

**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. 21-0981.01 Jason Gelender x4330

**SENATE BILL 21-257**

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**SENATE SPONSORSHIP**

**Zenzinger and Scott,**

**HOUSE SPONSORSHIP**

**Benavidez and Van Winkle,**

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**Senate Committees**

Finance  
Appropriations

**House Committees**

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**A BILL FOR AN ACT**

101      **CONCERNING AN EXEMPTION FROM MOTOR VEHICLE REGISTRATION**  
102      **REQUIREMENTS FOR CERTAIN SPECIAL MOBILE MACHINERY.**

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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://leg.colorado.gov>.)*

The bill allows an owner of special mobile machinery who regularly rents or leases the special mobile machinery and who pays specific ownership tax on a monthly basis in an amount equal to 2% of the rental or lease payments for the special mobile machinery to apply to the department of revenue for a registration exempt certificate. The department shall issue the certificate if:

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.

SENATE  
2nd Reading Unamended  
May 21, 2021

- The department verifies that the owner regularly has 1,000 or more items of such special mobile machinery in the state;
- Each item of such special mobile machinery is clearly marked or painted in a manner that identifies it as being owned by the owner;
- Each item of such special mobile machinery bears a visible and readily identifiable unique identification number assigned by the owner; and
- Each item of such special mobile machinery bears a visible toll-free telephone number for the owner that can be used for verification of ownership.

The owner of any item of special mobile machinery that is covered by a registration exempt certificate is required to pay, at the time during each calendar year in which specific ownership tax is first paid for the item, all fees and surcharges that would otherwise be paid at the time of registration; except that the owner is not required to pay any fee imposed for the purpose of covering the direct costs of license plates, decals, or validating tabs or the direct costs incurred by an authorized agent of the department of revenue in registering or issuing license plates, decals, or validating tabs for the item.

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

2           **SECTION 1.** In Colorado Revised Statutes, 42-3-104, **amend** (3)  
 3 introductory portion; and **add** (3)(g) as follows:

4           **42-3-104. Exemptions - specific ownership tax - registration**  
 5 **- domicile and residency - rules - definitions.** (3) Registration ~~shall~~ IS  
 6 not ~~be~~ required for the following:

7           (g) SPECIAL MOBILE MACHINERY THAT IS COVERED BY A  
 8 REGISTRATION EXEMPT CERTIFICATE ISSUED BY THE DEPARTMENT IN  
 9 ACCORDANCE WITH SECTION 42-3-107 (16)(g).

10           **SECTION 2.** In Colorado Revised Statutes, 42-3-106, **amend**  
 11 (2)(e) as follows:

12           **42-3-106. Tax imposed - classification - taxable value.** (2) For  
 13 the purpose of imposing graduated annual specific ownership taxes, the

1 personal property specified in section 6 of article X of the state  
2 constitution is classified as follows:

3 (e) Every item of special mobile machinery, except power takeoff  
4 equipment, that is required to be registered under this article 3 OR THAT  
5 IS COVERED BY A REGISTRATION EXEMPT CERTIFICATE ISSUED BY THE  
6 DEPARTMENT IN ACCORDANCE WITH SECTION 42-3-107 (16)(g) is Class F  
7 personal property. If a farm tractor, meeting the definition of special  
8 mobile machinery, is used for any purpose other than agricultural  
9 production for more than a seventy-two-hour period at the site where it  
10 is used for nonagricultural purposes, it is Class F personal property, but  
11 it is granted a prorated registration under section 42-3-107 to cover the  
12 use. The authorized agent shall notify the owner of the farm tractor of the  
13 prorated registration. Storing a farm tractor at a site does not give rise to  
14 a presumption that the tractor was used for the same purposes that other  
15 equipment is used for at the site.

