

**Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

REVISED

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

LLS NO. 26-0614.01 Sam Anderson x4218

HOUSE BILL 26-1076

HOUSE SPONSORSHIP

Paschal and Lindsay, Froelich, Jackson, Nguyen, Rutinel

SENATE SPONSORSHIP

Ball and Lindstedt,

House Committees

Transportation, Housing & Local Government

Senate Committees

Transportation & Energy

A BILL FOR AN ACT

101 **CONCERNING MODIFICATIONS TO SELECT STATUTORY PROVISIONS**
102 **RELATING TO TRANSPORTATION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill makes the following changes to statutes concerning the department of transportation (department):

- Changes the name of the freight mobility and safety branch within the transportation development division of the department to the office of freight mobility and safety (**sections 1, 3, 5, and 9** of the bill);

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

SENATE
Amended 2nd Reading
May 4, 2026

HOUSE
3rd Reading Unamended
February 18, 2026

HOUSE
Amended 2nd Reading
February 17, 2026

- Clarifies that each state agency is responsible for paying its proportionate part of the cost of maintenance and operation of fueling infrastructure to support its motor vehicle fleet (**section 2**);
- Clarifies that a driver of a commercial vehicle may not enter the farthest left-hand general purpose lane when driving specified sections of interstate 70 (**section 4**);
- Clarifies which transportation commission district represents the city and county of Broomfield (**section 6**);
- Relocates a provision concerning the chief engineer from the statutory section governing the highway maintenance division to the statutory section governing the chief engineer (**sections 7 and 8**);
- Repeals a statutory section concerning a study prepared by legislative council staff on the transportation commission districts, which has been completed (**section 10**);
- Redirects revenue from a permitting fee imposed by the department on companies authorized to install and remove tire chains, as established in Senate Bill 25-069, from the highway users tax fund to the state highway fund (**section 11**);
- Repeals outdated and obsolete provisions concerning the highway users tax fund (**sections 12 and 13**);
- Defines "toll evasion" for purposes of civil penalties, enforcement, and administration of the use of a toll highway (**section 14**);
- Establishes a 4-year term limit for members of the nonattainment area air pollution mitigation enterprise board who are appointed by the governor and clarifies when the initial term for each appointment ends (**section 15**); and
- Repeals a requirement that the transportation commission approve transfers of money directed by the division of aeronautics from the aviation account of the transportation infrastructure revolving fund to the aviation fund, which amounts must not exceed transfers previously approved by the Colorado aeronautical board (**section 16**).

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

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

4 **8-20-206.5. Environmental response surcharge - liquefied**

1 **petroleum gas and natural gas inspection fund - perfluoroalkyl and**
2 **polyfluoroalkyl substances cash fund - hazardous materials**
3 **infrastructure cash fund - fuels impact reduction grant program -**
4 **definitions - repeal.**

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

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

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

16 **24-30-1104. Functions of the department - definitions - rules.**

17 (2) In addition to the county-specific functions set forth in
18 subsection (1) of this section, the department of personnel shall take such
19 steps as are necessary to fully implement a central state motor vehicle
20 fleet system by January 1, 1993. The provisions of the motor vehicle fleet
21 system created pursuant to this subsection (2) apply to the executive
22 branch of the state of Colorado, its departments, its institutions, and its
23 agencies; except that the governing board of each institution of higher
24 education, by formal action of the board, and the Colorado commission
25 on higher education, by formal action of the commission, may elect to be
26 exempt from the provisions of this subsection (2) and may obtain a motor
27 vehicle fleet system independent of the state motor vehicle fleet system.

