

**First Regular Session
Seventy-third General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 21-0554.02 Jery Payne x2157

SENATE BILL 21-076

SENATE SPONSORSHIP

Scott,

HOUSE SPONSORSHIP

Valdez A. and Larson,

Senate Committees

Transportation & Energy
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE FUNDING OF A SYSTEM FOR ELECTRONIC**
102 **TRANSACTIONS MADE BY THIRD-PARTY PROVIDERS RELATED TO**
103 **THE REGULATION OF VEHICLES, AND, IN CONNECTION**
104 **THEREWITH, MAKING AN APPROPRIATION.**

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>.)

Current law provides for the implementation of an electronic system to transmit registration, lien, and titling information to the department of revenue (department). The system is currently funded

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

through gifts, grants, and donations. The bill imposes a per-transaction fee up to \$3, set by the department, on third-party providers that issue registrations and titles to administer the system.

The general assembly is authorized to make an appropriation from the general fund or the highway users tax fund to fund the system.

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

2 **SECTION 1.** In Colorado Revised Statutes, 42-1-234, **amend** (2)
3 and (3)(a); and **add** (4) and (5) as follows:

4 **42-1-234. Electronic vehicle registration and titling - electronic**
5 **transmission of vehicle lien information - authority - rules - cash fund**
6 **- electronic transactions fund - gifts, grants, and donations - repeal.**

7 (2) (a) The department is authorized to seek and accept gifts, grants, or
8 donations from private or public sources, including from third-party
9 providers, for the purposes of this section; except that the department may
10 not accept a gift, grant, or donation that is subject to conditions that are
11 inconsistent with this section or any other law of the state. The
12 department shall ensure that any funds contributed to the department for
13 the implementation of the system for the electronic transmission of
14 registration, lien, and titling information for motor vehicles, VEHICLES,
15 off-highway vehicles, and special mobile machinery are: ~~tracked~~
16 ~~separately and~~

17 (I) Used only for the implementation of the system; AND

18 (II) TRANSFERRED TO THE STATE TREASURER, WHO SHALL CREDIT
19 THE FUNDS TO THE ELECTRONIC TRANSACTIONS FUND.

20 (b) (I) IN ADDITION TO THE FEES DESCRIBED IN SUBSECTION (1)(c)
21 OF THIS SECTION, A THIRD-PARTY PROVIDER SHALL PAY THE DEPARTMENT
22 A FEE OF UP TO THREE DOLLARS FOR EACH OF THE FOLLOWING TYPES OF
23 TRANSACTIONS COMPLETED BY THE THIRD-PARTY PROVIDER:

1 (A) ISSUANCE OF OR TRANSFER OF A CERTIFICATE OF TITLE FOR A
2 MOTOR VEHICLE OR AN OFF-HIGHWAY VEHICLE;

3 (B) ISSUANCE OF OR RENEWAL OF A REGISTRATION FOR A MOTOR
4 VEHICLE, A VEHICLE, OR SPECIAL MOBILE MACHINERY; AND

5 (C) A TRANSACTION THAT INCLUDES BOTH THE TRANSACTIONS
6 DESCRIBED IN SUBSECTIONS (2)(b)(I)(A) AND (2)(b)(I)(B) OF THIS
7 SECTION.

8 (II) THE THIRD-PARTY PROVIDER MAY CHARGE ITS CLIENT THE FEE
9 IMPOSED IN SUBSECTION (2)(b)(I) OF THIS SECTION.

10 (III) THE DEPARTMENT SHALL SET THE FEE IMPOSED IN
11 SUBSECTION (2)(b)(I) OF THIS SECTION TO:

12 (A) OFFSET THE DIRECT AND INDIRECT COSTS OF ADMINISTERING
13 THE ELECTRONIC TRANSMISSION OF REGISTRATION, LIEN, AND TITLING
14 INFORMATION IN ACCORDANCE WITH THIS SECTION; AND

15 (B) COLLECT ONE MILLION SIX HUNDRED THIRTY-ONE THOUSAND
16 SEVEN HUNDRED NINETY-TWO DOLLARS BY JUNE 30, 2023. IF THE AMOUNT
17 IS NOT COLLECTED BY JUNE 30, 2023, THE DEPARTMENT SHALL SET THE
18 FEE TO COLLECT THE REMAINING AMOUNT BY DECEMBER 31, 2023.

19 (IV) THE DEPARTMENT SHALL REMIT ALL FEES COLLECTED UNDER
20 THIS SUBSECTION (2)(b) TO THE STATE TREASURER, WHO SHALL CREDIT:

21 (A) ONE MILLION SIX HUNDRED THIRTY-ONE THOUSAND SEVEN
22 HUNDRED NINETY-TWO DOLLARS OF THE FEES TO THE GENERAL FUND; AND

23 (B) ALL OTHER MONEY COLLECTED FROM THE FEES TO THE
24 ELECTRONIC TRANSACTIONS FUND.

