

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

INTRODUCED

LLS NO. 21-0267.01 Jery Payne x2157

HOUSE BILL 21-1254

HOUSE SPONSORSHIP

Valdez A. and Larson,

SENATE SPONSORSHIP

(None),

House Committees

Transportation & Local Government

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING REGULATION RELATED TO THE OWNERSHIP OF A**
102 **VEHICLE.**

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>.)

Under current law, the department of revenue may implement a system for electronic transmission of registration, lien, and titling information for vehicles or special mobile machinery. This system is funded by gifts, grants, and donations. **Section 1** of the bill creates the electronic transactions fund and directs the department to transfer any gifts, grants, or donations it receives to the state treasurer for deposit in

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.

the fund. The contributed money, as well as money from additional fees authorized under **section 2**, is to be used to implement the electronic system.

Current law gives a person who moves to Colorado 90 days to register their motor vehicle. **Section 2** requires a person who registers a vehicle after moving to Colorado to:

- Provide documentation of the vehicle's previous registration that contains the registration dates;
- Provide evidence of the date that the person became a Colorado resident unless the previous registration expired within 90 days before the owner applied to register the vehicle; and
- Pay the vehicle's registration taxes and fees that are prorated from the date the person became a Colorado resident to the date the person applied to register the vehicle unless the vehicle is used for interstate commerce or unless the owner registered the vehicle within 90 days after becoming a resident.

The effect of these listed changes is that an owner who fails to register the vehicle within 90 days will be assessed back taxes and fees. The additional fees collected under section 2 are transferred to the electronic transactions fund until the fund achieves its purposes. The allocation and use of the taxes does not change.

Current law exempts people with expired temporary tags from paying the late fees for failing to register a vehicle. **Section 3** repeals this exemption. Section 3 also imposes prorated registration taxes and fees to capture missed revenue when a person fails to register a vehicle when required by law.

Current law limits to 2 the number of temporary plates that may be issued for a vehicle used to transport persons or property over the road. The purchaser or owner may get a third plate if necessary for title or lien documentation. **Section 4** requires the purchaser or owner to pay the vehicle's registration taxes and fees to get the third temporary plate. If the sale is not consummated, the person who attempted to purchase the vehicle gets a 12-month credit toward a subsequent registration of another vehicle.

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

2 **SECTION 1.** In Colorado Revised Statutes, 42-1-234, **amend**

3 (1)(a) introductory portion, (2), and (3)(a); and **add** (4) as follows:

4 **42-1-234. Electronic vehicle registration and titling - electronic**

1 **transmission of vehicle lien information - authority - rules - electronic**
2 **transmissions fund - electronic transactions fund - gifts, grants, and**
3 **donations - repeal.** (1) (a) WHEN THE DEPARTMENT HAS ADEQUATE

4 MONEY IN THE ELECTRONIC TRANSACTIONS FUND CREATED IN SUBSECTION
5 (4) OF THIS SECTION, the department ~~may~~ SHALL establish a system to
6 allow the electronic transmission of registration, lien, and titling
7 information for VEHICLES, motor vehicles, off-highway vehicles, or
8 special mobile machinery. Except as provided in subsection (3) of this
9 section, the department may adopt rules necessary for the implementation
10 of this section, including rules to allow the department to:

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

21 (a) ~~tracked separately and~~ Used only for the implementation of the
22 system; AND

23 (b) TRANSFERRED TO THE STATE TREASURER, WHO SHALL CREDIT
24 THE MONEY TO THE ELECTRONIC TRANSACTIONS FUND CREATED IN
25 SUBSECTION (4) OF THIS SECTION.

