

**Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 24-0071.01 Josh Schultz x5486

HOUSE BILL 24-1089

HOUSE SPONSORSHIP

Hamrick and Frizell, Amabile, Clifford, Duran, Froelich, Joseph, Lindsay, Parenti,
Taggart, Weinberg

SENATE SPONSORSHIP

Zenzinger and Pelton R.,

House Committees

Finance
Appropriations

Senate Committees

Finance
Appropriations

A BILL FOR AN ACT

101 **CONCERNING THE USE OF ELECTRONIC NOTIFICATIONS FOR VEHICLE**
102 **TRANSACTIONS, 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>.)

Section 1 of the bill requires the department of revenue (department) to create a process for a vehicle owner to request to receive and for the department to provide electronic communications and notifications, instead of written notifications, concerning vehicle transactions, including electronic notifications for vehicle registration

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.*

HOUSE
3rd Reading Unamended
March 18, 2024

HOUSE
Amended 2nd Reading
March 15, 2024

renewals and issuance of license plates. The department is not permitted, however, to provide electronic notifications for the revocation of a vehicle registration or license plate. The bill also requires the department to adopt rules to create procedures for a vehicle owner to request the electronic notification.

Sections 2 and 3 make conforming amendments limiting requirements for written notification to transactions related to drivers' licenses and certain other transactions.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 42-1-236 as
3 follows:

4 **42-1-236. Electronic notification of transactions involving**
5 **vehicles - rules - definitions - repeal.** (1) NO LATER THAN MARCH 31,
6 2026, THE DEPARTMENT SHALL CREATE A PROCESS FOR AN OWNER TO
7 REQUEST TO RECEIVE AND FOR THE DEPARTMENT TO PROVIDE ELECTRONIC
8 NOTIFICATION, IN LIEU OF WRITTEN NOTIFICATION, OF DEPARTMENT
9 NOTICES AND TRANSACTIONS UNDER ARTICLE 2, 3, OR 6 OF THIS TITLE 42.

10 (2) (a) EXCEPT AS PROVIDED IN SUBSECTION (2)(b) OF THIS
11 SECTION, IF AN OWNER REQUESTS ELECTRONIC NOTIFICATION OF THE
12 IMPENDING EXPIRATION OF THE VEHICLE'S REGISTRATION, THE
13 DEPARTMENT MAY ISSUE NOTICES OR OTHERWISE COMMUNICATE WITH
14 THE OWNER ELECTRONICALLY CONCERNING VEHICLE TRANSACTIONS
15 UNDER ARTICLE 2, 3, OR 6 OF THIS TITLE 42. THE VEHICLE TRANSACTION
16 NOTICES OR OTHER COMMUNICATIONS MAY INCLUDE:

- 17 (I) NOTICES REGARDING:
- 18 (A) VEHICLE REGISTRATION EXPIRATION;
- 19 (B) IDENTIFYING PLATE AND IDENTIFYING PLACARD, AS DEFINED
20 IN SECTION 42-3-204 (1)(g) AND (1)(f), RENEWAL;
- 21 (C) VEHICLE CERTIFICATE OF TITLE ISSUANCE;

- 1 (D) FLEET VEHICLE REGISTRATION RENEWAL; [REDACTED]
- 2 (E) HEARINGS;
- 3 (F) DRIVER'S LICENSES; AND
- 4 (G) DEALER LICENSE PLATE AND DEPOT TAG ISSUANCE; AND
- 5 (II) COMMUNICATIONS ABOUT MISSING DOCUMENTATION.

6 (b) THE DEPARTMENT SHALL NOT USE ELECTRONIC MEANS TO
7 NOTIFY AN OWNER OF THE REVOCATION OF A VEHICLE REGISTRATION DUE
8 TO DISHONORED PAYMENT PURSUANT TO SECTION 42-3-123 OR THE
9 REVOCATION OF AN IDENTIFYING PLATE OR IDENTIFYING PLACARD
10 PURSUANT TO SECTION 42-3-204 (7).

