

Second Regular Session  
Seventieth General Assembly  
STATE OF COLORADO

**ENGROSSED**

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

LLS NO. 16-1059.01 Jery Payne x2157

**SENATE BILL 16-138**

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**SENATE SPONSORSHIP**

**Scott,**

**HOUSE SPONSORSHIP**

**(None),**

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**Senate Committees**

Transportation  
Appropriations

**House Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING A STUDY OF THE DELEGATION OF FUNCTIONS OF CERTAIN**  
102 **REGULATIONS RELATED TO MOTOR VEHICLES ADMINISTERED BY**  
103 **THE DEPARTMENT OF REVENUE.**

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**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://www.leg.state.co.us/bills summaries>.)*

The bill requires the department of revenue to study and make recommendations concerning the delegation of driver's license issuance, motor vehicle registration, and certificate of title issuance to private entities. Standards are set for the study. The department is required to make the report and recommendations to the transportation legislation

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

SENATE  
Amended 2nd Reading  
May 2, 2016

review committee by January 1, 2017.

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

2           **SECTION 1.** In Colorado Revised Statutes, **add** 42-1-231 as  
3 follows:

4           **42-1-231. Department to study delegating functions to private**  
5 **agents - repeal.** (1) THE DEPARTMENT OF REVENUE SHALL STUDY  
6 DELEGATING TO PRIVATE AGENTS FUNCTIONS OF THE DEPARTMENT UNDER  
7 THIS ARTICLE OR UNDER ARTICLES 2 TO 4, 6, OR 12 OF THIS TITLE,  
8 INCLUDING ISSUING, RENEWING, OR REISSUING DRIVER'S LICENSES; ISSUING  
9 CERTIFICATES OF TITLE; REGISTERING MOTOR VEHICLES; AND RENEWING  
10 MOTOR VEHICLE REGISTRATIONS. THE STUDY MUST INCLUDE WHETHER  
11 LEGISLATION IS RECOMMENDED AND THE COSTS AND BENEFITS OF ANY  
12 RECOMMENDED LEGISLATION. THE STUDY DOES NOT INCLUDE  
13 COMMERCIAL DRIVER'S LICENSE DRIVING TESTERS OR COMMERCIAL  
14 DRIVER'S LICENSE TESTING UNITS AS DEFINED IN SECTION 42-2-402,  
15 COMMERCIAL DRIVING INSTRUCTORS OR COMMERCIAL DRIVING SCHOOLS  
16 AS DEFINED IN SECTION 12-15-101, C.R.S., COUNTY CLERKS, OR OTHER  
17 AUTHORIZED AGENTS.

18           (2) IN CONDUCTING THE STUDY, THE DEPARTMENT SHALL CONSULT  
19 WITH ANY STAKEHOLDERS, INCLUDING COUNTY CLERKS AND POTENTIAL  
20 PRIVATE AGENTS. THE STUDY MUST CONTAIN THE NAMES AND  
21 ORGANIZATIONS OF STAKEHOLDERS CONSULTED.

22           (3) TO COMPLY WITH THIS SECTION, THE STUDY MUST INCLUDE AN  
23 INVESTIGATION OF AND RECOMMENDATIONS CONCERNING:

24           (a) CERTIFYING PRIVATE AGENTS TO PERFORM INDIVIDUAL OR  
25 MULTIPLE DELEGATED FUNCTIONS;

- 1 (b) THE FUNCTIONS BEST SUITED TO DELEGATE;
- 2 (c) CONTRACTING WITH PRIVATE ENTITIES TO OPERATE ONE OR
- 3 MORE LOCATIONS TO EMPLOY CERTIFIED PRIVATE AGENTS TO OFFER
- 4 DELEGATED FUNCTIONS;
- 5 (d) QUALITY CONTROL PROCEDURES AND REQUIREMENTS FOR
- 6 PRIVATE AGENTS TO ISSUE DRIVER'S LICENSES AND REGISTER MOTOR
- 7 VEHICLES, AND THESE PROCEDURES MUST INCLUDE INFORMATION ON HOW
- 8 TO DETECT FRAUDULENT DOCUMENTS AND HOW TO UNDERSTAND THE
- 9 LEGAL STANDARDS THAT APPLY TO DELEGATED FUNCTIONS;
- 10 (e) ESTABLISHING FEES TO:
- 11 (I) CERTIFY A PRIVATE AGENT;
- 12 (II) RENEW THE CERTIFICATION OF A PRIVATE AGENT; AND
- 13 (III) REINSTATE AN EXPIRED CERTIFICATION;
- 14 (f) AUTHORIZING A PRIVATE AGENT TO COLLECT AND RETAIN A FEE
- 15 FOR TRANSACTIONS;
- 16 (g) WHETHER FINGERPRINT-BASED CRIMINAL HISTORY RECORD
- 17 CHECKS SHOULD BE REQUIRED, AND WHAT CRIMINAL HISTORY SHOULD
- 18 DISQUALIFY A PERSON FROM BECOMING A PRIVATE AGENT;
- 19 (h) WHETHER A PERFORMANCE BOND SHOULD BE REQUIRED;
- 20 (i) ENFORCEMENT, INCLUDING AUDITS, AND DISCIPLINE;
- 21 (j) APPEAL RIGHTS FOR CUSTOMERS AND PRIVATE AGENTS;
- 22 (k) ELECTRONIC PROCESSING SYSTEMS;
- 23 (l) RECORDS RETENTION POLICY; AND
- 24 (m) COMPLIANCE WITH FEDERAL LAW.
- 25 (4) (a) By JULY 1, 2017, THE DEPARTMENT SHALL REPORT THE
- 26 FINDINGS AND MAKE RECOMMENDATIONS FOR IMPLEMENTING
- 27 LEGISLATION TO THE GENERAL ASSEMBLY.

1 (b) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2018.

2 **SECTION 2. No appropriation.** The general assembly has  
3 determined that this act can be implemented within existing  
4 appropriations, and therefore no separate appropriation of state money is  
5 necessary to carry out the purposes of this act.

6 **SECTION 3. Act subject to petition - effective date.** This act  
7 takes effect at 12:01 a.m. on the day following the expiration of the  
8 ninety-day period after final adjournment of the general assembly (August  
9 10, 2016, if adjournment sine die is on May 11, 2016); except that, if a  
10 referendum petition is filed pursuant to section 1 (3) of article V of the  
11 state constitution against this act or an item, section, or part of this act  
12 within such period, then the act, item, section, or part will not take effect  
13 unless approved by the people at the general election to be held in  
14 November 2016 and, in such case, will take effect on the date of the  
15 official declaration of the vote thereon by the governor.