

**Second Regular Session
Seventy-second General Assembly
STATE OF COLORADO**

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 20-0343.01 Jason Gelender x4330

SENATE BILL 20-051

SENATE SPONSORSHIP

Priola, Moreno, Pettersen, Scott

HOUSE SPONSORSHIP

Valdez A., Catlin, Duran, Froelich, Gray, Hooton

Senate Committees

Transportation & Energy
Finance
Appropriations

House Committees

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**
106 **VEHICLE, AND MAKING AN APPROPRIATION.**

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. The bill

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.

SENATE
Amended 2nd Reading
June 4, 2020

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:

4 (a) Recent national studies have determined that 4% of vehicles
5 on the road in the United States are not properly registered or the

1 registration is expired. In Colorado it is estimated that as many as 4 out
2 of every 10 cars on the road are not properly registered and licensed.

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

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

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

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

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

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

24 (h) The substantial increase in new residents from other states
25 driving vehicles that are not registered in Colorado has contributed to the
26 loss of critical revenue for transportation and other purposes.

27 (i) Despite substantial growth in the number of motor vehicles on

1 Colorado's roads, Colorado has not implemented a periodic license plate
2 replacement program in nearly 30 years.

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

6
7 (k) On average, license plates lose 50% of their reflectivity within
8 5 to 10 years of use and the average age of motor vehicles in Colorado is
9 7 to 10 years.

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

20 **SECTION 2.** In Colorado Revised Statutes, 24-30-2208, **amend**
21 (2)(b) as follows:

22 **24-30-2208. Sale of registration numbers.** (2) (b) Upon
23 receiving the committee's request, the department of revenue shall verify
24 whether the plates are currently issued. FOR PURPOSES OF THIS
25 SUBSECTION (2)(b) AND SUBSECTION (2)(c) OF THIS SECTION, A PLATE
26 THAT EXPIRES DUE TO THE OPERATION OF SECTION 42-3-115 (5)(a) IS
27 CONSIDERED CURRENTLY ISSUED UNTIL THE RIGHT OF THE OWNER OF THE

1 MOTOR VEHICLE TO WHICH THE EXPIRED PLATE WAS AFFIXED TO APPLY TO
2 USE THE REGISTRATION NUMBER OF THE EXPIRED PLATE WHEN
3 REGISTERING ANOTHER MOTOR VEHICLE EXPIRES. If the plate is not
4 currently issued, the department shall reserve the registration number
5 until the committee notifies the department to release the registration
6 number.

7 **SECTION 3.** In Colorado Revised Statutes, 42-3-115, **add** (5) as
8 follows:

9 **42-3-115. Registration upon transfer.** (5) (a) EXCEPT AS
10 OTHERWISE PROVIDED IN SUBSECTION (5)(b) OF THIS SECTION, ON AND
11 AFTER JANUARY 1, 2021, WHENEVER THE OWNER OF A MOTOR VEHICLE
12 THAT IS CLASS C PERSONAL PROPERTY, AS DEFINED IN SECTION 42-3-106
13 (2)(c), TRANSFERS OR ASSIGNS THE OWNER'S TITLE OR INTEREST, THE
14 NUMBER PLATES ISSUED TO THE OWNER FOR THE VEHICLE EXPIRE AND MAY
15 NOT BE TRANSFERRED TO ANY OTHER MOTOR VEHICLE. AN OWNER OF A
16 MOTOR VEHICLE WHOSE NUMBER PLATES THAT EXPIRE DUE TO THE
17 OPERATION OF THIS SUBSECTION (5)(a) ARE PERSONALIZED LICENSE
18 PLATES ISSUED PURSUANT TO SECTION 42-3-211 RETAINS THE PRIORITY
19 RIGHT TO USE THE COMBINATION OF LETTERS OR NUMBERS DISPLAYED ON
20 THE EXPIRED PERSONALIZED LICENSE PLATES TO THE EXTENT PROVIDED
21 FOR IN SECTION 42-3-211 AND MAY, AFTER SURRENDERING THE EXPIRED
22 PERSONALIZED LICENSE PLATES TO THE DEPARTMENT, APPLY FOR
23 IDENTICAL PERSONALIZED LICENSE PLATES IN THE MANNER SPECIFIED IN
24 SECTION 42-3-211 WHEN REGISTERING ANOTHER MOTOR VEHICLE. IN
25 ADDITION, AN OWNER OF A VEHICLE WHOSE NUMBER PLATES THAT EXPIRE
26 DUE TO THE OPERATION OF THIS SUBSECTION (5)(a) WERE NOT ORIGINALLY
27 ISSUED AS PERSONALIZED LICENSED PLATES, BUT WHO WISHES TO RETAIN

1 THE SAME COMBINATION OF LETTERS OR NUMBERS DISPLAYED ON THE
2 EXPIRED LICENSE PLATES RETAINS THE PRIORITY RIGHT TO USE THE
3 COMBINATION AND MAY, AFTER SURRENDERING THE EXPIRED PLATES TO
4 THE DEPARTMENT, APPLY FOR PERSONALIZED LICENSE PLATES WITH THE
5 COMBINATION IN THE MANNER SPECIFIED IN SECTION 42-3-211 WHEN
6 REGISTERING ANOTHER MOTOR VEHICLE.