11 (c) ON OR BEFORE DECEMBER 31, 2024, THE DEPARTMENT SHALL
12 PROMULGATE RULES FOR IMPLEMENTING THE ELECTRONIC NOTIFICATION
13 PROCESS DESCRIBED IN SUBSECTION (2)(a) OF THIS SECTION.

14 (3) ANY ELECTRONIC COMMUNICATION MADE PURSUANT TO THIS
15 SECTION MUST INCLUDE ANY NOTIFICATION INFORMATION REQUIRED BY
16 ARTICLE 2, 3, OR 6 OF THIS TITLE 42.

17 (4)(a) THE GENERAL ASSEMBLY SHALL APPROPRIATE MONEY FROM
18 THE COLORADO DRIVES VEHICLE SERVICES ACCOUNT, CREATED IN
19 SECTION 42-1-211 (2), TO THE DEPARTMENT OF REVENUE TO DEVELOP THE
20 SOFTWARE TO IMPLEMENT THIS SECTION.

21 (b) THIS SUBSECTION (4) IS REPEALED, EFFECTIVE JULY 1, 2026.

22 **SECTION 2.** In Colorado Revised Statutes, 42-2-119, **amend** (2)
23 as follows:

24 **42-2-119. Notices - change of address or name.** (2) All notices
25 and orders required to be given to any licensee ~~or registered owner~~ under
26 ~~the provisions of the motor vehicle laws shall~~ THIS ARTICLE 2 MUST be
27 PROVIDED THROUGH ELECTRONIC NOTIFICATION OR GIVEN in writing and,

1 if mailed, postpaid by first-class mail to ~~him or her~~ THE LICENSEE at the
2 last-known address shown by the records kept by the department pursuant
3 to this ~~article~~. ~~Such mailing shall be~~ ARTICLE 2. THE MAILING IS sufficient
4 notice in accord with the motor vehicle laws. Any notice or order of the
5 department mailed first class under the provisions of this ~~title~~ TITLE 42
6 creates a presumption for administrative purposes that ~~such~~ THE notice or
7 order was received if the department maintains a copy of the notice or
8 order and maintains a certification that the notice or order was deposited
9 in the United States mail by an employee of the department. Evidence of
10 a copy of the notice mailed to the last-known address of the licensee, as
11 shown by the records kept by the department pursuant to this ~~article~~
12 ARTICLE 2, and a certification of mailing by a department employee; ~~or~~
13 evidence of delivery of notice in person to the last-known address of the
14 licensee, as shown by the records kept by the department pursuant to this
15 ~~article~~; ARTICLE 2; or evidence of personal service upon the licensee or
16 upon ~~any~~ AN attorney appearing on the licensee's behalf of the order of
17 denial, cancellation, suspension, or revocation of the license by the
18 executive director of the department or by the executive director's duly
19 authorized representative is prima facie proof that the licensee received
20 personal notice of ~~said~~ THE denial, cancellation, suspension, or
21 revocation.

22 **SECTION 3.** In Colorado Revised Statutes, 42-2-120, **amend** (1)
23 as follows:

24 **42-2-120. Methods of service.** (1) Any notice or order required
25 to be served under ~~the provisions of the motor vehicle laws~~ THIS ARTICLE
26 2 may be served in any manner reasonably designed to notify the person
27 to be served of the material provisions of ~~such~~ THE notice or order. A

1 person has been served with a notice or order when ~~such~~ THE person has
2 knowledge of the material provisions of ~~such~~ THE notice or order,
3 regardless of the manner in which ~~such~~ THE knowledge was acquired.
4 Any irregularity in the form or manner of service or documentation of the
5 proof of service or the means by which knowledge of the material
6 provisions of a notice or order is acquired ~~shall~~ DOES not affect the
7 validity of ~~such~~ THE notice or order.

