

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 22-1006.01 Jery Payne x2157

HOUSE BILL 22-1388

HOUSE SPONSORSHIP

Valdez A.,

SENATE SPONSORSHIP

(None),

House Committees

Transportation & Local Government

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE REGULATION OF VEHICLES RELATED TO THEIR
102 OWNERSHIP.

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>.)

Current law allows the department of revenue (department) to register a vehicle for less than a year so that all the vehicle owner's registrations for all of the owner's vehicles expire at the same time. The taxes and fees are prorated. **Section 2** of the bill clarifies that the surcharges are also prorated.

Current law sets the late registration fee for camper trailers and

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.

multipurpose trailers at \$10. **Section 3** sets trailer coaches at the same late registration fee.

Current law prohibits transferring a license plate with a vehicle, but exempts certain plates. **Section 4** adds distinctive special license plates, group special license plates, and special alumni license plates to the exemption.

Section 5 clarifies that the owner of an inoperable vehicle undergoing maintenance, repair, restoration, rebuilding, or renovation must pay an annual specific ownership tax. Upon payment of the tax, the owner will receive evidence of registration to affix to the vehicle, such as a license plate or decal, and isn't charged surcharges or fees if the owner keeps the vehicle on private property for the purposes of maintenance, repair, restoration, rebuilding, or renovation.

Senate Bill 22-108 requires the owner of a truck to present a certified scale ticket showing the weight of the truck if the truck is subject to certain weight-based fees, has not been modified, and weighs between 4,500 pounds and 10,000 pounds. **Section 6** amends Senate Bill 22-108 to authorize the owner to present a manufacturer's certificate of origin, certificate of title, certified scale ticket, or other documents or systems as determined by rule.

Under current law, the department uses a table to compute certain registration fees that are based on weight for vehicles that weigh less than 10,000 pounds. **Section 7** lowers this weight to 6,000 pounds.

Current law requires an applicant for a certificate of title for a motor or off-highway vehicle to provide any lien document as an original or as a copy, which must be certified by the lienholder to be a true copy of the original lien. Similarly, a lienholder that is filing a lien must file any lien document as an original or a copy, which the lienholder must certify is a true copy. **Sections 8, 9, and 10** repeal the requirement that the lienholder certify the copy. **Sections 8 and 10** also remove language that says that vehicle lien filings are public records.

To release a lien on a motor or off-highway vehicle, current law requires the lienholder to file a lien release, which must include a written declaration that is made under penalty of perjury. **Section 11** adds an option that the lienholder may file a notarized declaration.

Current law requires a motor vehicle dealer to pay a \$25 fee to the executive director of the department of revenue (department) for a certificate of title. **Section 12** clarifies that the fee can be paid to a county clerk or third-party vendor, which is typically the entity that is processing the transaction. **Section 13** splits this \$25 dollar fee, if paid to the county clerk, so that the county clerk retains \$21.80 and forwards the rest to the department.

Current law requires a vehicle owner to obtain a bonded certificate of title if the vehicle owner cannot present the ordinary proof of ownership. To obtain a title in lieu of a bonded title on a collector's item,

street-rod vehicle, or horseless carriage of 25 years old or older, the applicant must present, among other things, a notarized bill of sale. **Section 14** repeals the requirement that the bill of sale be notarized.

To register a motor vehicle, current law requires vehicle owners to pay a road safety surcharge and a bridge safety surcharge. **Section 15** sets the road safety surcharge at \$16 for trailer coaches, which are trailers that are at least 26 feet long and used for temporary living quarters. **Section 16** sets the bridge safety surcharge at \$13 for trailer coaches.

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

2 **SECTION 1.** In Colorado Revised Statutes, 42-1-102, **add** (44.5)
3 as follows:

4 **42-1-102. Definitions.** As used in articles 1 to 4 of this title 42,
5 unless the context otherwise requires:

6 (44.5) "INOPERABLE VEHICLE" MEANS A VEHICLE THAT IS NOT
7 ROADWORTHY, AS DEFINED IN SECTION 42-6-102 (15).

8 **SECTION 2.** In Colorado Revised Statutes, 42-3-102, **amend**
9 (3)(a) as follows:

10 **42-3-102. Periodic registration - rules.** (3) (a) The department
11 may register vehicles at intervals of less than one year upon payment of
12 the appropriate registration ~~fee~~ FEES, SURCHARGES, and specific
13 ownership tax in order to allow the owner of more than one vehicle to
14 provide for the owner's vehicle registrations to expire simultaneously. The
15 owner of a vehicle that is eligible as determined by the authorized agent
16 may elect a registration pursuant to this subsection (3). The department
17 may adopt ~~such~~ rules as ~~deemed~~ necessary for the administration of this
18 subsection (3).

