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Memorandum

August 29, 2019

TO: Interested Persons
FROM: Katie Ruedebusch, Fiscal Analyst, 303-866-3001
SUBJECT: Motor Vehicle Registration Fees

Summary

This memorandum provides an overview of Colorado motor vehicle registration fees. There are two types of fees when vehicles are registered annually: registration fees and the specific ownership tax. The memorandum discusses the history and distribution of vehicle registration fees and provides information on the specific ownership tax.

History of Motor Vehicle Registration Fees

Colorado first assessed motor vehicle fees in 1913, when the annual registration fee was \$2.50 to \$10, depending on the type of motor vehicle. Since 1913, the General Assembly has created 13 state motor vehicle fees paid at registration, with several other applicable county fees. The General Assembly last made major changes to motor vehicle fees in 2009 with the passage of the Funding Advancements for Surface Transportation and Economic Recovery Act, commonly referred to as FASTER.

Funding Advancements for Surface Transportation and Economic Recovery Act (FASTER). In 2009, the Colorado General Assembly enacted [Senate Bill 09-108](#), or FASTER. FASTER established and increased several vehicle-related fees, including:

- establishing a Road Safety Surcharge and Bridge Safety Surcharge, based on vehicle weight, which are collected when a vehicle is registered;
- requiring owners of motor vehicles to register their vehicles or pay late fees of \$25 per month, up to a maximum of \$100 per vehicle;
- setting a \$2.00 daily rental car fee for all vehicles rented in the state of Colorado; and
- creating an overweight vehicle charge for vehicles that exceed normal road operating conditions.

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Colorado Motor Vehicle Registration Fees

Vehicles in Colorado are registered for a 12-month period, with registration expiring on the last day of the month of the 12-month registration period. Registration fees are based on the empty weight and type of vehicle. Table 1 below provides a summary of fees and their use.

Table 1
Colorado Motor Vehicle Registration Fees

Motor Vehicle Fee	Fee Amount	Distribution	Fee History
Registration Fee (Section 42-3-306 (2), C.R.S.)	<ul style="list-style-type: none"> • \$3.00 for motorcycles; • \$6.00 for passenger vehicles, up to 2,000 pounds, plus \$0.20 per 100 pounds up to 4,500 pounds; and • \$12.50 for passenger vehicles 4,500 pounds or more, plus \$0.60 each additional 100 pounds. 	Fee credited to the Highway Users Tax Fund (HUTF).	Fee created in 1913.
Road Safety Surcharge (Section 43-4-804 (1), C.R.S.)	<ul style="list-style-type: none"> • \$16.00 for motorcycles and vehicles weighing 2,000 pounds or less; • \$23.00 for vehicles weighing 2,001 to 5,000 pounds; • \$28.00 for vehicles weighing 5,001 pounds to 10,000 pounds; • \$37.00 for passenger busses and vehicles weighing 10,001 to 16,000 pounds; and • \$30.00 for vehicles weighing more than 16,000 pounds. 	Fee credited to the HUTF.	Fee created in 2009.
Bridge Safety Surcharge (Section 43-4-805 (3)(a), C.R.S.)	<ul style="list-style-type: none"> • \$13.00 maximum surcharge for motorcycles, trailer coaches, multipurpose trailers, and vehicles weighing 2,000 pounds or less; • \$18.00 maximum surcharge for vehicles weighing 2,001 to 5,000 pounds; • \$23.00 maximum surcharge for vehicles weighing 5,001 to 10,000 pounds; • \$29.00 maximum surcharge for vehicles weighing 10,001 to 16,000 pounds or passenger buses; and • \$32.00 maximum surcharge for vehicles weighing more than 16,000 pounds. 	Fee credited to the Bridge Special Fund.	Fee created in 2009.

**Table 1 (Cont.)
Colorado Motor Vehicle Registration Fees**

Motor Vehicle Fee	Fee Amount	Distribution	Fee History
Public Highway Authority Fee (Section 43-4-506 (1)(k), C.R.S)	<ul style="list-style-type: none"> No more than \$10. 	Collected annually for vehicles registered within public highway authority boundaries for use by the authorities.	Fee created in 1987.
Emission Control Fees (Section 42-3-304 (18)(a) and (18)(b), C.R.S.)	<ul style="list-style-type: none"> \$0.50 for all vehicles, plus \$0.70, to be collected and retained by the county for vehicles in the emissions program area; and \$1.50 for vehicles in the emissions program area. 	Emission fees credited to the Automobile Inspection and Readjustment (AIR) account. The fees are used for the emissions program enforcement and administration.	Fee created in 1987.
Additional Highway Fee (based on age of vehicle) (Section 42-3-306 (2)(b)(II), C.R.S.)	<ul style="list-style-type: none"> \$12.00 for vehicles under 7 years old; \$10.00 for vehicles between 7 and 10 years old; and \$7.00 for vehicles 11 years old and older. 	Fee credited to the HUTF.	Fee created in 2001.
Emergency Medical Services Fee (Section 42-3-304 (21), C.R.S.)	<ul style="list-style-type: none"> \$2.00 	Fee credited to the Emergency Medical Services Account in the HUTF.	Fee created in 1990.
Additional Registration Fee (Section 42-3-306 (14)(a), C.R.S.)	<ul style="list-style-type: none"> \$0.50 for non-self-insured motor vehicles; and \$0.10 for self-insured motor vehicles. 	Fee credited to the DRIVES Account in the HUTF. DRIVES is a software program used for driver and vehicle services.	Fee created in 1997.
Motorist Insurance Identification Fee (Section 42-1-211 (2), C.R.S.)	<ul style="list-style-type: none"> adjusted annually 	Fee credited to the DRIVES Account.	Fee created in 1997.
Motorcycle Surcharge Fee (Section 42-3-304 (4),C.R.S.)	<ul style="list-style-type: none"> \$4.00 	Fee collected for all motorcycle registrations and credited to the Motorcycle Operator Safety Training (MOST) Fund.	Fee created in 1991.
Diesel Fee (Section 42-3-304 (20), C.R.S)	<ul style="list-style-type: none"> \$10.00 	Fee collected for all qualified diesel vehicles registering within the emission program area and credited to the AIR account.	Fee created in 1986.

