

Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO

DRAFT
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BILL 1

LLS NO. 20-0343.01 Jason Gelender x4330

INTERIM COMMITTEE BILL

Transportation Legislation Review Committee

BILL TOPIC: "License Plate Expiration On Change Of Ownership"

A BILL FOR AN ACT

101 **CONCERNING LICENSE PLATES, AND, IN CONNECTION THEREWITH,**
102 **SPECIFYING THAT, IN ORDER TO MINIMIZE POTENTIAL LOST**
103 **REGISTRATION REVENUE, THE LICENSE PLATES OF A MOTOR**
104 **VEHICLE THAT IS CLASSIFIED AS CLASS C PERSONAL PROPERTY**
105 **EXPIRE UPON THE SALE OR TRANSFER OF THE MOTOR VEHICLE**
106 **AND THAT, IN ORDER TO IMPROVE LEGIBILITY AND**
107 **ENFORCEMENT, A REVISED COLOR SCHEME IS REQUIRED FOR**
108 **CERTAIN LICENSE PLATES MANUFACTURED ON OR AFTER A**
109 **SPECIFIED DATE.**

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

*Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Transportation Legislation Review Committee. The bill specifies that:

- The license plates of a motor vehicle that is Class C personal property for purposes of the laws governing the levying of specific ownership tax and registration of vehicles expire upon the transfer of the owner's title or interest in the motor vehicle;
- If either the expired license plates are personalized license plates or the owner wishes to continue to use the same combination of letters or numbers on the owner's expired license plates that were not originally issued as personalized license plates, the owner retains the priority right to use the combination of letters or numbers displayed on the expired license plates to the extent provided for in current law and may apply for personalized license plates that use the combination in the manner specified in current law when registering another motor vehicle; and
- Any resulting incremental costs of producing and distributing additional new license plates are excluded from the calculation of the amount necessary to recover the costs of license plate, decal, and validating tab production, and distribution that is used to annually establish the amount of the fee charged to cover those costs.

Class C personal property includes passenger cars, noncommercial light trucks, and motorcycles. The bill does not apply to the transfer or assignment of an owner's interest in Class C personal property that is a horseless carriage.

On and after January 1, 2021, the bill also requires each type of license plate that is not a group special license plate and that, as of January 1, 2020, had a color scheme of dark green letters and numbers on a background of white mountains and a dark green sky to be manufactured to have a color scheme of white letters and numbers on a background of dark green mountains and a white sky. The department of revenue must exhaust its stock of license plates with the old color scheme before issuing license plates with the new color scheme.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds and declares that:

1 (a) Recent national studies have determined that 4% of vehicles
2 on the road in the United States are not properly registered or the
3 registration is expired. In Colorado it is estimated that as many as 4 out
4 of every 10 cars on the road are not properly registered and licensed.

5 (b) Vehicles out of registration compliance also commonly lack
6 insurance coverage and emissions testing documentation.

7 (c) Unregistered and improperly licensed vehicles contribute to
8 significant state and local shortfalls in revenue for critical transportation
9 and other needs.

10 (d) The financial impacts of traffic congestion in the United States
11 is calculated to be \$166 billion annually, reaching \$225 billion by 2025.
12 Readable license plates may be needed to implement traffic congestion
13 mitigation measures in the future.

14 (e) Law enforcement and public safety officials rely on plate
15 readability and reflectivity to maintain safety on Colorado roads during
16 critical operations, such as an Amber alert. Seventy percent of serious
17 crimes involve a vehicle, and license plates are a low-cost and effective
18 way for law enforcement to identify vehicles. License plates must be
19 readable from a safe distance and readable from a vehicle in motion.

20 (f) License plates are often the only highly reflective element on
21 vehicles, providing a critically important safety feature for stalled
22 vehicles at night.

23 (g) Automated tolling systems on Colorado roads require legible,
24 readable license plates to ensure accurate record keeping and to capture
25 revenue from tollway users during the day and at night.

26 (h) The substantial increase in new residents from other states
27 driving vehicles that are not registered in Colorado has contributed to the

1 loss of critical revenue for transportation and other purposes.

2 (i) Despite substantial growth in the number of motor vehicles on
3 Colorado's roads, Colorado has not implemented a periodic license plate
4 replacement program in nearly 30 years.