19 **SECTION 3.** In Colorado Revised Statutes, 42-3-112, **amend**
20 (1.7) as follows:

21 **42-3-112. Failure to pay tax - penalty - rules.**

1 (1.7) (a) Notwithstanding ~~the provisions of~~ subsection (1) of this section,
2 ~~on and after July 1, 2010, the amount of the late fee payable by the owner~~
3 of THE FOLLOWING VEHICLES THAT ARE SUBJECT TO TAXATION UNDER
4 THIS ARTICLE 3 WHO FAILS TO REGISTER THE VEHICLE WHEN REQUIRED BY
5 LAW SHALL PAY A LATE FEE OF TEN DOLLARS:

6 (I) A vehicle without motive power that weighs sixteen thousand
7 pounds or less; or

8 (II) A camper trailer, TRAILER COACH, or a multipurpose trailer
9 regardless of its weight. ~~that is subject to taxation under this article, and~~
10 ~~that is not registered when required by law shall be ten dollars.~~

11 (b) For purposes of this subsection (1.7), the weight of a trailer of
12 any kind is the empty weight.

13 **SECTION 4.** In Colorado Revised Statutes, 42-3-115, **amend**
14 (5)(b) as follows:

15 **42-3-115. Registration upon transfer.** (5) (b) Subsection (5)(a)
16 of this section does not apply to the transfer or assignment of an owner's
17 title or interest in Class C personal property that has number plates:

18 (I) That are personalized license plates issued in accordance with
19 section 42-3-211, DISTINCTIVE SPECIAL LICENSE PLATES, GROUP SPECIAL
20 LICENSE PLATES, OR SPECIAL ALUMNI LICENSE PLATES ISSUED IN
21 ACCORDANCE WITH SECTION 42-3-214; or

22 (II) That have a valuable registration number that has been
23 reserved for use under the "Laura Hershey Disability Support Act", part
24 22 of article 30 of title 24.

25 **SECTION 5.** In Colorado Revised Statutes, **add** 42-3-118.5 as
26 follows:

27 **42-3-118.5. Inoperable vehicle - rules.** (1) AN OWNER OF AN

1 INOPERABLE VEHICLE THAT IS NOT DRIVEN ON ROADWAYS AND IS
2 UNDERGOING MAINTENANCE, REPAIR, RESTORATION, REBUILDING, OR
3 RENOVATION SHALL PAY THE ANNUAL SPECIFIC OWNERSHIP TAX ON THE
4 VEHICLE AS PROVIDED IN SECTION 42-3-106.

5 (2) UPON PAYMENT OF THE SPECIFIC OWNERSHIP TAX FOR A
6 VEHICLE DESCRIBED IN SUBSECTION (1) OF THIS SECTION, THE
7 DEPARTMENT SHALL ISSUE TO THE OWNER OF THE VEHICLE A LICENSE
8 PLATE, STICKER, DECAL, OR OTHER EVIDENCE OF THE PAYMENT AS MAY BE
9 PRESCRIBED BY THE EXECUTIVE DIRECTOR OF THE DEPARTMENT BY RULE.
10 WHEN THE LICENSE PLATE OR OTHER EVIDENCE OF PAYMENT IS AFFIXED
11 TO THE VEHICLE, THE OWNER OF THAT VEHICLE MAY STORE THE VEHICLE
12 ON PRIVATE PROPERTY FOR THE PURPOSES OF MAINTENANCE, REPAIR,
13 RESTORATION, REBUILDING, OR RENOVATION.

14 **SECTION 6.** In Colorado Revised Statutes, 42-3-304, **amend as**
15 **amended by Senate Bill 22-108** (17)(a)(II) introductory portion as
16 follows:

17 **42-3-304. Registration fees - passenger-mile taxes - clean**
18 **screen fund - pilot program - report - rules - definitions.**

19 (17) (a) (II) The owner OF A TRUCK shall present to the authorized agent
20 a manufacturer's certificate of origin, A CERTIFICATE OF TITLE, A
21 CERTIFIED SCALE TICKET, OR OTHER APPROVED DOCUMENT OR SYSTEM, AS
22 ANY OF THESE OPTIONS IS REQUIRED OR AUTHORIZED BY RULE, if ~~a~~ THE
23 truck:

