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An Act

HOUSE BILL 24-1089

BY REPRESENTATIVE(S) Hamrick and Frizell, Amabile, Clifford, Duran, Froelich, Joseph, Lindsay, Parenti, Taggart, Weinberg, Bird, Garcia, Kipp, Ricks, Snyder, Vigil;
also SENATOR(S) Zenzinger and Pelton R., Bridges, Coleman, Cutter, Gardner, Ginal, Gonzales, Kirkmeyer, Kolker, Lundeen, Marchman, Mullica, Pelton B., Priola, Will.

CONCERNING THE USE OF ELECTRONIC NOTIFICATIONS FOR VEHICLE TRANSACTIONS, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

SECTION 1. In Colorado Revised Statutes, **add** 42-1-236 as follows:

42-1-236. Electronic notification of transactions involving vehicles - rules - definitions - repeal. (1) NO LATER THAN MARCH 31, 2026, THE DEPARTMENT SHALL CREATE A PROCESS FOR AN OWNER TO REQUEST TO RECEIVE AND FOR THE DEPARTMENT TO PROVIDE ELECTRONIC NOTIFICATION, IN LIEU OF WRITTEN NOTIFICATION, OF DEPARTMENT NOTICES AND TRANSACTIONS UNDER ARTICLE 2, 3, OR 6 OF THIS TITLE 42.

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

(2)(a) EXCEPT AS PROVIDED IN SUBSECTION (2)(b) OF THIS SECTION, IF AN OWNER REQUESTS ELECTRONIC NOTIFICATION OF THE IMPENDING EXPIRATION OF THE VEHICLE'S REGISTRATION, THE DEPARTMENT MAY ISSUE NOTICES OR OTHERWISE COMMUNICATE WITH THE OWNER ELECTRONICALLY CONCERNING VEHICLE TRANSACTIONS UNDER ARTICLE 2, 3, OR 6 OF THIS TITLE 42. THE VEHICLE TRANSACTION NOTICES OR OTHER COMMUNICATIONS MAY INCLUDE:

(I) NOTICES REGARDING:

(A) VEHICLE REGISTRATION EXPIRATION;

(B) IDENTIFYING PLATE AND IDENTIFYING PLACARD, AS DEFINED IN SECTION 42-3-204 (1)(g) AND (1)(f), RENEWAL;

(C) VEHICLE CERTIFICATE OF TITLE ISSUANCE;

(D) FLEET VEHICLE REGISTRATION RENEWAL;

(E) HEARINGS;

(F) DRIVER'S LICENSES; AND

(G) DEALER LICENSE PLATE AND DEPOT TAG ISSUANCE; AND

(II) COMMUNICATIONS ABOUT MISSING DOCUMENTATION.

(b) THE DEPARTMENT SHALL NOT USE ELECTRONIC MEANS TO NOTIFY AN OWNER OF THE REVOCATION OF A VEHICLE REGISTRATION DUE TO DISHONORED PAYMENT PURSUANT TO SECTION 42-3-123 OR THE REVOCATION OF AN IDENTIFYING PLATE OR IDENTIFYING PLACARD PURSUANT TO SECTION 42-3-204 (7).

(c) ON OR BEFORE DECEMBER 31, 2024, THE DEPARTMENT SHALL PROMULGATE RULES FOR IMPLEMENTING THE ELECTRONIC NOTIFICATION PROCESS DESCRIBED IN SUBSECTION (2)(a) OF THIS SECTION.

(3) ANY ELECTRONIC COMMUNICATION MADE PURSUANT TO THIS SECTION MUST INCLUDE ANY NOTIFICATION INFORMATION REQUIRED BY

ARTICLE 2, 3, OR 6 OF THIS TITLE 42.

(4) (a) THE GENERAL ASSEMBLY SHALL APPROPRIATE MONEY FROM THE COLORADO DRIVES VEHICLE SERVICES ACCOUNT, CREATED IN SECTION 42-1-211 (2), TO THE DEPARTMENT OF REVENUE TO DEVELOP THE SOFTWARE TO IMPLEMENT THIS SECTION.

(b) THIS SUBSECTION (4) IS REPEALED, EFFECTIVE JULY 1, 2026.

SECTION 2. In Colorado Revised Statutes, 42-2-119, **amend** (2) as follows:

42-2-119. Notices - change of address or name. (2) All notices and orders required to be given to any licensee ~~or registered owner~~ under ~~the provisions of the motor vehicle laws shall~~ THIS ARTICLE 2 MUST be PROVIDED THROUGH ELECTRONIC NOTIFICATION OR GIVEN in writing and, if mailed, postpaid by first-class mail to ~~him or her~~ THE LICENSEE at the last-known address shown by the records kept by the department pursuant to this ~~article~~. ~~Such mailing shall be~~ ARTICLE 2. THE MAILING IS sufficient notice in accord with the motor vehicle laws. Any notice or order of the department mailed first class under the provisions of this ~~title~~ TITLE 42 creates a presumption for administrative purposes that ~~such~~ THE notice or order was received if the department maintains a copy of the notice or order and maintains a certification that the notice or order was deposited in the United States mail by an employee of the department. Evidence of a copy of the notice mailed to the last-known address of the licensee, as shown by the records kept by the department pursuant to this ~~article~~ ARTICLE 2, and a certification of mailing by a department employee; ~~or~~ evidence of delivery of notice in person to the last-known address of the licensee, as shown by the records kept by the department pursuant to this ~~article~~; ARTICLE 2; or evidence of personal service upon the licensee or upon ~~any~~ AN attorney appearing on the licensee's behalf of the order of denial, cancellation, suspension, or revocation of the license by the executive director of the department or by the executive director's duly authorized representative is prima facie proof that the licensee received personal notice of ~~said~~ THE denial, cancellation, suspension, or revocation.