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

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

14 **42-3-211. Issuance of personalized plates authorized.** (5) An
15 applicant for issuance of personalized license plates or renewal of such
16 plates shall apply in such form and by such date as the department may
17 require, indicating thereon the combination of letters or numbers
18 requested as a registration number. There shall be no duplication of
19 registration numbers, and the department may refuse to issue any
20 combination of letters or numbers that carry connotations offensive to
21 good taste and decency, are misleading, or duplicate any other license
22 plates provided for in this article **3**. THE DEPARTMENT SHALL APPROVE
23 ANY APPLICATION FOR PERSONALIZED LICENSE PLATES RECEIVED FROM AN
24 INDIVIDUAL WHO WISHES TO RETAIN THE SAME COMBINATION OF LETTERS
25 OR NUMBERS DISPLAYED ON THE INDIVIDUAL'S LICENSE PLATES THAT
26 EXPIRED DUE TO THE OPERATION OF SECTION 42-3-115 (5)(a) AND WHO
27 HAS SURRENDERED THE EXPIRED PLATES TO THE DEPARTMENT UNLESS THE

1 DEPARTMENT DETERMINES THAT THE COMBINATION IS MISLEADING OR
2 DUPLICATES ANOTHER REGISTRATION NUMBER OR THAT, DUE TO
3 EVOLVING SOCIAL MORES, THE COMBINATION, DESPITE HAVING
4 PREVIOUSLY BEEN ISSUED, CARRIES CONNOTATIONS OFFENSIVE TO GOOD
5 TASTE OR DECENCY.

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

8 **42-3-301. License plate cash fund - license plate fees.**

9 (2) (a) The fees imposed pursuant to subsection (1) of this section ~~shall~~
10 ~~be~~ ARE limited to the amount necessary to recover the costs of the
11 production and distribution of any license plates, decals, or validating tabs
12 issued pursuant to this article 3 and the related support functions provided
13 to the department of revenue by the division AND THE AMOUNT OF ANY
14 GENERAL FUND APPROPRIATION FOR STATE FISCAL YEAR 2020-21 MADE TO
15 IMPLEMENT SENATE BILL 20-051, ENACTED IN 2020. WHEN THE BALANCE
16 OF THE LICENSE PLATE CASH FUND CREATED IN SUBSECTION (1)(b) OF THIS
17 SECTION BECOMES SUFFICIENT TO COVER ALL OF THE COSTS DESCRIBED IN
18 SUBSECTION (1)(b) OF THIS SECTION AND TO REPAY THE AMOUNT OF ANY
19 GENERAL FUND APPROPRIATION FOR STATE FISCAL YEAR 2020-21 MADE TO
20 IMPLEMENT SENATE BILL 20-051, ENACTED IN 2020, THE EXECUTIVE
21 DIRECTOR SHALL INSTRUCT THE STATE TREASURER TO TRANSFER AN
22 AMOUNT EQUAL TO THE AMOUNT OF THE APPROPRIATION FROM THE
23 LICENSE PLATE CASH FUND TO THE GENERAL FUND. The correctional
24 industries advisory committee, established pursuant to section 17-24-104
25 (2), shall annually review and recommend to the director of the division
26 the amounts of the fees to be imposed pursuant to subsection (1) of this
27 section. The director of the division, in cooperation and consultation with

1 the department of revenue and the office of state planning and budgeting,
2 shall annually establish the amounts of the fees imposed pursuant to
3 subsection (1) of this section to recover the division's costs pursuant to
4 this subsection (2).

5 **SECTION 6. Appropriation.** For the 2020-21 state fiscal year,
6 \$9,000 is appropriated to the department of revenue for use by the
7 division of motor vehicles. This appropriation is from the Colorado
8 DRIVES vehicle services account in the highway users tax fund created
9 in section 42-1-211 (2)(b)(I), C.R.S. To implement this act, the division
10 may use this appropriation for DRIVES maintenance and support.

11 **SECTION 7. Act subject to petition - effective date.** This act
12 takes effect January 1, 2021; except that, if a referendum petition is filed
13 pursuant to section 1 (3) of article V of the state constitution against this
14 act or an item, section, or part of this act within the ninety-day period
15 after final adjournment of the general assembly, then the act, item,
16 section, or part will not take effect unless approved by the people at the
17 general election to be held in November 2020 and, in such case, will take
18 effect January 1, 2021, or on the date of the official declaration of the
19 vote thereon by the governor, whichever is later.