**Table 1 (Cont.)
Colorado Motor Vehicle Registration Fees**

Motor Vehicle Fee	Fee Amount	Distribution	Fee History
Peace Officers Standards and Training (P.O.S.T.) Board Fee (Section 42-3-304 (24), C.R.S.)	<ul style="list-style-type: none"> • \$1.00 	Fee collected at registration on Class A, B, and C vehicles to support the activities of the P.O.S.T. Board.	Fee created in 2003.
Plug-in Electric Vehicle Fee (Section 42-3-304 (25), C.R.S.)	<ul style="list-style-type: none"> • \$50.00 	Fee collected annually on plug-in electric vehicles. \$30 of the fee is credited to the HUTF and \$20 is credited to the Electric Vehicle Grant Fund.	Fee created in 2013.
Late Registration Fees (Section 42-3-112, C.R.S.)	<ul style="list-style-type: none"> • One-month grace period; • \$25.00 per month for the subsequent four months; • \$100.00 limit on total fees. 	Fee credited to the HUTF.	Fee created in 2009.

Source: Colorado Legislative Council Staff.

County motor vehicle fees. Along with state registration fees, counties charge a county road and bridge fee (\$1.50). The fee is collected for the maintenance of the county’s roads and bridges. In addition, Colorado law allows counties to charge up to \$4.00 per vehicle registration to defray expenses for administering motor vehicle licensing and registration.

Colorado Motor Vehicle Fee Distribution

Highway Users Tax Fund. The largest source of revenue in the HUTF is the motor fuel excise tax (22 cents per gallon of gasoline and 20 cents per gallon of diesel fuel). The HUTF also receives revenue from motor vehicle registration fees, including the Registration Fee, Road Safety Surcharge, Additional Highway Fee, and \$30.00 of the Plug-in Electric Vehicle Fee. Registration fees are collected by each county and deposited into the HUTF. Money from the HUTF is distributed as follows:

- 65 percent to the State Highway Fund;
- 26 percent to counties; and
- 9 percent to cities and towns.

These funds must be spent on maintenance, construction, repair, and administration of roads and highways.

Other transportation cash fund revenue.

- *Statewide Bridge Enterprise.* The Statewide Bridge Enterprise was created to finance, repair, reconstruct, and replace designated bridges in the state.

- *Public highway authority fees.* State law allows public highway authorities to establish, collect, and increase or decrease fees, tolls, rates, and charges on any public highway it finances, constructs, operates, or maintains. There are currently three public highway authorities, E-470 Public Highway Authority, Northwest Parkway Public Highway Authority, and the Jefferson Parkway Public Highway Authority, organized in Colorado, two of which currently operate toll roads. The E-470 Public Highway Authority eliminated its \$10 public highway authority fee in 2017.
- *AIR Account.* The Colorado Department of Public Health administers the AIR program to reduce motor-vehicle-related pollution through the inspection and emissions-related repair of gasoline-powered motor vehicles. Revenue in the AIR Account is used to cover the direct cost of the program.
- *Emergency Medical Services Account.* The Emergency Medical Services Registration Fee is distributed to local emergency medical and trauma service providers for training costs and regional emergency medical services coordination.
- *DRIVES Account.* The DRIVES Account provides funds for the development and operation of the Colorado's motor vehicle registration system, to cover the cost of the administration and enforcement of the motorist insurance identification database, and to purchase and issue license plates, decals, and validating tabs.
- *MOST Fund.* The State Patrol uses MOST funds to administer and operate the MOST program. The MOST program promotes motorcycle safety awareness and supports courses to develop the knowledge, attitudes, habits and skills necessary for the safe operation of a motorcycle.
- *P.O.S.T. Board.* Funds from the P.O.S.T. Board registration fee is used to provide training for peace officers in rural and smaller jurisdictions.
- *Electric Vehicle Grant Fund.* Funds in the Electric Vehicle Grant Fund are used to provide grants to state agencies, public universities, public transit agencies, local governments, landlords of multi-family apartment buildings, private nonprofit or for-profit corporations, and the unit owners' associations of common interest communities to install recharging stations for electric vehicles.

Other transportation-related revenue includes revenue from the sale of aviation and jet fuel, the registration fees listed above, and driving fines.

Specific Ownership Tax

In addition to vehicle registration fees, all motor vehicle owners pay the specific ownership tax. The specific ownership tax was created in 1937. The tax is assessed on motor vehicles annually and is calculated based on a vehicle's *original* age and value. Revenue is distributed to cities, counties, special districts, and school districts in proportion to property taxes levied by those entities, except for 50 cents distributed to the DRIVES Account. More information on the specific ownership tax can be found here:

https://leg.colorado.gov/sites/default/files/ib_17-05_the_specific_ownership_tax_2017.pdf.