1 Under the direction of the executive director, the department of personnel
2 shall perform the following functions pertaining to the motor vehicle fleet
3 system throughout the state:

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

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

12 **33-61-102. Definitions.**

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

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

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

20 **33-61-103. Fee for oil and gas production - remediation of**
21 **harm to wildlife and land - cash fund.**

22 (1) (a.5) NO LATER THAN ONE WEEK AFTER OCTOBER 1, 2026, AND
23 NO LATER THAN ONE WEEK AFTER THE FIRST DAY OF EACH CALENDAR
24 QUARTER THEREAFTER, THE COMMISSION SHALL DETERMINE WHICH
25 NATURAL GAS INDEX TO USE TO CALCULATE THE AVERAGE GAS SPOT PRICE
26 FOR THE PREVIOUS CALENDAR QUARTER PURSUANT TO SUBSECTION (1)(b)
27 OF THIS SECTION. IN DETERMINING WHICH NATURAL GAS INDEX TO USE,

1 THE COMMISSION SHALL CONSIDER REGIONAL DYNAMICS IN THE NATURAL
2 GAS MARKET THAT AFFECT THE SPOT PRICES THAT NATURAL GAS
3 OPERATORS MAY RECEIVE FOR THEIR NATURAL GAS COMPARED TO THE
4 GAS SPOT PRICE.

5 (b) (I) No later than ~~one week~~ TWO WEEKS after October 1, 2025,
6 and no later than ~~one week~~ TWO WEEKS after the first day of each calendar
7 quarter thereafter, the commission shall calculate, including performing
8 any necessary measurement unit conversions to calculate, the average oil
9 spot price and the average gas spot price for the previous calendar quarter
10 and publish the average oil spot price and the average gas spot price on
11 the commission's website. The commission shall routinely provide written
12 guidance to the division on factors relevant to the production fee
13 amounts, including guidance on the current condition of the oil and gas
14 market and the market's sensitivity to higher or lower production fee
15 amounts. In preparing the written guidance, the commission shall:

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

27 **SECTION 5.** In Colorado Revised Statutes, 42-2-106, amend

1 (1)(e) as follows:

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

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

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

10 **42-2-118. Renewal of license in person, by mail, or**
11 **electronically - donations to Emily Keyes - John W. Buckner organ**
12 **and tissue donation awareness fund - rules - definitions.**

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

25 (I.5) IF AN APPLICANT APPLIES TO RENEW THEIR LICENSE WITHIN A
26 YEAR AFTER IT HAS EXPIRED, THE RENEWED LICENSE WILL HAVE THE SAME
27 EXPIRATION DATE AS IF IT HAD BEEN RENEWED ON TIME, SO LONG AS THE

1 PHOTO THE DEPARTMENT HAS ON FILE WILL MEET THE REQUIREMENTS OF
2 6 CFR 37.25 (a)(1) FOR THE FEDERAL "REAL ID ACT OF 2005" AT THE
3 TIME OF THE NEXT EXPIRATION. THIS SUBSECTION (1)(a)(I.5) DOES NOT
4 APPLY TO PROVISIONS OF SUBSECTION (1)(b)(I) OF THIS SECTION,
5 AUTHORIZING EXTENSIONS.

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

8 **42-2-304. Validity of identification card - rules.**

9 (1) Except as provided in subsection (2) of this section, an
10 identification card issued pursuant to this part 3 expires on the birthday
11 of the registrant in the fifth year after issuance of the identification card.
12 IF AN APPLICANT APPLIES TO RENEW THEIR IDENTIFICATION CARD WITHIN
13 A YEAR AFTER IT HAS EXPIRED, THE RENEWED IDENTIFICATION CARD WILL
14 BE GIVEN THE SAME EXPIRATION DATE AS IF IT HAD BEEN RENEWED ON
15 TIME, PROVIDED THE PHOTO THE DEPARTMENT HAS ON FILE WILL MEET THE
16 REQUIREMENTS OF 6 CFR 37.25 (a)(1) FOR THE FEDERAL "REAL ID ACT OF
17 2005" AT THE TIME OF THE NEXT EXPIRATION. The department may purge
18 its records of such cards twelve years after issuance; except that any
19 records concerning identification cards issued prior to April 16, 1996,
20 may not be purged until October 1, 2003.