16 **SECTION 3.** In Colorado Revised Statutes, 42-3-107, **amend**  
17 (16)(b) introductory portion, (16)(f)(I), and (25)(a)(I); and **add** (16)(g) as  
18 follows:

19 **42-3-107. Taxable value of classes of property - rate of tax -**  
20 **when and where payable - department duties - apportionment of tax**  
21 **collections - definitions - rules - repeal.** (16) (b) Authorization for  
22 payment of specific ownership tax under this subsection (16) shall be  
23 obtained from the authorized agent in the county in which the owner's  
24 principal place of business is located; EXCEPT THAT, FOR AN ITEM OF  
25 EQUIPMENT THAT IS COVERED BY A REGISTRATION EXEMPT CERTIFICATE  
26 ISSUED BY THE DEPARTMENT IN ACCORDANCE WITH SUBSECTION (16)(g)  
27 OF THIS SECTION, AUTHORIZATION FOR THE PAYMENT OF SPECIFIC

1 OWNERSHIP TAX UNDER THIS SUBSECTION (16) SHALL BE OBTAINED  
2 DIRECTLY FROM THE DEPARTMENT. EXCEPT IN THE CASE OF AN ITEM OF  
3 EQUIPMENT THAT IS COVERED BY A REGISTRATION EXEMPT CERTIFICATE  
4 ISSUED BY THE DEPARTMENT IN ACCORDANCE WITH SUBSECTION (16)(g)  
5 OF THIS SECTION, the owner shall also apply for an identifying decal for  
6 each item of equipment to be rented or leased that shall be affixed to the  
7 item when it is rented or leased. The owner shall keep records of each  
8 identifying decal issued and a description of the item of equipment to  
9 which it is affixed. The fee for each identifying decal shall be five dollars,  
10 paid upon application to the authorized agent. An identifying decal shall  
11 expire when the registration of the special mobile machinery to which it  
12 is affixed expires pursuant to section 42-3-114. An identifying decal shall  
13 not be issued to special mobile machinery unless the machinery is  
14 registered, but a decal may be issued concurrently with the registration  
15 and shall expire pursuant to section 42-3-114. The owner shall be  
16 required to remove an identifying decal upon the sale or change of  
17 ownership of such item of equipment. The fee of five dollars for each  
18 identifying decal as required by this section shall be distributed as  
19 follows:

20 (f) (I) If the owner of special mobile machinery who is paying  
21 specific ownership tax under this subsection (16) regularly has more than  
22 ten pieces of special mobile machinery THAT ARE NOT EXEMPT FROM  
23 REGISTRATION PURSUANT TO SECTION 42-3-104 (3) in the state, the  
24 department may issue to the owner a registration period certificate. The  
25 owner must present the registration period certificate to the appropriate  
26 authorized agent no later than the tenth day after the month when  
27 registration of any motor vehicle is required by this ~~article~~ ARTICLE 3.

1 When so presented, the twelve-month period stated in the registration  
2 period certificate governs the date when registration is required for each  
3 fleet vehicle NOT EXEMPTED FROM REGISTRATION PURSUANT TO SECTION  
4 42-3-104 (3) THAT IS owned or leased by the owner.

5 (g) (I) AN OWNER OF SPECIAL MOBILE MACHINERY WHO PAYS  
6 SPECIFIC OWNERSHIP TAXES IN ACCORDANCE WITH THIS SUBSECTION (16)  
7 MAY APPLY TO THE DEPARTMENT FOR A REGISTRATION EXEMPT  
8 CERTIFICATE, WHICH THE DEPARTMENT SHALL ISSUE TO THE OWNER IF:

9 (A) THE DEPARTMENT VERIFIES THAT THE OWNER REGULARLY HAS  
10 ONE THOUSAND OR MORE ITEMS OF SUCH SPECIAL MOBILE MACHINERY IN  
11 THE STATE;

12 (B) EACH ITEM OF SUCH SPECIAL MOBILE MACHINERY IS CLEARLY  
13 MARKED OR PAINTED IN A MANNER THAT IDENTIFIES IT AS BEING OWNED  
14 BY THE OWNER;

15 (C) EACH ITEM OF SUCH SPECIAL MOBILE MACHINERY BEARS A  
16 VISIBLE AND READILY IDENTIFIABLE UNIQUE IDENTIFICATION NUMBER  
17 ASSIGNED BY THE OWNER; AND

18 (D) EACH ITEM OF SUCH SPECIAL MOBILE MACHINERY BEARS A  
19 VISIBLE TOLL-FREE TELEPHONE NUMBER FOR THE OWNER THAT CAN BE  
20 USED FOR VERIFICATION OF OWNERSHIP.