5 (j) A phased-in license plate reissue program will provide for
6 increased public safety and effectiveness of license plates while
7 minimizing costs and maximizing convenience for drivers.

8 (k) New technology will allow for Colorado license plates to
9 return to the legacy green mountain design.

10 (l) On average, license plates lose 50% of their reflectivity within
11 5 to 10 years of use and the average age of motor vehicles in Colorado is
12 7 to 10 years.

13 (2) Therefore, the general assembly declares that it is in the best
14 interest of the people of the state of Colorado to implement a phased-in
15 license plate reissue program that will extinguish license plates upon the
16 sale or transfer to a new owner and require motorists to get new license
17 plates at no additional cost to them. Phasing in new license plates in this
18 fashion will improve registration and license plate compliance, generate
19 new and needed revenue for transportation and other purposes, improve
20 vehicle insurance compliance rates, improve vehicle emission control
21 compliance rates, enhance public safety and law enforcement, improve
22 tollway revenue capture rates, and enhance Colorado's image through a
23 return to the legacy license plate design.

24 **SECTION 2.** In Colorado Revised Statutes, 42-3-115, **add** (5) as
25 follows:

26 **42-3-115. Registration upon transfer.** (5) (a) EXCEPT AS
27 OTHERWISE PROVIDED IN SUBSECTION (5)(b) OF THIS SECTION, ON AND

1 AFTER JANUARY 1, 2021, WHENEVER THE OWNER OF A MOTOR VEHICLE
2 THAT IS CLASS C PERSONAL PROPERTY, AS DEFINED IN SECTION 42-3-106
3 (2)(c), TRANSFERS OR ASSIGNS THE OWNER'S TITLE OR INTEREST, THE
4 NUMBER PLATES ISSUED TO THE OWNER FOR THE VEHICLE EXPIRE AND MAY
5 NOT BE TRANSFERRED TO ANY OTHER MOTOR VEHICLE. AN OWNER OF A
6 MOTOR VEHICLE WHOSE NUMBER PLATES THAT EXPIRE DUE TO THE
7 OPERATION OF THIS SUBSECTION (5)(a) ARE PERSONALIZED LICENSE
8 PLATES ISSUED PURSUANT TO SECTION 42-3-211 RETAINS THE PRIORITY
9 RIGHT TO USE THE COMBINATION OF LETTERS OR NUMBERS DISPLAYED ON
10 THE EXPIRED PERSONALIZED LICENSE PLATES TO THE EXTENT PROVIDED
11 FOR IN SECTION 42-3-211 AND MAY APPLY FOR IDENTICAL PERSONALIZED
12 LICENSE PLATES IN THE MANNER SPECIFIED IN SECTION 42-3-211 WHEN
13 REGISTERING ANOTHER MOTOR VEHICLE. IN ADDITION, AN OWNER OF A
14 VEHICLE WHOSE NUMBER PLATES THAT EXPIRE DUE TO THE OPERATION OF
15 THIS SUBSECTION (5)(a) WERE NOT ORIGINALLY ISSUED AS PERSONALIZED
16 LICENSED PLATES, BUT WHO WISHES TO RETAIN THE SAME COMBINATION
17 OF LETTERS OR NUMBERS DISPLAYED ON THE EXPIRED LICENSE PLATES
18 RETAINS THE PRIORITY RIGHT TO USE THE COMBINATION AND MAY APPLY
19 FOR PERSONALIZED LICENSE PLATES WITH THE COMBINATION IN THE
20 MANNER SPECIFIED IN SECTION 42-3-211 WHEN REGISTERING ANOTHER
21 MOTOR VEHICLE.

22 (b) IN ACCORDANCE WITH SECTION 42-12-301 (6), SUBSECTION
23 (5)(a) OF THIS SECTION DOES NOT APPLY TO THE TRANSFER OR
24 ASSIGNMENT OF AN OWNER'S INTEREST IN CLASS C PERSONAL PROPERTY
25 THAT IS A HORSELESS CARRIAGE.

