

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

ENGROSSED

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

LLS NO. 21-0267.01 Jery Payne x2157

HOUSE BILL 21-1254

HOUSE SPONSORSHIP

Valdez A. and Larson,

SENATE SPONSORSHIP

Winter and Priola,

House Committees

Transportation & Local Government
Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING REGULATION RELATED TO THE OWNERSHIP OF A**
102 **VEHICLE, AND, IN CONNECTION THEREWITH, MAKING AN**
103 **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>.)

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

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.*

HOUSE
Amended 2nd Reading
May 19, 2021

gifts, grants, or donations it receives to the state treasurer for deposit in 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:*

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SECTION 1. In Colorado Revised Statutes, 42-1-211, **amend**

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(2)(b)(I); and **add** (2)(b)(III) as follows:

1 **42-1-211. Driver's license, record, identification, and vehicle**
2 **enterprise solution - rule.** (2) (b) (I) There is hereby created the
3 Colorado DRIVES vehicle services account in the highway users tax fund
4 for the purpose of providing funds for the development and operation of
5 Colorado DRIVES, including operations performed under articles 3, 4, 6,
6 7, and 12 of this title 42, to cover the costs of administration and
7 enforcement of the motorist insurance identification database program
8 created in section 42-7-604, and to purchase and issue license plates,
9 decals, and validating tabs in accordance with article 3 of this title 42.
10 Money received from the fees imposed by ~~section~~ SECTIONS 38-29-138
11 (1), (2), (4), and (5), ~~and sections~~ 42-1-206 (2)(a), 42-1-231, **42-3-103**
12 **(4)(a)(II)(C)**, 42-3-107 (22), 42-3-213 (1)(b)(IV), 42-3-304 (18),
13 42-3-306 (14), 42-3-313 (2)(c)(I), and 42-6-137 (1), (2), (4), (5), and (6),
14 as well as any money received through gifts, grants, and donations to the
15 account from private or public sources for the purposes of this section,
16 shall be credited by the state treasurer to the Colorado DRIVES vehicle
17 services account. The general assembly shall appropriate annually the
18 money in the account for the purposes of this subsection (2). If any
19 unexpended and unencumbered money remains in the account at the end
20 of a fiscal year, the balance remains in the account and is not transferred
21 to the general fund or any other fund.

22 (III) NOTWITHSTANDING THE AMOUNT SPECIFIED FOR ANY FEE IN
23 SECTIONS 38-29-138 (1), (2), (4), AND (5), 42-3-213 (1)(b)(IV), 42-3-306
24 (14), 42-3-313 (2)(c)(I), AND 42-6-137 (1), (2), (4), (5), AND (6), THE
25 EXECUTIVE DIRECTOR OF THE DEPARTMENT BY RULE SHALL REDUCE, IN
26 ACCORDANCE WITH SECTION 24-75-402 (3), THE AMOUNT OF ONE OR MORE
27 OF THE FEES IN THESE SECTIONS TO REDUCE THE UNCOMMITTED RESERVES

1 OF THE COLORADO DRIVES VEHICLE SERVICES ACCOUNT; EXCEPT THAT
2 THE EXECUTIVE DIRECTOR OF THE DEPARTMENT SHALL NOT REDUCE THE
3 FEE AMOUNT THAT IS RETAINED BY THE AUTHORIZED AGENT. AFTER THE
4 UNCOMMITTED RESERVES OF THE FUND ARE SUFFICIENTLY REDUCED, THE
5 EXECUTIVE DIRECTOR OF THE DEPARTMENT BY RULE MAY INCREASE THE
6 AMOUNT OF ONE OR MORE OF THE FEES IN THESE SECTIONS AS PROVIDED
7 IN SECTION 24-75-402 (4).

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

10 42-3-103. Registration required - exemptions - rules - repeal.