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

23 **42-4-106. Who may restrict right to use highways - definitions**
24 **- rules.**

25 (5) (a) (I) (E) The driver of a commercial vehicle, with four or
26 more drive wheels, other than a bus, shall affix tire chains to at least four
27 of the drive wheel tires when the vehicle is required to be equipped with

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

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

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

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

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

20 **42-4-1014. No commercial vehicles in the left lane - penalty.**

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

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

27 **42-4-1701. Traffic offenses and infractions classified -**

1 **penalties - penalty and surcharge schedule - repeal.**

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

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

19 **43-1-106. Transportation commission - efficiency and**
20 **accountability committee - powers and duties - report - rules -**
21 **definitions.**

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

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

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

3 **43-1-110. Powers and duties of the chief engineer - hearings**
4 **- rule-making.**

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

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

21 **43-1-114. Highway maintenance division - creation.**

22 (3) ~~Whenever the chief engineer is authorized to enter into~~
23 ~~contracts or agreements, the contracts or agreements must be executed in~~
24 ~~the name of the department of transportation, state of Colorado, by the~~
25 ~~chief engineer, or his or her designee. Whenever the chief engineer is~~
26 ~~authorized to acquire or convey real or personal property, title thereto~~
27 ~~must be acquired or conveyed in the name of the department of~~

1 ~~transportation, state of Colorado, and all such conveyances must be~~
2 ~~executed by the chief engineer, or his or her designee. All suits or~~
3 ~~proceedings brought by or against the chief engineer must be in the name~~
4 ~~of the department of transportation, state of Colorado.~~

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

7 **43-1-117. Transportation development division - created -**
8 **duties - office of freight mobility and safety - repeal.**

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

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

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

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

1 follows:

2 **43-1-124. Study of transportation commission districts.**

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

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

15 **43-2-150. Roadside chain service - rules - permits - fees -**
16 **liability - definition.**

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

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

24 **43-2-402. Noise mitigation measures.**

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

1 transportation commission by rule.

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

4 **43-2-403. Noise mitigation - privately funded - rules.**

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

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

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

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

15 **43-2-404. Rule-making authority.**

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

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

24 **43-4-205. Allocation of fund - repeal.**

25 (6) Revenue raised by the excise tax imposed on gasoline and
26 special fuel pursuant to sections 39-27-102 and 39-27-102.5 in excess of
27 seven cents per gallon of tax shall MUST be placed in the highway users

1 tax fund to be allocated as follows: ~~except that revenue raised by the~~
2 ~~excise tax imposed on gasoline in excess of eighteen cents per gallon of~~
3 ~~tax shall be allocated according to subsection (6)(b) of this section~~

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

8 (b) ~~The remaining balance of such revenue may be expended only~~
9 ~~for improvements to highways within the state, including new~~
10 ~~construction, safety improvements, maintenance, and capacity~~
11 ~~improvements, and for other transportation-related projects to the extent~~
12 ~~authorized by subsection (6.8) of this section and sections 43-4-206 (3),~~
13 ~~43-4-207 (1), and 43-4-208 (1), and may not be expended for~~
14 ~~administrative purposes. Such revenue is allocated as follows:~~

15 (6.5) (a) ~~Except as otherwise provided in subsections (6.4) and~~
16 ~~(6.7) of this section, the revenue accrued to and transferred to the~~
17 ~~highway users tax fund pursuant to section 24-75-219 or 39-26-123 (4)(a)~~
18 ~~or appropriated to the highway users tax fund pursuant to House Bill~~
19 ~~02-1389, enacted in 2002, must be paid to the state highway fund for~~
20 ~~allocation to the department of transportation and expended as provided~~
21 ~~in section 43-4-206 (2).~~

22 (7) (a) ~~Revenues accumulated in the special account for highway~~
23 ~~bridges, as provided in paragraph (a) of subsection (6) of this section,~~
24 ~~shall be allocated at least once each year among state, counties, and~~
25 ~~municipal highway systems based on total cost needs under the criteria~~
26 ~~developed by means of the most current report of the federal bridge~~
27 ~~inventory program. For the fiscal year commencing on July 1, 1981, the~~

1 allocation shall be determined in accordance with needs developed by
2 October 1, 1981. In subsequent fiscal years, the allocation shall be
3 determined in accordance with needs reports available on January 1,
4 1982, and January 1 of each subsequent year, with the allocation amounts
5 to be effective on July 1 of each year. After allocation of the state share
6 of the special bridge account, the share for the counties and municipalities
7 shall be allocated, subject to annual appropriation by the general
8 assembly, based upon need as determined by the special highway
9 committee which shall be composed of four representatives each from
10 counties and municipalities. Allocations to local governments shall
11 require a minimum of twenty percent of local matching funds from
12 revenues other than the special bridge account within the highway users
13 tax fund.