24 **SECTION 7.** In Colorado Revised Statutes, 42-3-306, **amend**
25 (13) as follows:

26 **42-3-306. Registration fees - passenger and passenger-mile**
27 **taxes - fee schedule.** (13) The annual registration fee for a

1 noncommercial or recreational vehicle, except a motor home, operated on
2 the public highways of this state with an empty weight of ~~ten~~ SIX
3 thousand pounds or less ~~shall be~~ IS computed according to the schedule
4 provided in subsection (5) of this section, and, for a noncommercial or
5 recreational vehicle exceeding ~~ten~~ SIX thousand pounds, the fee ~~shall be~~
6 IS twenty-four dollars and fifty cents plus sixty cents for each one hundred
7 pounds in excess of four thousand five hundred pounds.

8 **SECTION 8.** In Colorado Revised Statutes, 42-6-115, **amend**
9 (1)(a)(III)(D) and (1)(d) as follows:

10 **42-6-115. Furnishing bond for certificates.** (1) (a) If the
11 applicant for a certificate of title to a motor or off-highway vehicle is
12 unable to provide the director or the authorized agent with a certificate of
13 title duly transferred to the applicant or other evidence of ownership
14 satisfactory to the director as specified in rules established under section
15 42-6-104, the director or the authorized agent may file a certificate of title
16 for the vehicle if the applicant furnishes the director or the authorized
17 agent with a statement, in a form specified by the director, that contains:

18 (III) Other information as the director may require to determine:

19 (D) Where the liens are of ~~public~~ record; and

20 (d) Upon receipt of an application by the owner of a motor or
21 off-highway vehicle that is subject to a lien or mortgage, the authorized
22 agent shall not issue a certificate of title unless the owner includes a
23 signed original or signed duplicate of the mortgage or copy ~~thereof,~~
24 ~~certified by the holder of the mortgage or the holder's agent to be a true~~
25 ~~copy of the signed original mortgage~~ OF THE MORTGAGE. Upon receiving
26 the mortgage, the authorized agent shall comply with sections 42-6-121
27 (2), 42-6-122, and 42-6-123 concerning the lien or mortgage.

1 **SECTION 9.** In Colorado Revised Statutes, 42-6-116, **amend** (2)
2 as follows:

3 **42-6-116. Applications for filing of certificates of title - rules.**

4 (2) Upon receipt of an application by the owner of a motor or
5 off-highway vehicle that is subject to a lien or mortgage, the authorized
6 agent shall not issue a certificate of title unless the owner includes a
7 signed original or signed duplicate of the mortgage or copy thereof,
8 ~~certified by the holder of the mortgage or the holder's agent to be a true~~
9 ~~copy of the signed original~~ OF THE mortgage. Upon receiving the
10 mortgage, the authorized agent shall comply with sections 42-6-121 (2),
11 42-6-122, and 42-6-123 concerning the lien or mortgage.

12 **SECTION 10.** In Colorado Revised Statutes, 42-6-121, **amend**
13 (1), (2)(a) introductory portion, and (2)(a)(V) as follows:

14 **42-6-121. Filing of mortgage - rules.** (1) The holder of a chattel
15 mortgage on a motor or off-highway vehicle desiring to secure the rights
16 provided for in this part 1 and to have the existence of the mortgage and
17 the fact of the filing of the mortgage ~~for public record~~ noted in the filing
18 of the certificate of title to the encumbered vehicle must present the
19 signed original or signed duplicate of the mortgage or copy of the
20 mortgage ~~certified by the holder of the mortgage or the holder's agent to~~
21 ~~be a true copy of the signed original mortgage~~, and the certificate of title
22 or application for certificate of title to the vehicle encumbered to the
23 authorized agent of the director in the county or city and county in which
24 the mortgagor of the vehicle resides or where the vehicle is located. The
25 holder may file either with paper documents or electronically. The
26 mortgage or refinancing of a loan secured by a mortgage must state the
27 name and address of the debtor; the name and address of the mortgagee

1 or name of the mortgagee's assignee; the make, vehicle identification
2 number, and year of manufacture of the mortgaged vehicle; and the date
3 and amount of the loan secured by the mortgage. An owner of a motor or
4 off-highway vehicle applying for a certificate of title under section
5 42-6-115, 42-6-116, or 42-6-119 is deemed to have filed under this
6 section on behalf of the mortgage or lienholder.