11 (4) (a) (I) Within ninety days after becoming a resident of Colorado, an
12 owner of a motor vehicle required to be registered by subsection (1) of
13 this section shall register such THE vehicle with the department,
14 irrespective of such THE vehicle being registered within another state or
15 country.

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

18 (A) PROVIDE THE DEPARTMENT WITH DOCUMENTATION OF THE
19 PREVIOUS REGISTRATION THAT CONTAINS THE DATES OF THE PREVIOUS
20 REGISTRATION;

21 (B) PROVIDE THE DEPARTMENT WITH EVIDENCE OF THE DATE THAT
22 THE OWNER BECAME A RESIDENT OF COLORADO UNLESS THE PREVIOUS
23 REGISTRATION EXPIRED WITHIN NINETY DAYS BEFORE THE DATE THE
24 OWNER APPLIED TO REGISTER THE VEHICLE IN COLORADO; AND

25 (C) PAY, IN ADDITION TO THE TAXES AND FEES TO REGISTER THE
26 VEHICLE, THE VEHICLE'S REGISTRATION TAXES AND FEES THAT ARE
27 IMPOSED IN THIS ARTICLE 3 AND PART 8 OF ARTICLE 4 OF TITLE 43 AND

1 THAT ARE PRORATED FROM THE DATE THE OWNER BECAME A RESIDENT OF
2 COLORADO TO THE DATE THE OWNER APPLIED TO REGISTER THE VEHICLE,
3 UNLESS THE VEHICLE IS CLASS A PERSONAL PROPERTY OR UNLESS THE
4 OWNER REGISTERED THE VEHICLE WITHIN NINETY DAYS AFTER BECOMING
5 A RESIDENT AS DETERMINED BY THE DOCUMENTS AND EVIDENCE
6 PROVIDED UNDER SUBSECTIONS (4)(a)(II)(A) AND (4)(a)(II)(B) OF THIS
7 SECTION.

8 (III) THE DEPARTMENT SHALL PROMULGATE RULES GOVERNING
9 THE DOCUMENTATION AND EVIDENCE THAT ESTABLISH THE DATES
10 DESCRIBED IN SUBSECTIONS (4)(a)(II)(A) AND (4)(a)(II)(B) OF THIS
11 SECTION;

12 (IV) THE DEPARTMENT SHALL TRANSFER THE FEES TO THE STATE
13 TREASURER, WHO SHALL CREDIT THE FEES, WHICH DO NOT INCLUDE
14 SPECIFIC OWNERSHIP TAX, IMPOSED IN SUBSECTION (4)(a)(II)(C) OF THIS
15 SECTION TO THE COLORADO DRIVES VEHICLE SERVICES ACCOUNT
16 CREATED IN SECTION 42-1-211 (2)(b)(I); EXCEPT THAT, WHEN THE
17 AMOUNT CREDITED TO THE ACCOUNT EXCEEDS THE AMOUNT
18 APPROPRIATED FROM THE ACCOUNT FOR THE PURPOSES OF SECTION
19 42-1-211 IN A FISCAL YEAR, THE STATE TREASURER SHALL CREDIT THE
20 REMAINDER OF THE FEES FOR THE FISCAL YEAR AS FOLLOWS:

21 (A) THE FIRST SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS
22 TO THE STATEWIDE BRIDGE ENTERPRISE SPECIAL REVENUE FUND CREATED
23 IN SECTION 43-4-805 (3)(a); AND

24 (B) THE REMAINDER OF THE FEES TO THE HIGHWAY USERS TAX
25 FUND CREATED IN SECTION 43-4-201.

26 (V) A person who violates this ~~paragraph (a)~~ SUBSECTION (4)(a)
27 is subject to the penalties provided in sections 42-6-139 and 43-4-804

1 (1)(d). ~~C.R.S.~~

2 (5) The provisions of this ~~title~~ TITLE 42 concerning the registration
3 of ~~motor~~ vehicles and the display of number plates or of other
4 identification ~~shall~~ DO not apply to manufactured homes.

