



**Colorado
Legislative
Council
Staff**

HB17-1105

**FINAL
FISCAL NOTE**

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

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|---|---|
| Drafting Number: LLS 17-0247 | Date: June 28, 2017 |
| Prime Sponsor(s): Rep. Becker J. Sen. Baumgardner | Bill Status: Signed into Law |
| | Fiscal Analyst: Erin Reynolds (303-866-4146) |

BILL TOPIC: VEHICLE TITLING & REGISTRATION INSPECTION REQUIREMENTS

| Fiscal Impact Summary | FY 2016-2017 <i>(current year)</i> | FY 2017-2018 | FY 2018-2019 |
|---|---------------------------------------|--------------------------|--------------|
| State Revenue | | | |
| State Expenditures | Minimal workload increase. | Minimal workload impact. | |
| Appropriation Required: None. | | | |
| Future Year Impacts: Ongoing minimal workload reduction; workload increase through FY 2019-20. | | | |

Summary of Legislation

The bill makes exceptions for physical Vehicle Identification Number (VIN) verifications as a condition for vehicle registration or certificate of title issuance if the applicant for a new vehicle registration or title:

- presents a copy of the Manufacturer's Certificate of Origin;
- presents a purchase receipt from the dealer or out-of-state seller that indicates the applicant purchased the vehicle as new; or
- has the vehicle currently registered in another Colorado county at the time of application.

In addition, the bill requires the Colorado State Patrol in the Department of Public Safety to create a pilot program that allows a transportation association or organization to perform VIN verifications on commercial vehicles, and outlines specific program, applicant, and fee requirements. The pilot program is in effect from January 1, 2018, to January 1, 2020.

Background

VIN verifications. Vehicles that have never been registered in the state must obtain a VIN verification. These verifications can be obtained at emissions inspection stations, as well as some motor vehicle dealerships, county clerks offices, and law enforcement agencies. A \$20 fee is typically assessed for this verification and is retained by the entity that collects the fee (the Colorado State Patrol in the Department of Public Safety does not currently assess this fee). This type of VIN verification is not currently required for vehicles purchased in Colorado or for vehicles that are currently registered in another county of the state.

Certified VIN inspections. Certified VIN inspections are unaffected by the bill. These inspections can only be performed by a certified VIN inspector, as defined by the Peace Officer Standards and Training Board; not all peace officers are certified VIN inspectors. The fee for these inspections is set in statute at \$20. These inspections are required for vehicles that are:

- required to follow a bonding for title procedure to establish ownership;
- homemade, rebuilt or reconstructed, built from kits, or rebuilt from salvage;
- obtaining a state-assigned VIN due to VIN removal, alteration, or obliteration;
- certain trailers; and
- abandoned vehicles belonging to public or private tow entities.

State Expenditures

The bill will have a minimal workload impact on the Department of Revenue and the Department of Public Safety, as discussed below.

Department of Revenue. In the current FY 2016-17 only, the department will experience a workload increase in order to provide training to agents, Titles and Registration staff, law enforcement, and other entities impacted by this bill. In addition, rules, forms, manuals, and websites will require updating to reflect the change in law. No change in appropriations is required.

Department of Public Safety. Beginning FY 2017-18, workload will increase in the Colorado State Patrol to facilitate the pilot program, and will be reduced as less VIN verifications are performed. No change in appropriations is required.

Local Government Impact

Beginning in FY 2017-18, the bill will reduce county clerks and sheriff's office revenue and workload from VIN-related inspections. Typically, the VIN verification fee covers administrative costs. This reduction has not been estimated.

Effective Date

The bill was signed into law by the Governor and took effect on March 16, 2017. The act applies to applications for registration or titling of a vehicle that are filed on or after July 1, 2017.

State and Local Government Contacts

Counties
Revenue

County Clerks
Sheriffs

Public Safety