

CHAPTER 232

TAXATION

HOUSE BILL 09-1230

BY REPRESENTATIVE(S) Summers, McFadyen, Vigil;
also SENATOR(S) Tapia, Gibbs, Hodge, Kester.

AN ACT**CONCERNING THE REGISTRATION OF MOTOR VEHICLES.**

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

SECTION 1. Part 1 of article 26 of title 39, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

39-26-105.4. Remittance of tax - determination of address - dealer held harmless. (1) ANY LICENSED MOTOR VEHICLE DEALER THAT COLLECTS AND REMITS TAX TO THE DEPARTMENT OF REVENUE AS SPECIFIED IN THIS PART 1 FOR ANY SALE OF A MOTOR VEHICLE SHALL BE HELD HARMLESS FOR ANY TAX, CHARGE, OR FEE LIABILITY TO ANY TAXING JURISDICTION THAT THE DEALER PROVES WAS NOT COLLECTED SOLELY BECAUSE AN ADDRESS THAT DOES NOT MEET THE REQUIREMENTS OF SECTION 42-6-139, C.R.S., WAS PROVIDED BY THE PURCHASER FOR PURPOSES OF CALCULATING THE AMOUNTS OF TAX EITHER DUE ON THE SALE AND PURCHASE OF SUCH VEHICLE PURSUANT TO THIS PART 1 OR SECTION 29-2-106, C.R.S., IF THE DEALER:

(a) INFORMS THE PURCHASER OF A MOTOR VEHICLE OF THE KEY REQUIREMENTS OF MOTOR VEHICLE TITLING AND REGISTRATION AS SPECIFIED IN SECTIONS 42-3-103 (4) (a), 42-6-134, 42-6-139, AND 42-6-140, C.R.S.; AND

(b) OBTAINS AN AFFIDAVIT SIGNED BY THE PURCHASER STATING THAT THE PURCHASER'S ADDRESS IS TRUE AND CORRECT.

SECTION 2. Part 2 of article 26 of title 39, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SECTION to read:

39-26-204.6. Remittance of tax - determination of address - motor vehicle

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

dealer held harmless. THE HOLD HARMLESS PROVISIONS OF SECTION 39-26-105.4 SHALL APPLY TO ANY LICENSED MOTOR VEHICLE DEALER DOING BUSINESS IN THIS STATE AND MAKING SALES OF MOTOR VEHICLES FOR STORAGE, USE, OR CONSUMPTION IN THE STATE THAT COLLECTS AND REMITS USE TAX TO THE DEPARTMENT OF REVENUE AS PROVIDED BY LAW.

SECTION 3. 43-2-145, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

43-2-145. Transportation legislation review - committee. (8) (a) PRIOR TO THE FIRST DAY OF THE LEGISLATIVE SESSION BEGINNING IN JANUARY 2010, FOR PURPOSES OF ESTABLISHING BEST PRACTICES FOR THE COLLECTION OF SALES TAX ON THE SALE OF MOTOR VEHICLES, THE COMMITTEE SHALL CONSULT WITH THE DEPARTMENT OF REVENUE, COLORADO LICENSED AUTOMOBILE DEALERS, AUTOMOBILE RETAILERS, AND EXPERTS IN THE FIELDS OF MOTOR VEHICLE REGISTRATION AND TITLING AND STATE AND LOCAL SALES TAX COLLECTION TO REVIEW:

(I) THE ACCURACY AND AVAILABILITY OF STATE APPROVED SALES TAX DATABASES RELIED ON BY AUTOMOBILE DEALERS AND RETAILERS;

(II) THE CONSISTENCY OF UPDATES TO THE STATE APPROVED SALES TAX DATABASES;

(III) THE EFFICIENCY OF THE COLLECTION OF SALES TAX ON THE SALE OF MOTOR VEHICLES FOR HOME RULE COUNTIES AND MUNICIPALITIES; AND

(IV) THE NUMBER OF OCCURRENCES THAT PAPERWORK IS RETURNED TO AN AUTOMOBILE DEALER OR RETAILER DUE TO INACCURATE SALES TAX COLLECTION.

