



**Colorado
Legislative
Council
Staff**

SB16-010

FISCAL NOTE

FISCAL IMPACT: State Local Statutory Public Entity Conditional No Fiscal Impact

Drafting Number: LLS 16-0258
Prime Sponsor(s): Sen. Baumgardner

Date: January 20, 2016
Bill Status: Senate Transportation
Fiscal Analyst: Matt Kiszka (303-866-6275)

BILL TOPIC: OFF-HIGHWAY VEHICLE POWERSPORTS DEALER PURCHASE

Fiscal Impact Summary	FY 2016-2017	FY 2017-2018
State Revenue		
Cash Funds	Potential minimal increase.	
State Expenditures	Minimal workload increase.	
FTE Position Change		
Appropriation Required: None.		
Future Year Impacts: Ongoing minimal expenditure and workload increase.		

Summary of Legislation

Under current law, a used off-highway vehicle (OHV) may not be sold to a powersports vehicle dealer if the owner does not possess a certificate of title for the vehicle. This bill allows a powersports vehicle dealer to purchase an OHV that has never been titled if it was previously purchased either in a jurisdiction that does not issue titles for such vehicles or in Colorado before January 1, 2014, if:

- the dealer contacts its local law enforcement agency to verify that the vehicle has not been reported stolen and its county clerk to verify there are no outstanding security interests on the vehicle; and
- the owner signs an affidavit, under penalty of perjury, to confirm ownership of the vehicle and how long the owner has possessed it.

The dealer must then present the signed affidavit to the Department of Revenue (DOR) to obtain a certificate of title for the OHV.

Current law allows an OHV registration issued by the Department of Natural Resources (DNR) to serve as sufficient evidence of ownership to obtain a title for the vehicle. The bill limits this to OHVs first purchased in Colorado before July 1, 2014, that have been registered for at least one year.

Background

OHVs registered with Colorado Parks and Wildlife (CPW) within the DNR include all-terrain vehicles and snowmobiles. Registration is required for an OHV that an owner wishes to use on public lands or trails in Colorado. There are currently 163,458 OHVs registered by DNR.

Through Senate Bill 13-280, as of July 1, 2014, the DOR titles OHVs sold to and purchased from powersports vehicle dealerships or licensed auctioneers and, optionally, through private party sales. Titles can be obtained from county clerk offices for \$7.20, or can be expedited at the state DMV office for \$25.00. There are currently 11,440 OHVs titled in the state.

State Revenue

This bill could result in a minimal increase in revenue collected from OHV title fees. Under the bill, a powersports vehicle dealer or licensed auctioneer must still obtain a title for an OHV that is purchased from a private owner, but the timing of this transaction is moved until after the purchase, and the responsibility is shifted to the dealer. These procedural changes are not expected to significantly impact the collection of OHV title fees.

State Expenditures

The DOR is anticipated to have a minimal increase in workload for processing affidavits, and training authorized agents, DOR staff, law enforcement, and powersports dealers. DOR rules, forms, manuals, and websites will also require updating. This workload will be achieved within existing resources.

Local Government Impact

Under the bill, law enforcement agencies will need to query the Colorado Crime Information Center system to determine whether an OHV has been reported as stolen. County clerk and recorder offices will also need to reference their records to determine if there is an outstanding lien on an OHV in the county. Any additional workload for county clerks and law enforcement agencies to verify if an OHV is subject to a lien or is stolen is expected to be minimal and achieved within existing resources.

Technical Defects

Each county maintains its own tracking of liens perfected within its individual county, and information on these liens is not entered into a state motor vehicle system until a certificate of title has been issued to the vehicle. The county clerk where the dealer is located would not be able to sufficiently determine if the OHV is subject to a security interest outside of its jurisdiction, only whether a security interest exists for those liens perfected and filed within their own county.

Effective Date

The bill takes effect August 10, 2016, if the General Assembly adjourns on May 11, 2016, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Counties
Law
Office of Information Technology
Sheriffs

Clerk and Recorders
Municipalities
Public Safety
Transportation

Judicial
Natural Resources
Revenue