26 **SECTION 3.** In Colorado Revised Statutes, 42-3-201, **add** (8) as
27 follows:

1 **42-3-201. Number plates furnished - style - periodic reissuance**
2 **- tabs - rules.** (8) ON AND AFTER JANUARY 1, 2021, EACH TYPE OF
3 LICENSE PLATE THAT IS NOT A GROUP SPECIAL LICENSE PLATE AND THAT,
4 AS OF JANUARY 1, 2020, HAD A COLOR SCHEME OF DARK GREEN LETTERS
5 AND NUMBERS ON A BACKGROUND OF WHITE MOUNTAINS AND A DARK
6 GREEN SKY SHALL BE MANUFACTURED TO HAVE A COLOR SCHEME OF
7 WHITE LETTERS AND NUMBERS ON A BACKGROUND OF GREEN MOUNTAINS
8 AND A WHITE SKY. THE DEPARTMENT SHALL EXHAUST ITS STOCK OF
9 LICENSE PLATES WITH A COLOR SCHEME OF DARK GREEN LETTERS AND
10 NUMBERS ON A BACKGROUND OF WHITE MOUNTAINS AND A DARK GREEN
11 SKY BEFORE ISSUING LICENSE PLATES WITH A COLOR SCHEME OF WHITE
12 LETTERS AND NUMBERS ON A BACKGROUND OF GREEN MOUNTAINS AND A
13 WHITE SKY.

14 **SECTION 4.** In Colorado Revised Statutes, 42-3-211, **amend** (5)
15 as follows:

16 **42-3-211. Issuance of personalized plates authorized.** (5) An
17 applicant for issuance of personalized license plates or renewal of such
18 plates shall apply in such form and by such date as the department may
19 require, indicating thereon the combination of letters or numbers
20 requested as a registration number. There shall be no duplication of
21 registration numbers, and the department may refuse to issue any
22 combination of letters or numbers that carry connotations offensive to
23 good taste and decency, are misleading, or duplicate any other license
24 plates provided for in this article **3**. THE DEPARTMENT SHALL APPROVE
25 ANY APPLICATION FOR PERSONALIZED LICENSE PLATES RECEIVED FROM AN
26 INDIVIDUAL WHO WISHES TO RETAIN THE SAME COMBINATION OF LETTERS
27 OR NUMBERS DISPLAYED ON THE INDIVIDUAL'S LICENSE PLATES THAT

1 WERE NOT ORIGINALLY ISSUED AS PERSONALIZED LICENSE PLATES AND
2 THAT EXPIRED DUE TO THE OPERATION OF SECTION 42-3-115 (5)(a).

3 **SECTION 5.** In Colorado Revised Statutes, 42-3-301, **amend**
4 (2)(a) as follows:

5 **42-3-301. License plate cash fund - license plate fees.**

6 (2) (a) The fees imposed pursuant to subsection (1) of this section ~~shall~~
7 ~~be~~ ARE limited to the amount necessary to recover the costs of the
8 production and distribution of any license plates, decals, or validating tabs
9 issued pursuant to this article 3 and the related support functions provided
10 to the department of revenue by the division, AND ANY INCREMENTAL
11 COSTS OF PRODUCING AND DISTRIBUTING ADDITIONAL NEW LICENSE
12 PLATES RESULTING FROM THE EXPIRATION OF LICENSE PLATES UPON THE
13 TRANSFER OR ASSIGNMENT OF AN OWNER'S TITLE OR INTEREST IN A MOTOR
14 VEHICLE PURSUANT TO SECTION 42-3-115 (5)(a) ARE EXCLUDED FROM
15 THAT AMOUNT. The correctional industries advisory committee,
16 established pursuant to section 17-24-104 (2), shall annually review and
17 recommend to the director of the division the amounts of the fees to be
18 imposed pursuant to subsection (1) of this section. The director of the
19 division, in cooperation and consultation with the department of revenue
20 and the office of state planning and budgeting, shall annually establish the
21 amounts of the fees imposed pursuant to subsection (1) of this section to
22 recover the division's costs pursuant to this subsection (2).

23 **SECTION 6. Act subject to petition - effective date.** This act
24 takes effect January 1, 2021; except that, if a referendum petition is filed
25 pursuant to section 1 (3) of article V of the state constitution against this
26 act or an item, section, or part of this act within the ninety-day period
27 after final adjournment of the general assembly, then the act, item,

1 section, or part will not take effect unless approved by the people at the
2 general election to be held in November 2020 and, in such case, will take
3 effect January 1, 2021, or on the date of the official declaration of the
4 vote thereon by the governor, whichever is later.