

CHAPTER 428

MOTOR VEHICLES AND TRAFFIC REGULATION

HOUSE BILL 22-1254

BY REPRESENTATIVE(S) Valdez A., Benavidez, Hooton, Jodeh, Lindsay, Ricks, Valdez D.;
also SENATOR(S) Winter and Priola, Kolker, Moreno.

AN ACT

CONCERNING REGULATION RELATED TO THE OWNERSHIP OF A VEHICLE, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

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

SECTION 2. In Colorado Revised Statutes, 42-3-103, **amend** (4)(a) and (5) as follows:

42-3-103. Registration required - exemptions - rules - repeal.
(4) (a) (I) Within ninety days after becoming a resident of Colorado, an owner of a ~~motor~~ vehicle required to be registered by subsection (1) of this section shall register ~~such~~ THE vehicle with the department, irrespective of ~~such~~ THE vehicle being registered within another state or country.

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

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

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

(C) PAY, IN ADDITION TO THE TAXES AND FEES TO REGISTER THE VEHICLE, THE

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.

VEHICLE'S REGISTRATION TAXES AND FEES THAT ARE IMPOSED IN THIS ARTICLE 3 AND PART 8 OF ARTICLE 4 OF TITLE 43, AND THAT ARE PRORATED FROM THE DATE THE OWNER BECAME A RESIDENT OF COLORADO TO THE DATE THE OWNER APPLIED TO REGISTER THE VEHICLE, UNLESS THE VEHICLE IS CLASS A PERSONAL PROPERTY OR UNLESS THE OWNER REGISTERED THE VEHICLE WITHIN NINETY DAYS AFTER BECOMING A RESIDENT AS DETERMINED BY THE DOCUMENTS AND EVIDENCE PROVIDED UNDER SUBSECTIONS (4)(a)(II)(A) AND (4)(a)(II)(B) OF THIS SECTION. PRORATED TAXES AND FEES ARE ASSESSED FOR A FULL MONTH FOR THE MONTH THE OWNER BECAME A RESIDENT OF COLORADO AND FOR THE MONTH THE OWNER APPLIED FOR REGISTRATION AND A FULL MONTH FOR EACH MONTH BETWEEN WHEN THE OWNER BECAME A RESIDENT AND WHEN THE OWNER APPLIED FOR REGISTRATION.

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

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

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

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

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

(I) A late fee of twenty-five dollars for each month or portion of a month following the expiration of the registration period, or, if applicable, the expiration of the grace period described in section 42-3-114 for which the vehicle is unregistered; except that the amount of the late fee ~~shall~~ MUST not exceed one hundred dollars; AND

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

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

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

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

SECTION 4. In Colorado Revised Statutes, 42-3-306, **amend** (2) introductory portion, (2)(b)(II) introductory portion, and (2)(b)(III); and **add** (2)(b)(V), (2)(b)(VI), and (2)(b)(VII) as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

42-3-310. Additional registration fees - apportionment of fees - repeal.

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

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

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

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

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

SECTION 7. Appropriation. (1) For the 2022-23 state fiscal year, \$248,249 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)(b)(I), C.R.S. To implement this act, the department may use this appropriation as follows:

(a) \$112,815 for use by the division of motor vehicles for personal services

related to administration, which amount is based on an assumption that the division will require an additional 1.6 FTE;

(b) \$20,768 for use by the division of motor vehicles for operating expenses related to administration;

(c) \$72,000 for DRIVES maintenance and support;

(d) \$19,286 for use by the executive director's office for personal services related to administration and support; and

(e) \$23,380 for use by the taxation business group for IDS print production.

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

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

Approved: June 7, 2022