26 (3) (a) The department need not promulgate rules, under
27 subsection (1) of this section, that implement THE SYSTEM FOR electronic

1 transactions until the department ~~receives adequate gifts, grants, or~~
2 ~~donations~~ HAS ADEQUATE MONEY IN THE ELECTRONIC TRANSACTIONS
3 FUND CREATED IN SUBSECTION (4) OF THIS SECTION to implement the
4 ~~promulgated rules~~ SYSTEM. WHEN THE DEPARTMENT HAS ADEQUATE
5 MONEY IN THE ELECTRONIC TRANSACTIONS FUND, the department ~~may,~~
6 ~~upon receiving adequate gifts, grants, or donations,~~ SHALL phase in
7 implementation of this section as reasonable. ~~The department shall not~~
8 ~~use money from the general fund to implement this section.~~

9 (4) (a) THE ELECTRONIC TRANSACTIONS FUND, REFERRED TO IN
10 THIS SUBSECTION (4) AS THE "FUND", IS HEREBY CREATED IN THE STATE
11 TREASURY. THE FUND CONSISTS OF MONEY CREDITED TO THE FUND UNDER
12 THIS SECTION, SECTION 42-3-103 (4)(a)(III)(B), AND ANY OTHER MONEY
13 THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE
14 FUND.

15 (b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
16 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
17 FUND TO THE FUND.

18 (c) SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL
19 ASSEMBLY, THE DEPARTMENT MAY EXPEND MONEY FROM THE FUND TO
20 IMPLEMENT THE SYSTEM FOR THE ELECTRONIC TRANSMISSION OF
21 REGISTRATION, LIEN, AND TITLING INFORMATION IN ACCORDANCE WITH
22 THIS SECTION.

23 (d) (I) SUBSECTIONS (2) AND (3) OF THIS SECTION, THIS
24 SUBSECTION (4), AND SECTION 42-3-103 (4)(a)(III)(B) WILL BE REPEALED
25 IF THE DEPARTMENT FULLY IMPLEMENTS THIS SECTION. UPON FULLY
26 IMPLEMENTING THIS SECTION, THE EXECUTIVE DIRECTOR OF THE
27 DEPARTMENT SHALL:

1 (A) FIRST, NOTIFY THE STATE TREASURER, WHO SHALL TRANSFER
2 ANY UNEXPENDED AND UNENCUMBERED MONEY REMAINING IN THE FUND
3 TO THE HIGHWAY USERS TAX FUND CREATED IN SECTION 43-4-201; AND

4 (B) THEN, NOTIFY THE REVISOR OF STATUTES IN WRITING OF THE
5 DATE ON WHICH THE CONDITION SPECIFIED IN THIS SUBSECTION (4)(d) HAS
6 OCCURRED BY E-MAILING THE NOTICE TO
7 REVISOROFSTATUTES.GA@STATE.CO.US.

8 (II) SUBSECTIONS (2) AND (3) OF THIS SECTION, THIS SUBSECTION
9 (4), AND SECTION 42-3-103 (4)(a)(III)(B) ARE REPEALED, EFFECTIVE UPON
10 THE DATE IDENTIFIED IN THE NOTICE TO THE REVISOR OF STATUTES THAT
11 THIS SECTION WAS FULLY IMPLEMENTED OR, IF THE NOTICE DOES NOT
12 SPECIFY THAT DATE, UPON THE DATE OF THE NOTICE TO THE REVISOR OF
13 STATUTES.

14 **SECTION 2.** In Colorado Revised Statutes, 42-3-103, **amend**
15 (4)(a) and (5) as follows:

16 **42-3-103. Registration required - exemptions - rules - repeal.**

17 (4) (a) (I) Within ninety days after becoming a resident of Colorado, an
18 owner of a ~~motor~~ vehicle required to be registered by subsection (1) of
19 this section shall register ~~such~~ THE vehicle with the department,
20 irrespective of ~~such~~ THE vehicle being registered within another state or
21 country.

