (2 percent of all registered vehicle owners) would opt to keep their current license plate numbers and pay the additional $35 initial setup fee and the annual $25 fee set by statute. This would generate an estimated $2,694,703 in HUTF revenue in FY 1999-2000 and $4,619,490 in FY 2000-01.

State Expenditures

Under current law temporary motor vehicle permits are issued within each county and there has been no need to track the permits between counties. This bill would create the need for the Department of Revenue's (DOR) computer system to track temporary permits on a statewide basis. It would also require computer program modifications for proper fee calculations for the temporary permits like those done for full year fees and the SOT. This is also required so the temporary permit fees can be added to full year fees and taxes if necessary. Based on an agreement with the Legislative Council Fiscal Note Staff, DOR, and the Joint Budget Committee Staff, the DOR will absorb the 400 hours of computer programming time necessary to make these changes during the normal annual rewrite by the department.

License Plate Reissue. The bill also requires the DOR to reissue all license plates by the year 2001 and every 7 years thereafter. To reissue all the estimated license plates in FY 1999-2000, the DOR would require $17,808,712 and 3.9 FTE General Fund (GF). These changes would require 440 hours in computer programming that would be completed during the
departments annual rewrite. Approximately $88,117 and 3.9 FTE in personal services would be required to process the estimated additional 207,359 requests for personalized license plates. Operating costs are estimated to be $122,175. Of this amount, $1,232 would be to revise the registration manual and $104,930 would go to purchase mail pockets to mail the license plates. An additional $16,013 would be for the cost of mailing the plates. Approximately $17,598,420 GF would be used to offset the cost of remaking an estimated 5,267,781 sets of license plates (10,535,562 individual plates). The cost per license plate for the new process would increase from $1.63 to $2.00. The DOR would require similar expenditures every seven years when license plates would be reissued.

Expenditures Not Shown

Pursuant to the Joint Budget Committee's budget policies, the following expenditures have not been included in this fiscal note:

- health and life insurance costs; $8,625
- short-term disability costs; $163
- inflationary cost factors;
- leased space;
- computer programming; 800 hours $42,000 and
- indirect costs.

Local Government Impact

County clerks offices may also have some additional workload increases in those years when the license plates are reissued. The amount of any impact to the county clerks offices has not been estimated at this time.

Spending Authority

This fiscal note implies that the Department of Revenue would not require any additional spending authority for FY 1998-99 to implement this bill. The Department of Revenue would require 3.9 FTE and $17,808,712 GF spending authority in FY 1999-2000.

Departments Contacted

Revenue
BILL H

By Senator Powers

A BILL FOR AN ACT

CONCERNING A PROHIBITION AGAINST OPERATING A MOTOR VEHICLE THAT HAS BEEN IMPROPERLY ALTERED.

Bill Summary

"Alteration Of Vehicle Configurations"

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Transportation Legislation Review Committee. Modifies the current prohibition against operating a motor vehicle with a front or rear suspension system that has been altered or changed from the manufacturer's original design. Prohibits any person from operating a motor vehicle on a public highway if the configuration of the vehicle has been altered from the manufacturer's specifications as established under federal law. Eliminates the authorization of the department of revenue to establish specifications for exceptions to the prohibition against alteration of suspension systems.

Directs the department of revenue to promulgate rules to establish standards and procedures that may be used by law enforcement personnel in enforcing the prohibition against operating a motor vehicle that has been improperly altered.

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

SECTION 1. 42-4-233 (1), Colorado Revised Statutes, is amended to read:

42-4-233. Alteration of motor vehicle configuration - rules - enforcement. (1) (a) No person shall operate a motor vehicle of a type required to be registered under the laws of this state upon a public highway with either the rear or front suspension system altered or changed from the manufacturer's original design except in accordance with specifications permitting such alteration established by the department. Nothing contained in this section shall prevent the installation of manufactured heavy duty equipment to include shock absorbers and overload springs, nor shall anything contained in this section prevent a person from operating a motor vehicle on a public highway with normal wear of the suspension system if normal wear shall not affect the control of the vehicle. No person shall operate a motor vehicle of a type that is required to be registered under the laws of this state on a public highway if the motor vehicle configuration has been altered from the specifications established by the manufacturer in compliance with the federal "National Traffic and Motor Vehicle Safety Act of 1966", 49 U.S.C. sec. 30101 et seq., and regulations promulgated pursuant to such federal act. Vehicle alterations governed by this section include, but are not limited to, alterations to a motor vehicle's front or rear suspension system, tire or wheel size, body height, chassis configuration, or steering system.

(b) (I) This section does not prohibit a person from operating a vehicle on a public highway with replacement parts installed in such vehicle if such parts conform to the manufacturer specifications.

(II) This section does not prohibit a person from operating a motor vehicle on a public highway with normal wear of the vehicle components if such normal wear does not affect the control or safety of the vehicle.

(c) The department shall promulgate rules to establish standards and procedures that may be used by law enforcement personnel in
ENFORCING THE PROVISIONS OF PARAGRAPH (a) OF THIS SUBSECTION (1). SUCH STANDARDS AND PROCEDURES MAY INCLUDE DESCRIPTIONS OF MEASUREMENTS THAT MAY BE USED BY A LAW ENFORCEMENT OFFICER TO DETERMINE WHETHER A MOTOR VEHICLE IS IN COMPLIANCE WITH MANUFACTURER SPECIFICATIONS.

SECTION 2. Effective date - applicability. (1) This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution; except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

(2) The provisions of this act shall apply to offenses committed on or after the applicable effective date of this act.
CONCERNING A PROHIBITION AGAINST OPERATING A MOTOR VEHICLE THAT HAS BEEN IMPROPERLY ALTERED.

Summary of Assessment

The bill would modify the existing prohibition against operating a motor vehicle suspension system that has been altered or changed from the manufacturer's specifications under federal law. The authority for the Department of Revenue (DOR) to establish exceptions to the prohibition against alteration of suspension systems would be removed. The DOR would establish standards and procedures that may be used by law enforcement personnel in enforcing the prohibition. The bill will become effective at 12:01 a.m. on the day following the ninety-day period after adjournment sine die of the General Assembly, or on the date of the official declaration of the vote of the people as proclaimed by the Governor, if a referendum petition is filed pursuant to Article V, Section 1 (3) of the State Constitution.

The changes this bill makes to the existing law would not affect expenditures or revenues for the State or local governments. The Department of Revenue would generate the rules this bill requires under the normal rule making process and would not require additional appropriations. Therefore, this bill is assessed as having no fiscal impact.

Departments Contacted

Revenue