14 (b) Repealed.

15 (13) All of the additional revenues which are credited to the
16 highway users tax fund as a result of the enactment of House Bill No.
17 1012 at the first extraordinary session of the fifty-seventh general
18 assembly shall be expended only for improvements to highways within
19 the state, including new construction, safety improvements, maintenance,
20 and capacity improvements. No moneys shall be expended for
21 administrative purposes.

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

24 **43-4-206. State allocation.**

25 (2) (a) Revenue accrued to and transferred to the highway users
26 tax fund pursuant to section 39-26-123 (4)(a) or appropriated to the
27 highway users tax fund pursuant to House Bill 02-1389, enacted at the

1 second regular session of the ~~sixty-third~~ general assembly, and credited
2 to the state highway fund pursuant to section 43-4-205 (6.5) shall be
3 expended by the department of transportation for the implementation of
4 the strategic transportation project investment program:

5 **SECTION 23.** In Colorado Revised Statutes, 43-4-803, **add**
6 (23.7) as follows:

7 **43-4-803. Definitions.**

8 (23.7) "TOLL EVASION" MEANS:

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

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

14 **SECTION 24.** In Colorado Revised Statutes, 43-4-1202, **amend**
15 (9.7) as follows:

16 **43-4-1202. Definitions.**

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

18 (9.7) "Gas spot price" means the Henry Hub natural gas spot price
19 as reported by the United States energy information administration or a
20 successor ANOTHER price index selected by the energy and carbon
21 management commission created in section 34-60-104.3 AND PURSUANT
22 TO SECTION 43-4-1204 (1)(a.5).

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

25 **43-4-1204. Production fee for clean transit imposed by the**
26 **enterprise - local transit operations program - local transit grant**
27 **program - rail funding program - cash funds - report.**

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

11 (b) (I) No later than ~~one week~~ TWO WEEKS after October 1, 2025,
12 and no later than ~~one week~~ TWO WEEKS after the first day of each calendar
13 quarter thereafter, the energy and carbon management commission,
14 created in section 34-60-104.3 (1), shall calculate, including performing
15 any necessary measurement unit conversions to calculate, the average oil
16 spot price and the average gas spot price for the previous calendar quarter
17 and publish the average oil spot price and average gas spot price on the
18 energy and carbon management commission's website. The energy and
19 carbon management commission shall routinely provide written guidance
20 to the enterprise on factors relevant to the production fee amounts,
21 including guidance on the current condition of the oil and gas market and
22 the market's sensitivity to higher or lower production fee amounts. In
23 preparing the written guidance, the energy and carbon management
24 commission shall:

25 (II) No later than ~~one month~~ THREE WEEKS after the energy and
26 carbon management commission publishes the average oil spot price and
27 the average gas spot price for the previous calendar quarter on the energy

1 and carbon management commission's website pursuant to subsection
2 (1)(b)(I) of this section, the enterprise shall set the production fee
3 amounts applicable to the previous calendar quarter, notify the executive
4 director of the department of revenue of the production fee amounts set,
5 and publish the production fee amounts on the enterprise's website. Prior
6 to adopting the production fee amounts, the enterprise shall consult with
7 the energy and carbon management commission on the appropriate
8 production fee amounts for the previous quarter and take into account the
9 maximum amounts described in section 43-4-1202 and other relevant
10 market factors.