21 (II) A PERSON TO WHOM THE DEPARTMENT HAS ISSUED A  
22 REGISTRATION EXEMPT CERTIFICATE SHALL PAY ALL SPECIFIC OWNERSHIP  
23 TAX FOR AN ITEM OF SPECIAL MOBILE MACHINERY THAT IS COVERED BY  
24 THE REGISTRATION EXEMPT CERTIFICATE DIRECTLY TO THE DEPARTMENT.

25 (III) AN ITEM OF SPECIAL MOBILE MACHINERY THAT IS OWNED BY  
26 A PERSON TO WHOM THE DEPARTMENT HAS ISSUED A REGISTRATION  
27 EXEMPT CERTIFICATE IS NOT REQUIRED TO BE REGISTERED, AND THE

1 DEPARTMENT SHALL NOT REQUIRE THE OWNER OF ANY SUCH ITEM OF  
2 SPECIAL MOBILE MACHINERY TO OBTAIN LICENSE PLATES, ANNUAL  
3 VALIDATING TABS, OR IDENTIFYING DECALS FOR THE ITEM OF SPECIAL  
4 MOBILE MACHINERY. NOTWITHSTANDING THE EXEMPTIONS FROM  
5 REGISTRATION AND LICENSING REQUIREMENTS FOR ANY SUCH ITEM OF  
6 SPECIAL MOBILE MACHINERY, AT THE TIME DURING EACH CALENDAR YEAR  
7 IN WHICH SPECIFIC OWNERSHIP TAX IS FIRST PAID FOR THE ITEM AS  
8 REQUIRED BY SUBSECTION (16)(c)(II) OF THIS SECTION, THE OWNER OF THE  
9 ITEM SHALL ALSO PAY DIRECTLY TO THE DEPARTMENT ALL FEES AND  
10 SURCHARGES THAT WOULD OTHERWISE BE PAID AT THE TIME OF  
11 REGISTRATION; EXCEPT THAT THE OWNER SHALL NOT PAY ANY FEE  
12 IMPOSED PURSUANT TO SECTION 42-3-301 FOR THE PURPOSE OF COVERING  
13 THE DIRECT COSTS OF LICENSE PLATES, DECALS, OR VALIDATING TABS OR  
14 ANY FEE THAT WOULD OTHERWISE BE RETAINED BY AN AUTHORIZED  
15 AGENT FOR THE PURPOSE OF DEFRAYING THE DIRECT COSTS INCURRED BY  
16 THE AUTHORIZED AGENT IN REGISTERING OR ISSUING LICENSE PLATES,  
17 DECALS, OR VALIDATING TABS FOR THE ITEM. THE DEPARTMENT SHALL  
18 TRANSMIT ALL ADDITIONAL REGISTRATION FEES IMPOSED PURSUANT TO  
19 SECTION 42-3-310 THAT IT RECEIVES FROM OWNERS OF SPECIAL MOBILE  
20 MACHINERY TO WHOM THE DEPARTMENT HAS ISSUED A REGISTRATION  
21 EXEMPT CERTIFICATE TO THE COUNTY TREASURER OF EACH COUNTY OF  
22 THE STATE IN PROPORTION TO THE TOTAL AMOUNT OF VEHICLE  
23 REGISTRATIONS STATEWIDE REPRESENTED BY VEHICLE REGISTRATIONS  
24 WITHIN THE COUNTY, AND EACH COUNTY TREASURER SHALL APPORTION  
25 THE FEES WITHIN THE COUNTY IN THE MANNER SPECIFIED IN SECTION  
26 42-3-310.