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

7 **42-3-112. Failure to pay tax - penalty - rules.** (1) (a) If a
8 vehicle subject to taxation under this ~~article~~ ARTICLE 3 is not registered
9 when required by law, the vehicle owner shall pay:

10 (I) A late fee of twenty-five dollars for each month or portion of
11 a month following the expiration of the registration period, or, if
12 applicable, the expiration of the grace period described in section
13 42-3-114 for which the vehicle is unregistered; except that the amount of
14 the late fee shall not exceed one hundred dollars; AND

15 (II) IN ADDITION TO THE TAXES AND FEES TO REGISTER THE
16 VEHICLE, THE PRORATED REGISTRATION TAXES AND FEES IMPOSED IN
17 SECTION 42-3-103 (4)(a)(II)(C). ~~THE DEPARTMENT SHALL CREDIT THE~~
18 ~~FEES TO THE STATE TREASURER, WHO SHALL CREDIT THE FEES, WHICH DO~~
19 ~~NOT INCLUDE SPECIFIC OWNERSHIP TAX, IN ACCORDANCE WITH SECTION~~
20 ~~42-3-103 (4)(a)(IV).~~

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

24 (1.5) (a) Notwithstanding ~~the provisions of~~ subsection (1) of this
25 section, the executive director of the department shall promulgate rules
26 ~~in accordance with article 4 of title 24, C.R.S.,~~ that establish
27 circumstances in addition to the circumstances described in subsection (3)

1 of this section in which a vehicle owner shall be exempted from paying
2 the late fee described in said subsection (1). The rules ~~shall~~ MUST apply
3 uniformly throughout the state and ~~shall~~ MUST include ~~but shall not be~~
4 ~~limited to~~, exemptions for:

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

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

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

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

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

27 (B) TO BE ISSUED A THIRD TEMPORARY REGISTRATION NUMBER

1 PLATE OR CERTIFICATE FOR A VEHICLE, THE PURCHASER OR OWNER MUST
2 PAY THE FULL TAXES AND FEES IMPOSED IN THIS ARTICLE 3 TO REGISTER
3 THE VEHICLE. IF A VEHICLE PURCHASER NEVER FULLY REGISTERS THE
4 VEHICLE BECAUSE THE SALE WAS NOT CONSUMMATED, THE DEPARTMENT
5 SHALL GIVE THE PERSON WHO PAID THE TAXES AND FEES UNDER THIS
6 SUBSECTION (3)(c)(III)(B) A CREDIT EQUAL TO THE AMOUNT OF TAXES
7 AND FEES PAID UNDER THIS SUBSECTION (3)(c)(III)(B) TOWARDS A
8 SUBSEQUENT REGISTRATION OF ANOTHER VEHICLE; EXCEPT THAT THE
9 CREDIT IS AVAILABLE FOR A SUBSEQUENT VEHICLE FOR NO MORE THAN
10 TWELVE MONTHS AFTER THE THIRD TEMPORARY REGISTRATION EXPIRES.

11 **SECTION 5. Appropriation.** For the 2021-22 state fiscal year,
12 \$160,200 is appropriated to the department of revenue for use by the
13 division of motor vehicles. This appropriation is from the Colorado
14 DRIVES vehicle services account in the highway users tax fund created
15 in section 42-1-211 (2)(b)(I), C.R.S. To implement this act, the division
16 may use this appropriation for DRIVES maintenance and support.

17 **SECTION 6. Act subject to petition - effective date -**
18 **applicability.** (1) This act takes effect January 1, 2022; except that, if a
19 referendum petition is filed pursuant to section 1 (3) of article V of the
20 state constitution against this act or an item, section, or part of this act
21 within the ninety-day period after final adjournment of the general
22 assembly, then the act, item, section, or part will not take effect unless
23 approved by the people at the general election to be held in November
24 2022 and, in such case, will take effect on the date of the official
25 declaration of the vote thereon by the governor.

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