(b) BASED ON THE REVIEW SPECIFIED IN PARAGRAPH (a) OF THIS SUBSECTION (8), THE COMMITTEE SHALL MAKE RECOMMENDATIONS TO THE GENERAL ASSEMBLY FOR SUCH LEGISLATION AS IT DEEMS NECESSARY. LEGISLATION RECOMMENDED BY THE COMMITTEE PURSUANT TO THIS PARAGRAPH (b) SHALL BE TREATED AS LEGISLATION RECOMMENDED BY AN INTERIM LEGISLATIVE COMMITTEE FOR PURPOSES OF ANY INTRODUCTION DEADLINES OR BILL LIMITATIONS IMPOSED BY THE JOINT RULES OF THE GENERAL ASSEMBLY.

(c) THIS SUBSECTION (8) IS REPEALED, EFFECTIVE JULY 1, 2010.

SECTION 4. 40-7-113, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

40-7-113. Civil penalties - fines. (5) ANY PERSON WHO FAILS TO PAY IN FULL ALL CIVIL PENALTIES FOR A SECOND OR SUBSEQUENT VIOLATION ASSESSED BY COMMISSION ORDER PURSUANT TO THIS SECTION, SUBJECT TO ALL APPLICABLE PROVISIONS OF ARTICLE 4 OF TITLE 24, C.R.S., WITHIN THIRTY DAYS OF THE DUE DATE ESTABLISHED BY SUCH ORDER MAY BE SUBJECT TO HAVE HIS OR HER VEHICLE REGISTRATION CANCELLED BY THE DEPARTMENT OF REVENUE AS SPECIFIED IN SECTION 42-3-120 (4), C.R.S. REGISTRATION OF ANY VEHICLES OWNED BY SUCH PERSON FOR WHICH THE PENALTY WAS ASSESSED MAY BE DENIED UNTIL ALL

PENALTIES ARE PAID OR COLLECTED. UPON WRITTEN NOTICE FROM THE COMMISSION, THE DEPARTMENT OF REVENUE SHALL CANCEL SUCH REGISTRATION AS SPECIFIED IN SECTION 42-3-120 (4), C.R.S.

SECTION 5. 42-3-112 (3), Colorado Revised Statutes, as amended by Senate Bill 09-108, enacted in 2009, is amended BY THE ADDITION OF A NEW PARAGRAPH to read:

42-3-112. Failure to pay tax - penalty. (3) The late fee described in subsection (1) of this section shall not be imposed on a vehicle subject to taxation under this article if:

(c) THE VEHICLE REGISTRATION EXPIRED DURING THE PERIOD THE VEHICLE WAS REPORTED STOLEN.

SECTION 6. 42-3-120, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

42-3-120. Department may cancel or deny registration - repeal. (4) UPON RECEIVING WRITTEN NOTICE FROM THE PUBLIC UTILITIES COMMISSION THAT A PERSON HAS FAILED TO TIMELY PAY CIVIL PENALTIES IMPOSED IN ACCORDANCE WITH SECTION 40-7-113, THE DEPARTMENT SHALL CANCEL THE REGISTRATION OF ANY VEHICLE THAT IS OWNED BY THE PERSON FOR WHICH THE PENALTY WAS ASSESSED AND SHALL DENY THE REGISTRATION OF ANY SUCH VEHICLE UNTIL THE DEPARTMENT RECEIVES WRITTEN NOTICE THAT THE PENALTY HAS BEEN PAID IN FULL.

SECTION 7. Act subject to petition - effective date - applicability. (1) This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution, (August 5, 2009, if adjournment sine die is on May 6, 2009); except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

(2) The provisions of this act shall apply to motor vehicles purchased on or after the applicable effective date of this act.

Approved: May 4, 2009