8 **SECTION 4.** In Colorado Revised Statutes, 42-2-127, **amend**
9 (8)(a) as follows:

10 **42-2-127. Authority to suspend license - to deny license - type**
11 **of conviction - points.** (8) (a) Whenever the department's records show
12 that a licensee has accumulated a sufficient number of points to be subject
13 to license suspension, the department shall notify the licensee that a
14 hearing will be held not less than twenty days after the date of the notice
15 to determine whether the licensee's driver's license should be suspended.
16 The notification shall be given to the licensee THROUGH ELECTRONIC
17 NOTIFICATION OR in writing by regular mail, addressed to the address of
18 the licensee as shown by the records of the department.

19 **SECTION 5.** In Colorado Revised Statutes, 42-1-234, **amend**
20 **(1)(a) introductory portion, (1)(b), (1)(c), (2)(a) introductory portion,**
21 **(2)(b)(I)(A), and (2)(b)(I)(B) as follows:**

22 **42-1-234. Electronic vehicle registration and titling - electronic**
23 **transmission of vehicle lien information - authority - rules - electronic**
24 **transactions fund - gifts, grants, and donations - repeal.** (1) (a) **ON OR**
25 **BEFORE SEPTEMBER 30, 2024,** the department **may** **SHALL** establish a
26 **system to allow the electronic transmission of registration, lien, and titling**
27 **information for motor vehicles, off-highway vehicles, or special mobile**

1 machinery INCLUDING FOR LEASED MOTOR VEHICLES. Except as provided
2 in subsection (3) of this section, the department may adopt rules necessary
3 for the implementation of this section, including rules to allow the
4 department to:

5 (1) (b) The department's approval of a third-party provider to
6 register a vehicle, or special mobile machinery, file or release liens, or
7 issue any type of certificate of title must be evidenced by an agreement
8 between the department and the third-party provider.

9 (c) In registering a vehicle, or special mobile machinery, filing or
10 releasing liens, or issuing any type of certificate of title, the third-party
11 provider is acting as an agent of the department. The third-party provider
12 shall collect and remit to the department all taxes and fees imposed by
13 law to issue any type of certificate of title, TO file or release a lien, or to
14 register the vehicle. or special mobile machinery.

15 (2) (a) The department is authorized to seek and accept gifts,
16 grants, or donations from private or public sources, including from
17 third-party providers, for the purposes of this section; except that the
18 department may not accept a gift, grant, or donation that is subject to
19 conditions that are inconsistent with this section or any other law of the
20 state. The department shall ensure that any funds contributed to the
21 department for the implementation of the system for the electronic
22 transmission of registration, lien, and titling information for motor
23 vehicles AND vehicles off-highway vehicles, and special mobile
24 machinery are:

25 (b) (I) In addition to the fees described in subsection (1)(c) of this
26 section, a third-party provider shall pay the department a fee of up to
27 three dollars for each of the following types of transactions completed by

1 the third-party provider:

2 (A) Issuance of or transfer of a certificate of title for a motor
3 vehicle; or an off-highway vehicle;

4 (B) Issuance of or renewal of a registration for a motor vehicle OR
5 a vehicle; or special mobile machinery; and

6 **SECTION 6. Appropriation.** (1) For the 2024-25 state fiscal
7 year, \$449,456 is appropriated to the department of revenue. This
8 appropriation is from the Colorado DRIVES vehicle services account in
9 the highway users tax fund created in section 42-1-211 (2), C.R.S. To
10 implement this act, the department may use this appropriation as follows:

11 (a) \$73,598 for personal services related to vehicle services which
12 amount is based on the assumption that the department will require an
13 additional 1.2 FTE;

14 (b) \$8,206 for operating expenses related to vehicle services;

15 (c) \$335,180 for DRIVES maintenance and support;

16 (d) \$24,255 for personal services related to administration and
17 support; and

18 (e) \$8,217 for payments to OIT.

19 **SECTION 7. Safety clause.** The general assembly finds,
20 determines, and declares that this act is necessary for the immediate
21 preservation of the public peace, health, or safety or for appropriations for
22 the support and maintenance of the departments of the state and state
23 institutions.