25 (V) THE DEPARTMENT SHALL SPECIFY TO THE STATE TREASURER
26 THE PERCENTAGE OF THE FEES THAT COVERS THE ADMINISTRATION OF
27 ELECTRONIC TRANSMISSION OF REGISTRATION, LIEN, AND TITLING

1 INFORMATION IN ACCORDANCE WITH THIS SECTION, AND THE STATE
2 TREASURER SHALL CREDIT THAT PERCENTAGE OF THE FEES TO THE
3 ELECTRONIC TRANSACTION FUND IN ACCORDANCE WITH SUBSECTION
4 (2)(b)(IV)(B) OF THIS SECTION.

5 (VI) SUBSECTIONS (2)(b)(III)(B), (2)(b)(IV)(A), AND (2)(b)(V) OF
6 THIS SECTION AND THIS SUBSECTION (2)(b)(VI) ARE REPEALED, EFFECTIVE
7 JULY 1, 2024.

8 (3) (a) The department need not promulgate rules, under
9 subsection (1) of this section, that implement electronic transactions until
10 the department ~~receives adequate gifts, grants, or donations~~ HAS
11 ADEQUATE MONEY IN THE ELECTRONIC TRANSACTIONS FUND to implement
12 the promulgated rules. The department ~~may~~ SHALL, upon ~~receiving~~
13 ~~adequate gifts, grants, or donations~~ HAVING ADEQUATE MONEY IN THE
14 FUND, phase in implementation of this section as reasonable. ~~The~~
15 ~~department shall not use~~ THE GENERAL ASSEMBLY MAY APPROPRIATE
16 money from the general fund OR THE HIGHWAY USERS TAX FUND CREATED
17 IN SECTION 43-4-201 to implement this section.

18 (4) (a) THE ELECTRONIC TRANSACTIONS FUND, REFERRED TO IN
19 THIS SUBSECTION (4) AS THE "FUND", IS HEREBY CREATED IN THE STATE
20 TREASURY. THE FUND CONSISTS OF MONEY THAT THE GENERAL ASSEMBLY
21 MAY APPROPRIATE OR TRANSFER TO THE FUND AND MONEY CREDITED TO
22 THE FUND UNDER THIS SECTION.

23 (b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
24 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
25 FUND TO THE FUND.

26 (c) SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL
27 ASSEMBLY, THE DEPARTMENT MAY EXPEND STATE MONEY FROM THE FUND

1 TO IMPLEMENT AND ADMINISTER ELECTRONIC TRANSMISSION OF
2 REGISTRATION, LIEN, AND TITLING INFORMATION IN ACCORDANCE WITH
3 THIS SECTION.

4 (5) (a) SUBSECTIONS (2)(a) AND (3) OF THIS SECTION AND THIS
5 SUBSECTION (5) WILL BE REPEALED IF THE DEPARTMENT FULLY
6 IMPLEMENTS THIS SECTION. UPON FULLY IMPLEMENTING THIS SECTION,
7 THE EXECUTIVE DIRECTOR OF THE DEPARTMENT SHALL NOTIFY THE
8 REVISOR OF STATUTES IN WRITING OF THE DATE ON WHICH THE CONDITION
9 SPECIFIED IN THIS SUBSECTION (5)(a) HAS OCCURRED BY E-MAILING THE
10 NOTICE TO REVISOROFSTATUTES.GA@STATE.CO.US.

11 (b) SUBSECTIONS (2)(a) AND (3) OF THIS SECTION AND THIS
12 SUBSECTION (5) ARE REPEALED, EFFECTIVE UPON THE DATE IDENTIFIED IN
13 THE NOTICE THAT THIS SECTION WAS FULLY IMPLEMENTED OR, IF THE
14 NOTICE DOES NOT SPECIFY THAT DATE, UPON THE DATE OF THE NOTICE TO
15 THE REVISOR OF STATUTES.

16 **SECTION 2. Appropriation.** (1) For the 2021-22 state fiscal
17 year, \$1,631,792 is appropriated to the department of revenue. This
18 appropriation is from the general fund. To implement this act, the
19 department may use this appropriation as follows:

20 (a) \$363,488 for use by the executive director's office for personal
21 services related to administration and support, which amount is based on
22 an assumption that the office will require an additional 5.2 FTE;

23 (b) \$44,625 for use by the executive director's office for operating
24 expenses related to administration and support;

25 (c) \$705,600 for DRIVES maintenance and support;

26 (d) \$108,826 for use by the division of motor vehicles for personal
27 services related to vehicle services, which amount is based on an

1 assumption that the department will require an additional 1.7 FTE;
2 (e) \$15,100 for use by the division of motor vehicles for operating
3 expenses related to vehicle services; and
4 (f) \$394,153 for license plate ordering.
5 (2) For the 2021-22 state fiscal year, \$394,153 is appropriated to
6 the department of corrections for use by the division of correctional
7 industries. This appropriation is from reappropriated funds received from
8 the department of revenue under subsection (1)(f) of this section. To
9 implement this act, the division may use this appropriation for operating
10 expenses.

11 **SECTION 3. Safety clause.** The general assembly hereby finds,
12 determines, and declares that this act is necessary for the immediate
13 preservation of the public peace, health, or safety.