22 (II) TO REGISTER A VEHICLE THAT IS OR WAS PREVIOUSLY
23 REGISTERED WITHIN ANOTHER STATE OR COUNTRY, THE OWNER MUST:

24 (A) PROVIDE THE DEPARTMENT WITH DOCUMENTATION OF THE
25 PREVIOUS REGISTRATION THAT CONTAINS THE DATES OF THE PREVIOUS
26 REGISTRATION;

27 (B) PROVIDE THE DEPARTMENT WITH EVIDENCE OF THE DATE THAT

1 THE OWNER BECAME A RESIDENT OF COLORADO UNLESS THE PREVIOUS
2 REGISTRATION EXPIRED WITHIN NINETY DAYS BEFORE THE DATE THE
3 OWNER APPLIED TO REGISTER THE VEHICLE IN COLORADO; AND

4 (C) PAY, IN ADDITION TO THE TAXES AND FEES TO REGISTER THE
5 VEHICLE, THE VEHICLE'S REGISTRATION TAXES AND FEES THAT ARE
6 IMPOSED IN THIS ARTICLE 3 AND THAT ARE PRORATED FROM THE DATE THE
7 OWNER BECAME A RESIDENT OF COLORADO TO THE DATE THE OWNER
8 APPLIED TO REGISTER THE VEHICLE, UNLESS THE VEHICLE IS CLASS A
9 PERSONAL PROPERTY OR UNLESS THE OWNER REGISTERED THE VEHICLE
10 WITHIN NINETY DAYS AFTER BECOMING A RESIDENT AS DETERMINED BY
11 THE DOCUMENTS AND EVIDENCE PROVIDED UNDER SUBSECTIONS
12 (4)(a)(II)(A) AND (4)(a)(II)(B) OF THIS SECTION.

13 (III) THE DEPARTMENT SHALL:

14 (A) PROMULGATE RULES GOVERNING THE DOCUMENTATION AND
15 EVIDENCE THAT ESTABLISH THE DATES DESCRIBED IN SUBSECTIONS
16 (4)(a)(II)(A) AND (4)(a)(II)(B) OF THIS SECTION;

17 (B) CREDIT THE FEES, WHICH DO NOT INCLUDE SPECIFIC
18 OWNERSHIP TAX, IMPOSED IN SUBSECTION (4)(a)(II)(C) OF THIS SECTION
19 TO THE ELECTRONIC TRANSACTIONS FUND CREATED IN SECTION 42-1-234
20 (4)(a). THIS SUBSECTION (4)(a)(III)(B) IS REPEALED, EFFECTIVE UPON THE
21 REPEAL OF SECTION 42-1-234 (4) IN ACCORDANCE WITH SECTION 42-1-234
22 (4)(d).

23 (IV) A person who violates this ~~paragraph (a)~~ SUBSECTION (4)(a)
24 is subject to the penalties provided in sections 42-6-139 and 43-4-804
25 (1)(d). ~~C.R.S.~~

26 (5) The provisions of this ~~title~~ TITLE 42 concerning the registration
27 of ~~motor~~ vehicles and the display of number plates or of other

1 identification ~~shall~~ DO not apply to manufactured homes.

2 **SECTION 3.** In Colorado Revised Statutes, 42-3-112, **amend** (1)
3 and (1.5)(a) introductory portion; and **repeal** (1.5)(a)(III) as follows:

4 **42-3-112. Failure to pay tax - penalty - rules.** (1) (a) If a
5 vehicle subject to taxation under this ~~article~~ ARTICLE 3 is not registered
6 when required by law, the vehicle owner shall pay:

7 (I) A late fee of twenty-five dollars for each month or portion of
8 a month following the expiration of the registration period, or, if
9 applicable, the expiration of the grace period described in section
10 42-3-114 for which the vehicle is unregistered; except that the amount of
11 the late fee shall not exceed one hundred dollars; AND

12 (II) IN ADDITION TO THE TAXES AND FEES TO REGISTER THE
13 VEHICLE, THE PRORATED REGISTRATION TAXES AND FEES IMPOSED IN
14 SECTION 42-3-103 (4)(a)(II)(C).

15 (b) BOTH the late fee ~~shall be~~ AND PRORATED REGISTRATION
16 TAXES AND FEES IMPOSED IN THIS SUBSECTION (1) ARE due when the
17 vehicle is registered.

