



Legislative Council Staff

Research Note

Version: Final

Date: 2/25/2016

Bill Number

House Bill 16-1029

Sponsors

*Representative Becker J.
Senator Cooke*

Short Title

*Kei Vehicle Roadway
Registration For Use*

Research Analyst

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Status

This research note reflects the final version of the bill. The bill was postponed indefinitely by the House Transportation Committee on February 3, 2016.

Summary

The bill, ***recommended by the Transportation Legislation Review Committee***, allows the Department of Revenue (DOR) to title, register, and issue a rear license plate to kei vehicles. A person with a valid driver's license and insurance may operate a registered kei vehicle on a roadway with a posted speed limit of 55 miles per hour (MPH) or less, except on limited access highways.

In order to register the kei vehicle with the DOR, the owner must pay a specific ownership tax (SOT) at the class C personal property rate, a kei vehicle registration fee of \$15, and additional standard material fees. The registration is valid for one year. Vehicle owners must show proof of insurance when registering the vehicle or sign a statement of non-use. Kei vehicles used for agricultural purposes and under other specific circumstances are exempt from registration requirements for on-road use.

The bill defines the features of a kei vehicle and safety equipment requirements that must be met that include having brakes; a head lamp and two tail lights; front and rear turn signals; a windshield with wipers; a rearview mirror; seat belts; and a horn.

Under the bill, it is a class B traffic infraction to operate a kei vehicle on an unauthorized roadway; without proper license, insurance, or registration; or without the required safety equipment.

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The bill classifies kei vehicles as off-highway vehicles (OHVs) and powersports vehicles. Persons selling kei vehicles prior to July 1, 2015, may continue to sell kei vehicles so long as they stay in business. After July 1, 2015, kei vehicles must be sold by licensed powersports vehicle dealers.

Background

National Highway Traffic Safety Administration. The National Highway Traffic Safety Administration (NHTSA) certifies that vehicles meet minimum federal safety and equipment standards. Vehicles that are manufactured to reach speeds over 20 MPH are considered motor vehicles under federal law. NHTSA rulings do not currently certify kei vehicles for use on roadways, as they do not meet the NHTSA safety and equipment standards for motor vehicles.

Unconventional Vehicle Working Group—DOR. In an effort to address the issue of titling and registering unconventional vehicles, the DOR has established the Unconventional Vehicle Working Group. This group reviews titling and registration applications for unconventional vehicles that fall outside the NHTSA certification standards. The group is comprised of Division of Motor Vehicles (DMV) Titles and Registrations Section managers, county clerk and recorder representatives, and Office of Information Technology (OIT) representatives. Generally, these applications are from unconventional vehicle manufacturers, distributors, importers, or dealers seeking to sell unconventional vehicles in Colorado. The group works with the applicant to assist them in obtaining NHTSA certification. In the event that NHTSA certification is unable to be obtained, the group uses NHTSA rules and American Association of Motor Vehicle Administrators best practices to determine if and how to title and register the vehicles in Colorado. Due to NHTSA rulings and current industry practices, the group has currently denied titling and registration of kei vehicles in Colorado.

Emissions standards—Environmental Protection Agency. The federal Environmental Protection Agency (EPA) requires that kei vehicles be permanently modified to have a maximum speed of 25 MPH and, in some instances, a Certificate of Conformity in order to comply with the Clean Air Act (CAA). When imported kei vehicles do not meet EPA emission requirements, U.S. Customs detains or seizes the equipment and works with the EPA to coordinate enforcement on CAA violations; the maximum penalty is \$32,500 for each illegal engine or vehicle. Imported kei vehicles that are altered to be capable of exceeding the 25 MPH threshold must be regulated as motor vehicles under the CAA, subject to state emissions testing.

House Action

House Transportation Committee (February 3, 2016). At the request of the sponsor, the bill was postponed indefinitely.

Relevant Research

Legislative Council Staff, Final Report of the 2015 Transportation Legislation Review Committee, <http://tinyurl.com/zhgjels>.