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

13 **43-4-806. High-performance transportation enterprise -**
14 **creation - enterprise status - board - funds - powers and duties - user**
15 **fees - limitations - reporting requirements - violations on the peak**
16 **period shoulder lanes - legislative declaration - definitions.**

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

20 (r) (I) AS PART OF A CONTRACT RELATED TO THE PROVISION OF
21 PUBLIC PASSENGER RAIL SERVICE WITH A PASSENGER RAIL FACILITY
22 PROVIDER OR PASSENGER RAIL OPERATOR AND SUBJECT TO THE
23 REQUIREMENTS OF THIS SUBSECTION (6)(r), TO AGREE TO AND OBTAIN,
24 DIRECTLY OR INDIRECTLY, AN INSURANCE POLICY AGAINST LIABILITIES OF
25 THE TRANSPORTATION ENTERPRISE AND THE PASSENGER RAIL FACILITY
26 PROVIDER, PASSENGER RAIL OPERATOR, OR BOTH, AND TO PAY ANY
27 DEDUCTIBLE, RETENTION, OR SIMILAR CHARGE UNDER THE POLICY

1 REGARDLESS OF THE SOURCE OF THE LIABILITY FROM WHICH THE CHARGE
2 ARISES.

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

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

12 (A) "PASSENGER RAIL FACILITY PROVIDER" MEANS A CLASS I
13 RAILROAD, A SPECIAL DISTRICT CREATED PURSUANT TO TITLE 32 THAT IS
14 INTENDED TO PROVIDE TRANSPORTATION SERVICES BY RAIL, A REGIONAL
15 TRANSPORTATION AUTHORITY CREATED PURSUANT TO PART 6 OF ARTICLE
16 4 OF TITLE 43 INCLUDING A TRANSPORTATION PLANNING ORGANIZATION
17 EXERCISING THE POWERS OF A REGIONAL TRANSPORTATION AUTHORITY,
18 AND A CONTRACTOR TO SUCH A RAILROAD, SPECIAL DISTRICT, OR
19 AUTHORITY, BUT ONLY IF THE RAILROAD, SPECIAL DISTRICT, AUTHORITY,
20 OR CONTRACTOR OWNS OR EXERCISES CONTROL OVER PROPERTY THAT
21 WILL BE USED IN THE OPERATION OF THE PUBLIC PASSENGER RAIL SERVICE
22 TO BE PROVIDED PURSUANT TO THE CONTRACT SPECIFIED IN SUBSECTION
23 (6)(r)(I) OF THIS SECTION.

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

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

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

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

15 **43-4-1204. Production fee for clean transit imposed by the**
16 **enterprise - local transit operations program - local transit grant**
17 **program - rail funding program - cash funds - report.**

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

26 (III) Use the entirety of the money no later than two years after the
27 contract allocating the money is finalized; EXCEPT THAT THE CLEAN

1 TRANSIT ENTERPRISE BOARD MAY EXTEND THIS PERIOD BY ONE YEAR FOR
2 CAPITAL AWARD CONTRACTS.

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

5 **43-4-1301. Legislative declaration.**

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

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

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

19 **43-4-1303. Nonattainment area air pollution mitigation**
20 **enterprise - creation - board - powers and duties - rules - fees - fund.**

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

1 director.

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

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

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

1 SUCH WORK.

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

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

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

12 **43-10-103. Division of aeronautics created - duties.**

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

16 (m) Directing the state treasurer to transfer ~~moneys~~ MONEY from
17 the aviation fund created by section 43-10-109 to the aviation account of
18 the transportation infrastructure revolving fund created by section
19 43-1-113.5, but only if such transfer is approved by the board. The
20 division may direct the state treasurer to transfer ~~moneys~~ MONEY from the
21 aviation account back to the aviation fund in an amount not exceeding the
22 amounts previously transferred from the aviation fund, but only if such
23 transfer is approved by the board. ~~and by the transportation commission.~~

24 **SECTION 31. Act subject to petition - effective date.** This act
25 takes effect at 12:01 a.m. on the day following the expiration of the
26 ninety-day period after final adjournment of the general assembly (August
27 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a

1 referendum petition is filed pursuant to section 1 (3) of article V of the
2 state constitution against this act or an item, section, or part of this act
3 within such period, then the act, item, section, or part will not take effect
4 unless approved by the people at the general election to be held in
5 November 2026 and, in such case, will take effect on the date of the
6 official declaration of the vote thereon by the governor.