

Second 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. 22-0039.03 Jery Payne x2157

HOUSE BILL 22-1254

HOUSE SPONSORSHIP

Valdez A.,

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>.)

Current law gives a person who moves to Colorado 90 days to register the person's motor vehicle. **Section 2** of the bill 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 or the

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
April 26, 2022

- vehicle's bill of sale;
- Provide evidence of the date that the person became a Colorado resident; 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 allocation and use of the taxes and fees 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 if a person fails to register a vehicle when required by law.

Section 4 lowers the registration fee that is based on the age of a vehicle:

- For motor vehicles less than 7 years old, the fee is lowered from \$12 to \$9;
- For motor vehicles at least 7 years old but less than 10 years old, the fee is lowered from \$10 to \$7; and
- For motor vehicles 10 years old or older, the fee is lowered from \$7 to \$5.

The department of revenue (department) may adjust the fees to make the bill revenue neutral but may not lower a fee below one dollar or raise the fees above the amount from which the bill lowers the fees. In 2026, this fee decrease repeals, so the fees return to their original amounts. One dollar of the fee is retained by the department and used to offset the cost to the department and the authorized agents to implement the bill.

Current law imposes a fee of \$1.50 on motor vehicles, trailers, and semitrailers. The fee is sent to the county where the vehicle is registered for its road and bridge fund. **Section 5** lowers this fee to \$0.94 to offset the increased taxes and fees collected by the county under **sections 2 and 3**. The department will annually adjust the fee amount to keep the bill revenue neutral to the counties.

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

2 **SECTION 1. Short title.** The short title of this act is the
 3 "Colorado Registration Fairness Act".

4 **SECTION 2.** In Colorado Revised Statutes, 42-3-103, **amend**

1 (4)(a) and (5) as follows:

2 **42-3-103. Registration required - exemptions - rules - repeal.**

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

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

10 (A) PROVIDE THE DEPARTMENT WITH DOCUMENTATION OF THE
11 PREVIOUS REGISTRATION THAT CONTAINS THE DATES OF THE PREVIOUS
12 REGISTRATION OR A BILL OF SALE FOR ANY VEHICLE NOT PREVIOUSLY
13 REGISTERED;

14 (B) PROVIDE THE DEPARTMENT WITH EVIDENCE, DESCRIBED IN
15 SUBSECTION (4)(a)(III) OF THIS SECTION, OF THE DATE THAT THE OWNER
16 BECAME A RESIDENT OF COLORADO; AND

17 (C) PAY, IN ADDITION TO THE TAXES AND FEES TO REGISTER THE
18 VEHICLE, THE VEHICLE'S REGISTRATION TAXES AND FEES THAT ARE
19 IMPOSED IN THIS ARTICLE 3 AND PART 8 OF ARTICLE 4 OF TITLE 43, AND
20 THAT ARE PRORATED FROM THE DATE THE OWNER BECAME A RESIDENT OF
21 COLORADO TO THE DATE THE OWNER APPLIED TO REGISTER THE VEHICLE,
22 UNLESS THE VEHICLE IS CLASS A PERSONAL PROPERTY OR UNLESS THE
23 OWNER REGISTERED THE VEHICLE WITHIN NINETY DAYS AFTER BECOMING
24 A RESIDENT AS DETERMINED BY THE DOCUMENTS AND EVIDENCE
25 PROVIDED UNDER SUBSECTIONS (4)(a)(II)(A) AND (4)(a)(II)(B) OF THIS
26 SECTION. PRORATED TAXES AND FEES ARE ASSESSED FOR A FULL MONTH
27 FOR THE MONTH THE OWNER BECAME A RESIDENT OF COLORADO AND FOR

1 THE MONTH THE OWNER APPLIED FOR REGISTRATION AND A FULL MONTH
2 FOR EACH MONTH BETWEEN WHEN THE OWNER BECAME A RESIDENT AND
3 WHEN THE OWNER APPLIED FOR REGISTRATION.

4 (III) EVIDENCE OF COLORADO RESIDENCY MAY BE A COLORADO
5 DRIVER'S LICENSE OR IDENTIFICATION, PROPERTY TAX RECEIPT, UTILITY
6 BILL INDICATING THE UTILITY SERVICE START DATE, LEASE AGREEMENT OR
7 MORTGAGE STATEMENT, VOTER REGISTRATION CARD, COLLEGE
8 ENROLLMENT PAPERS OR STUDENT IDENTIFICATION CARD, TAX RECORDS,
9 PAY STUBS OR OTHER COLORADO EMPLOYER-ISSUED DOCUMENTS,
10 GOVERNMENT OR COURT ISSUED DOCUMENTS, OR OTHER EVIDENCE OR
11 DOCUMENTS SPECIFIED IN RULE. THE DEPARTMENT SHALL PROMULGATE
12 RULES SPECIFYING THE DOCUMENTATION AND EVIDENCE REQUIRED TO
13 COMPLY WITH SUBSECTIONS (4)(a)(II)(A) AND (4)(a)(II)(B) OF THIS
14 SECTION.

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

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

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

23 **42-3-112. Failure to pay tax - penalty - rules.** (1) (a) If a
24 vehicle subject to taxation under this ~~article~~ ARTICLE 3 is not registered
25 when required by law, the vehicle owner shall pay:

26 (I) A late fee of twenty-five dollars for each month or portion of
27 a month following the expiration of the registration period, or, if

1 applicable, the expiration of the grace period described in section
2 42-3-114 for which the vehicle is unregistered; except that the amount of
3 the late fee ~~shall~~ MUST not exceed one hundred dollars; AND

4 (II) IN ADDITION TO THE TAXES AND FEES TO REGISTER THE
5 VEHICLE, PRORATED REGISTRATION TAXES AND FEES FROM THE DATE THE
6 VEHICLE WAS REQUIRED BY LAW TO BE REGISTERED TO THE DATE THE
7 OWNER APPLIED TO REGISTER THE VEHICLE. PRORATED TAXES AND FEES
8 ARE ASSESSED FOR A FULL MONTH FOR THE MONTH THE OWNER BECAME
9 A RESIDENT OF COLORADO AND FOR THE MONTH THE OWNER APPLIED FOR
10 REGISTRATION AND A FULL MONTH FOR EACH MONTH BETWEEN WHEN THE
11 OWNER BECAME A RESIDENT AND WHEN THE OWNER APPLIED FOR
12 REGISTRATION.

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

16 (1.5) (a) Notwithstanding ~~the provisions of~~ subsection (1) of this
17 section, the executive director of the department shall promulgate rules
18 ~~in accordance with article 4 of title 24, C.R.S.,~~ that establish
19 circumstances in addition to the circumstances described in subsection (3)
20 of this section in which a vehicle owner ~~shall be exempted~~ IS EXEMPT
21 from paying the late fee described in ~~said~~ subsection (1) OF THIS SECTION.
22 The rules ~~shall~~ MUST apply uniformly throughout the state and ~~shall~~ MUST
23 include ~~but shall not be limited to,~~ exemptions for:

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

26 **SECTION 4.** In Colorado Revised Statutes, 42-3-306, **amend** (2)
27 introductory portion, (2)(b)(II) introductory portion, and (2)(b)(III); and

1 **add** (2)(b)(V), (2)(b)(VI), and (2)(b)(VII) as follows:

2 **42-3-306. Registration fees - passenger and passenger-mile**
3 **taxes - fee schedule - repeal.** (2) Fees REQUIRED for the annual
4 registration of passenger-carrying motor vehicles ~~shall be~~ ARE as follows:

5 (b) (II) In addition to the registration fees imposed by
6 ~~subparagraph (I) of this paragraph (b)~~ SUBSECTION (2)(b)(I) OF THIS
7 SECTION, an additional registration fee ~~shall be~~ IS imposed on the motor
8 vehicles described in the introductory portion to ~~this paragraph (b)~~
9 SUBSECTION (2)(b)(I) OF THIS SECTION, based on the age of the motor
10 vehicle. THE DEPARTMENT SHALL SET THE FEES as follows:

11 (III) The DEPARTMENT SHALL TRANSMIT ONE DOLLAR OUT OF THE
12 additional fees collected ~~pursuant to subparagraph (II) of this paragraph~~
13 ~~(b) shall be transmitted~~ IN ACCORDANCE WITH SUBSECTION (2)(b)(II) OF
14 THIS SECTION TO THE STATE TREASURER, WHO SHALL CREDIT THE SAME TO
15 THE LICENSING SERVICES CASH FUND CREATED IN SECTION 42-2-114.5.
16 THE DEPARTMENT SHALL USE THE ONE DOLLAR THAT IS CREDITED TO THE
17 LICENSING SERVICES CASH FUND TO OFFSET THE COST TO THE
18 DEPARTMENT TO IMPLEMENT SECTIONS 42-3-103 (4)(a)(II) AND 42-3-112
19 (1)(a)(II). THE DEPARTMENT SHALL TRANSMIT THE REMAINING AMOUNT
20 to the state treasurer, who shall credit the same to the highway users tax
21 fund to be allocated pursuant to section 43-4-205 (6)(b). ~~C.R.S.~~

22 (V) NOTWITHSTANDING SUBSECTION (2)(b)(II) OF THIS SECTION
23 AND IN ADDITION TO THE REGISTRATION FEES IMPOSED IN SUBSECTION
24 (2)(b)(I) OF THIS SECTION, AN ADDITIONAL REGISTRATION FEE IS IMPOSED
25 ON THE MOTOR VEHICLES DESCRIBED IN THE INTRODUCTORY PORTION TO
26 SUBSECTION (2)(b)(I) OF THIS SECTION, BASED ON THE AGE OF THE MOTOR
27 VEHICLE. THE DEPARTMENT SHALL SET THE FEES AS FOLLOWS:

1 (A) FOR MOTOR VEHICLES LESS THAN SEVEN YEARS OLD, NINE
2 DOLLARS;

3 (B) FOR MOTOR VEHICLES AT LEAST SEVEN YEARS OLD BUT LESS
4 THAN TEN YEARS OLD, SEVEN DOLLARS; AND

5 (C) FOR MOTOR VEHICLES TEN YEARS OLD OR OLDER, FIVE
6 DOLLARS.

7 (VI) THE DEPARTMENT SHALL ADJUST THE FEES IMPOSED AND SET
8 IN SUBSECTION (2)(b)(V) OF THIS SECTION TO COMPENSATE FOR
9 INCREASES IN OR DECREASES IN REVENUE CREDITED TO THE HIGHWAY
10 USERS TAX FUND UNDER SECTIONS 42-3-103 (4)(a)(II) AND 42-3-112
11 (1)(a)(II) AND REVENUE INCREASES OR DECREASES DUE TO THE REPEAL OF
12 SECTION 42-3-112 (1.5)(a)(III); EXCEPT THAT A FEE SHALL NOT BE SET AT
13 LESS THAN ONE DOLLAR, WHICH IS RETAINED BY THE DEPARTMENT. IN
14 ADJUSTING THESE FEES, THE DEPARTMENT SHALL NOT SET THE FEES AT
15 AMOUNTS THAT EXCEED:

16 (A) FOR MOTOR VEHICLES LESS THAN SEVEN YEARS OLD, TWELVE
17 DOLLARS;

18 (B) FOR MOTOR VEHICLES AT LEAST SEVEN YEARS OLD BUT LESS
19 THAN TEN YEARS OLD, TEN DOLLARS; AND

20 (C) FOR MOTOR VEHICLES TEN YEARS OLD OR OLDER, SEVEN
21 DOLLARS.

22 (VII) THIS SUBSECTION (2)(b)(VII) AND SUBSECTIONS (2)(b)(V)
23 AND (2)(b)(VI) OF THIS SECTION ARE REPEALED, EFFECTIVE JULY 1, 2026.

24 **SECTION 5.** In Colorado Revised Statutes, 42-3-310, **add** (6) as
25 follows:

26 **42-3-310. Additional registration fees - apportionment of fees**
27 **- repeal.** (6) (a) NOTWITHSTANDING SUBSECTION (1) OF THIS SECTION,

1 THE DEPARTMENT SHALL REDUCE THE FEE IMPOSED IN SUBSECTION (1) OF
2 THIS SECTION TO NINETY-FOUR CENTS; EXCEPT THAT THE DEPARTMENT
3 SHALL ANNUALLY ADJUST THE FEES IMPOSED AND SET IN THIS SECTION TO
4 COMPENSATE FOR INCREASES IN OR DECREASES IN REVENUE CREDITED TO
5 THE HIGHWAY USERS TAX FUND UNDER SECTIONS 42-3-103 (4)(a)(II) AND
6 42-3-112 (1)(a)(II) AND REVENUE INCREASES OR DECREASES DUE TO THE
7 REPEAL OF SECTION 42-3-112 (1.5)(a)(III) FROM THE PREVIOUS FISCAL
8 YEAR. ADJUSTED FEES TAKE EFFECT JULY 1 OF EACH FISCAL YEAR.

9 (b) THIS SUBSECTION (6) IS REPEALED, EFFECTIVE JULY 1, 2026.

10 **SECTION 6.** In Colorado Revised Statutes, 42-3-102, **amend**
11 (1)(a) as follows:

12 **42-3-102. Periodic registration - rules.** (1) The department may
13 establish by rule a periodic vehicle registration program whereby certain
14 vehicles shall be registered at:

15 (a) Subject to the provisions of subsection (3) of this section,
16 twelve-month intervals BEGINNING ON THE MONTH FOLLOWING THE
17 MONTH OF APPLICATION FOR REGISTRATION, in which case, the
18 registration of ~~such~~ THESE vehicles ~~shall expire~~ EXPIRES on the last day
19 of the month of each twelve-month registration period;

20 **SECTION 7. Appropriation.** (1) For the 2022-23 state fiscal
21 year, \$248,249 is appropriated to the department of revenue. This
22 appropriation is from the Colorado DRIVES vehicle services account in
23 the highway users tax fund created in section 42-1-211 (2)(b)(I), C.R.S.
24 To implement this act, the department may use this appropriation as
25 follows:

26 (a) \$112,815 for use by the division of motor vehicles for personal
27 services related to administration, which amount is based on an

1 assumption that the division will require an additional 1.6 FTE;
2 (b) \$20,768 for use by the division of motor vehicles for operating
3 expenses related to administration;
4 (c) \$72,000 for DRIVES maintenance and support;
5 (d) \$19,286 for use by the executive director's office for personal
6 services related to administration and support; and
7 (d) \$23,380 for use by the taxation business group for IDS print
8 production.

9 **SECTION 8. Act subject to petition - effective date -**
10 **applicability.** (1) This act takes effect January 1, 2023; except that, if a
11 referendum petition is filed pursuant to section 1 (3) of article V of the
12 state constitution against this act or an item, section, or part of this act
13 within the ninety-day period after final adjournment of the general
14 assembly, then the act, item, section, or part will not take effect unless
15 approved by the people at the general election to be held in November
16 2022 and, in such case, will take effect on the date of the official
17 declaration of the vote thereon by the governor.

18 (2) This act applies to vehicles required to be registered on or after
19 the applicable effective date of this act.