18 (1.5) (a) Notwithstanding ~~the provisions of~~ subsection (1) of this
19 section, the executive director of the department shall promulgate rules
20 ~~in accordance with article 4 of title 24, C.R.S.,~~ that establish
21 circumstances in addition to the circumstances described in subsection (3)
22 of this section in which a vehicle owner shall be exempted from paying
23 the late fee described in said subsection (1). The rules ~~shall~~ MUST apply
24 uniformly throughout the state and ~~shall~~ MUST include ~~but shall not be~~
25 ~~limited to,~~ exemptions for:

26 (III) ~~Temporary registration number plates, tags, or certificates~~
27 ~~that have expired;~~

1 **SECTION 4.** In Colorado Revised Statutes, 42-3-203, **amend**
2 (3)(a)(I), (3)(c)(I), and (3)(c)(III) as follows:

3 **42-3-203. Standardized plates - notice of funding through**
4 **gifts, grants, and donations - rules - repeal.** (3) (a) (I) The department
5 may issue individual temporary registration number plates and certificates
6 good for a period not to exceed sixty days upon application by an owner
7 of a ~~motor~~ vehicle or the owner's agent and the payment of a registration
8 fee of two dollars, one dollar and sixty cents to be retained by the
9 authorized agent or department issuing the plates and certificates and the
10 remainder to be remitted monthly to the department to be transmitted to
11 the state treasurer for credit to the highway users tax fund.

12 (c) (I) Subject to ~~subparagraph (III) of this paragraph (c)~~
13 SUBSECTION (3)(c)(III) OF THIS SECTION, the department shall not issue
14 more than two temporary registration number plates and certificates per
15 ~~year to~~ OWNER OR PURCHASER OF a ~~Class A or Class B motor~~ vehicle.

16 (III) (A) The department may promulgate rules authorizing the
17 issuance of more than two temporary registration number plates and
18 certificates per ~~year~~ VEHICLE BEING PURCHASED OR OWNED BY ONE
19 PERSON if the ~~motor~~ vehicle title work or lien perfection has caused the
20 need for ~~such~~ issuance OF ANOTHER TEMPORARY REGISTRATION.

21 (B) TO BE ISSUED A THIRD TEMPORARY REGISTRATION NUMBER
22 PLATE OR CERTIFICATE FOR A VEHICLE, THE PURCHASER OR OWNER MUST
23 PAY THE FULL TAXES AND FEES IMPOSED IN THIS ARTICLE 3 TO REGISTER
24 THE VEHICLE. IF A VEHICLE PURCHASER NEVER FULLY REGISTERS THE
25 VEHICLE BECAUSE THE SALE WAS NOT CONSUMMATED, THE DEPARTMENT
26 SHALL GIVE THE PERSON WHO PAID THE TAXES AND FEES UNDER THIS
27 SUBSECTION (3)(c)(III)(B) A CREDIT EQUAL TO THE AMOUNT OF TAXES

1 AND FEES PAID UNDER THIS SUBSECTION (3)(c)(III)(B) TOWARDS A
2 SUBSEQUENT REGISTRATION OF ANOTHER VEHICLE; EXCEPT THAT THE
3 CREDIT IS AVAILABLE FOR A SUBSEQUENT VEHICLE FOR NO MORE THAN
4 TWELVE MONTHS AFTER THE THIRD TEMPORARY REGISTRATION EXPIRES.

5 **SECTION 5. Act subject to petition - effective date -**
6 **applicability.** (1) This act takes effect January 1, 2022; except that, if a
7 referendum petition is filed pursuant to section 1 (3) of article V of the
8 state constitution against this act or an item, section, or part of this act
9 within the ninety-day period after final adjournment of the general
10 assembly, then the act, item, section, or part will not take effect unless
11 approved by the people at the general election to be held in November
12 2022 and, in such case, will take effect on the date of the official
13 declaration of the vote thereon by the governor.

14 (2) This act applies to registration or certificate applications filed
15 on or after the applicable effective date of this act.