27 (IV) THE DEPARTMENT MAY PROMULGATE RULES TO ESTABLISH

1 THE PROCESS BY WHICH AN OWNER APPLIES FOR A REGISTRATION EXEMPT  
2 CERTIFICATE, ALLOW THE DEPARTMENT TO VERIFY THAT THE OWNER  
3 SATISFIES THE REQUIREMENTS SET FORTH IN SUBSECTION (16)(g)(I) OF  
4 THIS SECTION, AND OTHERWISE IMPLEMENT THIS SUBSECTION (16)(g).

5 (25) (a) (I) Except as provided in subsection (25)(b) of this  
6 section, the department shall allow a credit for taxes, surcharges, and  
7 registration fees paid on any item of Class A, Class B, Class C, Class D,  
8 or Class F personal property, OTHER THAN CLASS F PERSONAL PROPERTY  
9 FOR WHICH THE DEPARTMENT HAS ISSUED A REGISTRATION EXEMPT  
10 CERTIFICATE IN ACCORDANCE WITH SUBSECTION (16)(g) OF THIS SECTION,  
11 if the owner disposes of the vehicle during the registration period or if the  
12 owner converts the vehicle from any class of personal property to Class  
13 F property. The credit may apply to payments of taxes, surcharges, and  
14 registration fees on a subsequent application by the owner for registration  
15 of an item of Class A, Class B, Class C, Class D, or Class F personal  
16 property made during the registration period, or the credit may be  
17 assigned by the owner to the transferee of the property for which taxes,  
18 surcharges, or registration fees were paid; except that, when the transferee  
19 is a dealer in new or used vehicles, the transferee shall account to the  
20 owner for any assignment of the credit.

21 **SECTION 4.** In Colorado Revised Statutes, 43-4-205, **amend**  
22 (5.5)(c) as follows:

23 **43-4-205. Allocation of fund.** (5.5) The following highway users  
24 tax fund revenues shall be allocated and expended in accordance with the  
25 formula specified in subsection (5) of this section:

26 (c) Revenues from driver's license fees, motor vehicle title and  
27 registration fees, and motorist insurance identification fees that are

1 credited to the fund pursuant to sections 42-2-132 (4)(b), 42-3-304  
2 (18)(d)(I), and 42-3-306 (6) and (7), ~~C.R.S.~~ INCLUDING ANY OF THOSE  
3 FEES THAT ARE PAID BY THE OWNER OF SPECIAL MOBILE MACHINERY THAT  
4 IS COVERED BY A REGISTRATION EXEMPT CERTIFICATE ISSUED BY THE  
5 DEPARTMENT IN ACCORDANCE WITH SECTION 42-3-107 (16)(g);

6 **SECTION 5.** In Colorado Revised Statutes, 43-4-804, **amend**  
7 (1)(a)(I) introductory portion and (1)(a)(II) as follows:

8 **43-4-804. Highway safety projects - surcharges and fees -**  
9 **crediting of money to highway users tax fund - definition.** (1) On and  
10 after July 1, 2009, the following surcharges, fees, and fines shall be  
11 collected and credited to the highway users tax fund created in section  
12 43-4-201 (1)(a) and allocated to the state highway fund, counties, and  
13 municipalities as specified in section 43-4-205 (6.3):

14 (a) (I) A road safety surcharge, which, except as otherwise  
15 provided in ~~subsections (1)(a)(H)~~ SUBSECTIONS (1)(a)(III) and (1)(a)(VI)  
16 of this section, is imposed for any registration period that commences on  
17 or after July 1, 2009, upon the registration of any vehicle for which a  
18 registration fee must be paid pursuant to the provisions of part 3 of article  
19 3 of title 42 AND IS ALSO IMPOSED UPON ANY ITEM OF SPECIAL MOBILE  
20 MACHINERY THAT IS COVERED BY A REGISTRATION EXEMPT CERTIFICATE  
21 ISSUED BY THE DEPARTMENT OF REVENUE IN ACCORDANCE WITH SECTION  
22 42-3-107 (16)(g). Except as otherwise provided in subsections (1)(a)(IV)  
23 and (1)(a)(V) of this section, the amount of the surcharge is:

24 (II) The road safety surcharge shall be imposed when a vehicle is  
25 registered as required by article 3 of title 42 ~~C.R.S.~~ OR, FOR AN ITEM OF  
26 SPECIAL MOBILE MACHINERY THAT IS COVERED BY A REGISTRATION  
27 EXEMPT CERTIFICATE ISSUED BY THE DEPARTMENT OF REVENUE IN



1 ACCORDANCE WITH SECTION 42-3-107 (16)(g), AT THE TIME SET FORTH IN  
2 SECTION 42-3-107 (16)(g)(III). Each authorized agent shall remit to the  
3 department of revenue no less frequently than once a month, but  
4 otherwise at the time and in the manner required by the executive director  
5 of the department of revenue, all road safety surcharges collected by the  
6 authorized agent. The executive director of the department of revenue  
7 shall forward all road safety surcharges remitted by authorized agents  
8 plus any road safety surcharges collected directly by the department of  
9 revenue to the state treasurer, who shall credit the surcharges to the  
10 highway users tax fund.

11 **SECTION 6.** In Colorado Revised Statutes, 43-4-805, **amend**  
12 (5)(g)(I) introductory portion and (5)(g)(II) as follows:

13 **43-4-805. Statewide bridge enterprise - creation - board -**  
14 **funds - powers and duties - legislative declaration.** (5) In addition to  
15 any other powers and duties specified in this section, the bridge enterprise  
16 board has the following powers and duties:

17 (g) (I) As necessary for the achievement of its business purpose,  
18 to impose a bridge safety surcharge, which, except as otherwise provided  
19 in subsections (5)(g)(III) and (5)(g)(VII) of this section, is imposed, on  
20 and after July 1, 2009, for any registration period that commences on or  
21 after July 1, 2009, or on and after such later date as may be determined by  
22 the bridge enterprise, for any registration period that commences on or  
23 after the later date, upon the registration of any vehicle for which a  
24 registration fee must be paid pursuant to the provisions of part 3 of article  
25 3 of title 42 AND SHALL ALSO BE IMPOSED UPON ANY ITEM OF SPECIAL  
26 MOBILE MACHINERY THAT IS COVERED BY A REGISTRATION EXEMPT  
27 CERTIFICATE ISSUED BY THE DEPARTMENT OF REVENUE IN ACCORDANCE

1 WITH SECTION 42-3-107 (16)(g). Except as otherwise provided in  
2 subsections (5)(g)(IV), (5)(g)(V), and (5)(g)(VI) of this section, the  
3 amount of the surcharge must not exceed:

4 (II) The bridge safety surcharge shall be imposed when a vehicle  
5 is registered as required by article 3 of title 42 ~~C.R.S.~~ OR, FOR AN ITEM OF  
6 SPECIAL MOBILE MACHINERY THAT IS COVERED BY A REGISTRATION  
7 EXEMPT CERTIFICATE ISSUED BY THE DEPARTMENT OF REVENUE IN  
8 ACCORDANCE WITH SECTION 42-3-107 (16)(g), AT THE TIME SET FORTH IN  
9 SECTION 42-3-107 (16)(g)(III). Each authorized agent shall remit to the  
10 department of revenue no less frequently than once a month, but  
11 otherwise at the time and in the manner required by the executive director  
12 of the department of revenue, all bridge safety surcharges collected by the  
13 authorized agent. The executive director of the department of revenue  
14 shall forward all bridge safety surcharges remitted by authorized agents  
15 plus any bridge safety surcharges collected directly by the department of  
16 revenue to the state treasurer, who shall credit the surcharges to the bridge  
17 special fund.

18 **SECTION 7. Effective date.** This act takes effect July 1, 2022.

19 **SECTION 8. Safety clause.** The general assembly hereby finds,  
20 determines, and declares that this act is necessary for the immediate  
21 preservation of the public peace, health, or safety.