SECTION 3. In Colorado Revised Statutes, 42-2-120, **amend** (1) as follows:

42-2-120. Methods of service. (1) Any notice or order required to be served under ~~the provisions of the motor vehicle laws~~ THIS ARTICLE 2 may be served in any manner reasonably designed to notify the person to be served of the material provisions of ~~such~~ THE notice or order. A person has been served with a notice or order when ~~such~~ THE person has knowledge of the material provisions of ~~such~~ THE notice or order, regardless of the manner in which ~~such~~ THE knowledge was acquired. Any irregularity in the form or manner of service or documentation of the proof of service or the means by which knowledge of the material provisions of a notice or order is acquired ~~shall~~ DOES not affect the validity of ~~such~~ THE notice or order.

SECTION 4. In Colorado Revised Statutes, 42-2-127, **amend** (8)(a) as follows:

42-2-127. Authority to suspend license - to deny license - type of conviction - points. (8) (a) Whenever the department's records show that a licensee has accumulated a sufficient number of points to be subject to license suspension, the department shall notify the licensee that a hearing will be held not less than twenty days after the date of the notice to determine whether the licensee's driver's license should be suspended. The notification shall be given to the licensee THROUGH ELECTRONIC NOTIFICATION OR in writing by regular mail, addressed to the address of the licensee as shown by the records of the department.

SECTION 5. In Colorado Revised Statutes, 42-1-234, **amend** (1)(a) introductory portion; and **add** (1)(f) as follows:

42-1-234. Electronic vehicle registration and titling - electronic transmission of vehicle lien information - authority - rules - electronic transactions fund - gifts, grants, and donations - repeal. (1) (a) ON OR BEFORE MARCH 31, 2026, the department ~~may~~ SHALL establish a system to allow the electronic transmission of registration, lien, and titling information for motor vehicles, off-highway vehicles, or special mobile machinery. ON OR BEFORE MARCH 31, 2026, THE SYSTEM MUST SUPPORT THE ABILITY TO GENERATE A TITLE AND REGISTRATION FOR NEW LEASED VEHICLES AND SUPPORT THE ABILITY TO GENERATE A TITLE FOR A LESSEE WHO PURCHASES THE LESSEE'S LEASED VEHICLE WITHOUT AFFECTING THE LESSEE'S EXISTING REGISTRATION. ON OR BEFORE JANUARY 1, 2027, THE SYSTEM MUST SUPPORT THE ABILITY TO GENERATE A NEW REGISTRATION FOR A VEHICLE TO A NEW LESSEE WITHOUT MODIFYING THE TITLE. Except as

provided in subsection (3) of this section, the department may adopt rules necessary for the implementation of this section, including rules to allow the department to:

(f) (I) BEGINNING IN JANUARY 2025, AND EVERY YEAR THEREAFTER, THE DEPARTMENT SHALL INCLUDE, AS PART OF ITS PRESENTATION DURING ITS "SMART ACT" HEARING REQUIRED BY SECTION 2-7-203, INFORMATION CONCERNING THE IMPLEMENTATION OF THE ELECTRONIC TITLING AND REGISTRATION SYSTEM REQUIRED BY SUBSECTION (1)(a) OF THIS SECTION.

(II) BEGINNING IN JANUARY 2025, AND EVERY YEAR THEREAFTER, THE DEPARTMENT SHALL SUBMIT AN ANNUAL REPORT TO THE JOINT BUDGET COMMITTEE CONCERNING THE IMPLEMENTATION OF THE ELECTRONIC TITLING AND REGISTRATION SYSTEM REQUIRED BY SUBSECTION (1)(a) OF THIS SECTION.

SECTION 6. Appropriation. (1) For the 2024-25 state fiscal year, \$645,368 is appropriated to the department of revenue. This appropriation is from the Colorado DRIVES vehicle services account in the highway users tax fund created in section 42-1-211 (2), C.R.S. To implement this act, the department may use this appropriation as follows:

- (a) \$637,151 for DRIVES maintenance and support; and
- (b) \$8,217 for payments to OIT.

SECTION 7. Safety clause. The general assembly finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety or for appropriations for

the support and maintenance of the departments of the state and state institutions.

Julie McCluskie
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Steve Fenberg
PRESIDENT OF
THE SENATE

Robin Jones
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

APPROVED _____
(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO