

# An Act

SENATE BILL 21-257

BY SENATOR(S) Zenzinger and Scott, Hisey, Simpson, Sonnenberg;  
also REPRESENTATIVE(S) Benavidez and Van Winkle, Exum,  
Gonzales-Gutierrez, Mullica, Ricks, Snyder, Woodrow.

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

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

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

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

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

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

*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.*

**42-3-106. Tax imposed - classification - taxable value.** (2) For the purpose of imposing graduated annual specific ownership taxes, the personal property specified in section 6 of article X of the state constitution is classified as follows:

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

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

**42-3-107. Taxable value of classes of property - rate of tax - when and where payable - department duties - apportionment of tax collections - definitions - rules - repeal.** (16) (b) Authorization for payment of specific ownership tax under this subsection (16) shall be obtained from the authorized agent in the county in which the owner's principal place of business is located; EXCEPT THAT, FOR AN ITEM OF EQUIPMENT THAT IS COVERED BY A REGISTRATION EXEMPT CERTIFICATE ISSUED BY THE DEPARTMENT IN ACCORDANCE WITH SUBSECTION (16)(g) OF THIS SECTION, AUTHORIZATION FOR THE PAYMENT OF SPECIFIC OWNERSHIP TAX UNDER THIS SUBSECTION (16) SHALL BE OBTAINED DIRECTLY FROM THE DEPARTMENT. EXCEPT IN THE CASE OF AN ITEM OF EQUIPMENT THAT IS COVERED BY A REGISTRATION EXEMPT CERTIFICATE ISSUED BY THE DEPARTMENT IN ACCORDANCE WITH SUBSECTION (16)(g) OF THIS SECTION, the owner shall also apply for an identifying decal for each item of equipment to be rented or leased that shall be affixed to the item when it is rented or leased. The owner shall keep records of each identifying decal

issued and a description of the item of equipment to which it is affixed. The fee for each identifying decal shall be five dollars, paid upon application to the authorized agent. An identifying decal shall expire when the registration of the special mobile machinery to which it is affixed expires pursuant to section 42-3-114. An identifying decal shall not be issued to special mobile machinery unless the machinery is registered, but a decal may be issued concurrently with the registration and shall expire pursuant to section 42-3-114. The owner shall be required to remove an identifying decal upon the sale or change of ownership of such item of equipment. The fee of five dollars for each identifying decal as required by this section shall be distributed as follows:

(f) (I) If the owner of special mobile machinery who is paying specific ownership tax under this subsection (16) regularly has more than ten pieces of special mobile machinery THAT ARE NOT EXEMPT FROM REGISTRATION PURSUANT TO SECTION 42-3-104 (3) in the state, the department may issue to the owner a registration period certificate. The owner must present the registration period certificate to the appropriate authorized agent no later than the tenth day after the month when registration of any motor vehicle is required by this ~~article~~ ARTICLE 3. When so presented, the twelve-month period stated in the registration period certificate governs the date when registration is required for each fleet vehicle NOT EXEMPTED FROM REGISTRATION PURSUANT TO SECTION 42-3-104 (3) THAT IS owned or leased by the owner.

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

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

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

(C) EACH ITEM OF SUCH SPECIAL MOBILE MACHINERY BEARS A VISIBLE AND READILY IDENTIFIABLE UNIQUE IDENTIFICATION NUMBER

ASSIGNED BY THE OWNER; AND

(D) 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.

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

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

(IV) THE DEPARTMENT MAY PROMULGATE RULES TO ESTABLISH THE

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

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

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

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

(c) Revenues from driver's license fees, motor vehicle title and registration fees, and motorist insurance identification fees that are credited to the fund pursuant to sections 42-2-132 (4)(b), 42-3-304 (18)(d)(I), and 42-3-306 (6) and (7), ~~C.R.S.~~ INCLUDING ANY OF THOSE FEES THAT ARE PAID BY THE OWNER OF SPECIAL MOBILE MACHINERY THAT IS COVERED BY A REGISTRATION EXEMPT CERTIFICATE ISSUED BY THE DEPARTMENT IN ACCORDANCE WITH SECTION 42-3-107 (16)(g);

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

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

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

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

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

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


(g) (I) As necessary for the achievement of its business purpose, to impose a bridge safety surcharge, which, except as otherwise provided in subsections (5)(g)(III) and (5)(g)(VII) of this section, is imposed, on and after July 1, 2009, for any registration period that commences on or after July 1, 2009, or on and after such later date as may be determined by the bridge enterprise, for any registration period that commences on or after the later date, upon the registration of any vehicle for which a registration fee must be paid pursuant to the provisions of part 3 of article 3 of title 42 AND SHALL ALSO BE IMPOSED UPON ANY ITEM OF SPECIAL MOBILE MACHINERY THAT IS COVERED BY A REGISTRATION EXEMPT CERTIFICATE ISSUED BY THE DEPARTMENT OF REVENUE IN ACCORDANCE WITH SECTION 42-3-107 (16)(g). Except as otherwise provided in subsections (5)(g)(IV), (5)(g)(V), and (5)(g)(VI) of this section, the amount of the surcharge must not exceed:


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


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

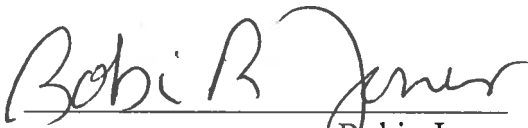
**SECTION 8. Safety clause.** The general assembly hereby finds,

determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety.

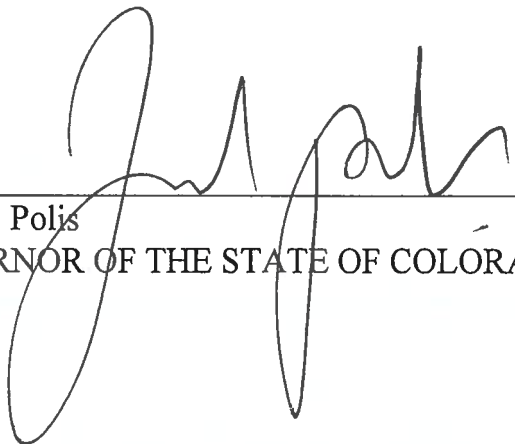
  
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Leroy M. Garcia  
PRESIDENT OF  
THE SENATE

  
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Alec Garnett  
SPEAKER OF THE HOUSE  
OF REPRESENTATIVES

  
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Cindi L. Markwell  
SECRETARY OF  
THE SENATE

  
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Robin Jones  
CHIEF CLERK OF THE HOUSE  
OF REPRESENTATIVES

APPROVED July 7, 2021 at 4:01 pm  
(Date and Time)

  
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Jared S. Polis  
GOVERNOR OF THE STATE OF COLORADO