



**Colorado
Legislative
Council
Staff**

SB16-010

**FINAL
FISCAL NOTE**

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0258	Date: June 14, 2016
Prime Sponsor(s): Sen. Baumgardner Rep. Becker J.	Bill Status: Signed into Law
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BILL TOPIC: OFF-HIGHWAY VEHICLE POWERSPORTS DEALER PURCHASE

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue		
Cash Funds	Potential minimal increase.	
State Expenditures	Minimal workload increase.	
TABOR Impact		Potential minimal increase.
Appropriation Required: None.		
Future Year Impacts: Ongoing potential minimal revenue and minimal workload increase.		

Summary of Legislation

Under current law, a used off-highway vehicle (OHV) may not be sold to a powersports vehicle dealer if the owner does not possess a certificate of title for the vehicle. This bill allows a powersports vehicle dealer to purchase an OHV that has never been titled if it was previously purchased either in a jurisdiction that does not issue titles for such vehicles or in Colorado before January 1, 2014. Before the purchase is finalized, the owner must sign an affidavit, under penalty of perjury, that states: whether the vehicle is subject to a lien interest; if there is a lien holder, the name of the lien holder; and that the seller owns the OHV and how long the owner has possessed the vehicle. The dealer must then present the signed affidavit to the Department of Revenue (DOR) to obtain a certificate of title for the OHV.

Current law allows an OHV registration issued by the Department of Natural Resources (DNR) to serve as sufficient evidence of ownership to obtain a title for the vehicle. The bill limits this to OHVs first purchased in Colorado before July 1, 2014, that have been registered for at least one year.

Background

OHVs registered with Colorado Parks and Wildlife (CPW) within the DNR include all-terrain vehicles and snowmobiles. Registration is required for an OHV that an owner wishes to use on public lands or trails in Colorado. There are currently 163,458 OHVs registered by DNR.

Through Senate Bill 13-280, as of July 1, 2014, the DOR titles OHVs sold to and purchased from powersports vehicle dealerships or licensed auctioneers and, optionally, through private party sales. Titles can be obtained from county clerk offices for \$7.20, or can be expedited at the state DMV office for \$25.00. There are currently 11,440 OHVs titled in the state.

State Revenue

This bill could result in a minimal increase in revenue collected from OHV title fees. Under the bill, a powersports vehicle dealer or licensed auctioneer must still obtain a title for an OHV that is purchased from a private owner, but the timing of this transaction is moved until after the purchase, and the responsibility is shifted to the dealer. These procedural changes are not expected to significantly impact the collection of OHV title fees.

TABOR Impact

This bill potentially increases state revenue from OHV title fees, which will increase the amount of money required to be refunded under TABOR. TABOR refunds are paid out of the General Fund.

State Expenditures

The DOR is anticipated to have a minimal increase in workload for processing affidavits and training authorized agents, DOR staff, law enforcement, and powersports dealers. DOR rules, forms, manuals, and websites will also require updating. This workload is expected to be minimal and can be accomplished within existing appropriations.

Local Government Impact

Law enforcement. Under the bill, law enforcement agencies will need to query the Colorado Crime Information Center system to determine whether an OHV has been reported as stolen if contacted by a powersports dealer who is inquiring about the vehicle. Any additional workload for law enforcement agencies to verify if an OHV is stolen is expected to be minimal.

County clerk and recorders. County clerk and recorder offices will have a minimal increase in workload for processing affidavits and transmitting documentation to the DOR.

Effective Date

The bill was signed into law by the Governor on April 7, 2016, and takes effect August 10, 2016, assuming no referendum petition is filed.

State and Local Government Contacts

Clerk and Records
Judicial
Natural Resources
Sheriffs

Counties
Law
Public Safety
Transportation

Information Technology
Municipalities
Revenue