

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

BILL A

LLS NO. 23-0102.01 Jason Gelender x4330

HOUSE BILL

HOUSE SPONSORSHIP

Froelich and Rich, Boesenecker, Catlin, Huffman, Lindsay, Sullivan, Valdez A.

SENATE SPONSORSHIP

Bridges and Hisey, Winter

House Committees

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING REGISTRATION OF FLEET VEHICLES THAT ARE PART OF**
102 **RENTAL VEHICLE FLEETS.**

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/>.)

Transportation Legislation Review Committee. Current law provides that a license plate expires when the owner transfers or assigns the title or interest in the associated motor vehicle and that the owner cannot transfer such a license plate to another motor vehicle. The bill allows the operator of a rental vehicle fleet (fleet operator), if authorized by the department of revenue (DOR), to transfer license plates from one

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

fleet vehicle to another when the fleet operator transfers or assigns the owner's title or interest in the fleet vehicle from which the number plates are being transferred.

In addition, subject to current statutory requirements relating to the use of approved third-party providers, the DOR, to the extent feasible, is required to allow an owner of a rental vehicle fleet that is authorized to transfer license plates to maintain its own inventory of new number plates and to use a third-party provider to handle all or any portion of both its vehicle registration, lien, and titling needs and its number plate inventory ordering, management, and distribution needs. The DOR is also authorized to promulgate rules or establish guidelines to specify or clarify the requirements that an owner of a rental vehicle fleet must meet to apply for, obtain, and maintain authorization to transfer license plates.

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

2 **SECTION 1.** In Colorado Revised Statutes, 42-3-115, **amend as**
3 **it will become effective January 1, 2023,** (5)(a); and **add** (5)(d) as
4 follows:

5 **42-3-115. Registration upon transfer - rules - definitions.**

6 (5) (a) Except as otherwise provided in subsections ~~(5)(b) and (5)(c)~~
7 (5)(b), (5)(c), AND (5)(d) of this section, on and after January 1, 2022,
8 whenever the owner of a motor vehicle that is Class C personal property,
9 as defined in section 42-3-106 (2)(c), transfers or assigns the owner's title
10 or interest, the number plates issued to the owner for the vehicle expire
11 and shall not be transferred by the department to any other motor vehicle.

12 EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (5)(d) OF THIS SECTION,
13 whenever the owner of a motor vehicle that is Class B personal property,
14 as defined in section 42-3-106 (2)(b), Class D personal property, as
15 defined in section 42-3-106 (2)(d), or Class F personal property, as
16 defined in section 42-3-106 (2)(e), transfers or assigns the owner's title or
17 interest, the number plates issued to the owner for the vehicle expire and
18 shall not be transferred by the department to any other motor vehicle. An

1 owner of a motor vehicle whose number plates expire due to the operation
2 of this subsection (5)(a) who wishes to retain the same combination of
3 letters or numbers displayed on the expired license plates retains the
4 priority right to use the combination and may, after surrendering the
5 expired plates to the department, apply for personalized license plates
6 with the combination in the manner specified in section 42-3-211 when
7 registering another motor vehicle.

8 (d) (I) SUBSECTION (5)(a) OF THIS SECTION DOES NOT APPLY TO
9 NUMBER PLATES ISSUED TO A FLEET OPERATOR THAT ARE EASILY LEGIBLE
10 AND IN GOOD CONDITION IF THE DEPARTMENT PROVIDES WRITTEN
11 BLANKET AUTHORIZATION TO THE FLEET OPERATOR TO TRANSFER THE
12 NUMBER PLATES FROM ONE FLEET VEHICLE TO ANOTHER WHEN THE FLEET
13 OPERATOR TRANSFERS OR ASSIGNS THE OWNER'S TITLE OR INTEREST IN THE
14 FLEET VEHICLE FROM WHICH THE NUMBER PLATES ARE BEING
15 TRANSFERRED. SUBJECT TO THE REQUIREMENTS RELATING TO THE USE OF
16 APPROVED THIRD-PARTY PROVIDERS SET FORTH IN SECTION 42-1-234, THE
17 DEPARTMENT SHALL ALLOW A FLEET OPERATOR THAT IS AUTHORIZED TO
18 TRANSFER NUMBER PLATES PURSUANT TO THIS SUBSECTION (5)(d) TO
19 MAINTAIN ITS OWN INVENTORY OF NEW NUMBER PLATES AND TO USE A
20 THIRD-PARTY PROVIDER TO HANDLE ALL OR ANY PORTION OF BOTH ITS
21 VEHICLE REGISTRATION, LIEN, AND TITLING NEEDS AND ITS NUMBER PLATE
22 INVENTORY ORDERING, MANAGEMENT, AND DISTRIBUTION NEEDS.

23 (II) THE DEPARTMENT MAY PROMULGATE RULES OR ESTABLISH
24 GUIDELINES TO SPECIFY OR CLARIFY THE REQUIREMENTS THAT A FLEET
25 OPERATOR MUST MEET TO APPLY FOR, OBTAIN, AND MAINTAIN
26 AUTHORIZATION TO TRANSFER NUMBER PLATES AS AUTHORIZED BY THIS
27 SUBSECTION (5)(d) AND TO PROVIDE OVERSIGHT AND AUDITING

1 REQUIREMENTS RELATING TO THE USE OF APPROVED THIRD-PARTY
2 PROVIDERS BY FLEET OPERATORS.

3 (III) AS USED IN THIS SUBSECTION (5)(d):

4 (A) "FLEET OPERATOR" MEANS A FLEET OPERATOR, AS DEFINED IN
5 SECTION 42-1-102 (35), WHO OWNS OR LEASES A FLEET OF AT LEAST
6 TWENTY-FIVE FLEET VEHICLES, WHOSE PRIMARY BUSINESS IS THE RENTAL
7 OF SUCH FLEET VEHICLES FOR PERIODS OF LESS THAN FORTY-FIVE DAYS,
8 INCLUDING RENEWALS, TO ANOTHER PERSON, AND WHO IS ELIGIBLE TO PAY
9 SPECIFIC OWNERSHIP TAX FOR SUCH FLEET VEHICLES IN THE MANNER
10 SPECIFIED IN SECTION 42-3-107 (11).

11 (B) "FLEET VEHICLE" MEANS A FLEET VEHICLE, AS DEFINED IN
12 SECTION 42-1-102 (36), THAT IS CLASS B PERSONAL PROPERTY, AS
13 DEFINED IN SECTION 42-3-106 (2)(b), OR CLASS C PERSONAL PROPERTY,
14 AS DEFINED IN SECTION 42-3-106 (2)(c), AND THAT IS PRIMARILY USED BY
15 A FLEET OPERATOR FOR RENTAL FOR PERIODS OF LESS THAN FORTY-FIVE
16 DAYS, INCLUDING RENEWALS, TO ANOTHER PERSON.

17 **SECTION 2. Act subject to petition - effective date.** This act
18 takes effect at 12:01 a.m. on the day following the expiration of the
19 ninety-day period after final adjournment of the general assembly; except
20 that, if a referendum petition is filed pursuant to section 1 (3) of article V
21 of the state constitution against this act or an item, section, or part of this
22 act within such period, then the act, item, section, or part will not take
23 effect unless approved by the people at the general election to be held in
24 November 2024 and, in such case, will take effect on the date of the
25 official declaration of the vote thereon by the governor.