7 (2) (a) Upon the receipt of the electronic, original, or duplicate
8 mortgage ~~or certified copy of the mortgage~~ and certificate of title or
9 application for certificate of title, the authorized agent, if satisfied that the
10 vehicle described in the mortgage is the same as that described in the
11 certificate of title or filed title, shall file within the director's authorized
12 agent's motor and off-highway vehicle database:

13 (V) The day and year on which the mortgage was filed; ~~for public~~
14 ~~record~~; and

15 **SECTION 11.** In Colorado Revised Statutes, 42-6-125, **amend**
16 (1) introductory portion as follows:

17 **42-6-125. Release of mortgages - rules.** (1) Upon the payment
18 or discharge of the undertaking secured by a mortgage on a motor or
19 off-highway vehicle that has been filed for record under section 42-6-121,
20 the legal holder, on a form approved by the director, shall notify the
21 director or authorized agent of the discharge of the obligation and release
22 of the mortgage securing the obligation and set forth in the notice the
23 facts concerning the right of the holder to release the mortgage as the
24 director may require by rule. The lienholder shall include in the notice of
25 satisfaction and release a signed affirmation, noted in the certificate of
26 title on file with the director or the ~~director's~~ authorized agent, that
27 contains or is accompanied by A NOTARIZED DECLARATION OR a written

1 declaration that it is made under the penalties of perjury in the second
2 degree, as defined in section 18-8-503. ~~C.R.S.~~ Thereupon, the holder of
3 the released mortgage shall dispose of the certificate of title as follows:

4 **SECTION 12.** In Colorado Revised Statutes, 42-6-137, **amend**
5 (6) as follows:

6 **42-6-137. Fees.** (6) Upon filing with the director OR AUTHORIZED
7 AGENT an application for a certificate of title, a motor or off-highway
8 vehicle dealer who applies to receive a certificate of title ~~within one~~
9 ~~working day after application~~ shall pay to the director OR AUTHORIZED
10 AGENT a fee of twenty-five dollars.

11 **SECTION 13.** In Colorado Revised Statutes, 42-6-138, **amend**
12 (4) as follows:

13 **42-6-138. Disposition of fees.** (4) (a) The ~~director~~ DEPARTMENT
14 shall credit the fee paid by a motor or off-highway vehicle dealer pursuant
15 to section 42-6-137 (6) for issuance of a certificate of title ~~within one~~
16 ~~working day after application~~ to the ~~special purpose~~ COLORADO DRIVES
17 VEHICLE SERVICES account ~~established by~~ CREATED IN section 42-1-211
18 (2).

19 (b) OF THE FEES RECEIVED BY AN AUTHORIZED AGENT IN
20 ACCORDANCE WITH SECTION 42-6-137 (6), THE AUTHORIZED AGENT
21 SHALL:

22 (I) RETAIN TWENTY-ONE DOLLARS AND EIGHTY CENTS; AND

23 (II) TRANSMIT THREE DOLLARS AND TWENTY CENTS TO THE STATE
24 TREASURER, WHO SHALL CREDIT THE AMOUNT TO THE COLORADO
25 DRIVES VEHICLE SERVICES ACCOUNT CREATED IN SECTION 42-1-211 (2).

26 **SECTION 14.** In Colorado Revised Statutes, 42-12-103, **amend**
27 (1) as follows:

1 **42-12-103. Furnishing bond for certificates.** (1) If a collector's
2 item, street-rod vehicle, or horseless carriage is twenty-five years old or
3 older, the applicant has had a certified vehicle identification number
4 inspection performed on the vehicle, and the applicant presents a
5 ~~notarized~~ bill of sale within twenty-four months after the sale with the
6 title application, then the applicant need not furnish surety under section
7 42-6-115 (3). To be excepted from the surety requirement, an applicant
8 shall submit to the department a sworn affidavit, under penalty of perjury,
9 stating that the required documents submitted are true and correct.

10 **SECTION 15.** In Colorado Revised Statutes, 43-4-804, **amend**
11 (1) introductory portion and (1)(a)(I)(A) as follows:

12 **43-4-804. Highway safety projects - surcharges and fees -**
13 **crediting of money to highway users tax fund - definition.** (1) ~~On and~~
14 ~~after July 1, 2009~~ The following surcharges, fees, and fines shall be
15 collected and credited to the highway users tax fund created in section
16 43-4-201 (1)(a) and allocated to the state highway fund, counties, and
17 municipalities as specified in section 43-4-205 (6.3):

18 (a) (I) A road safety surcharge, which, except as otherwise
19 provided in subsections (1)(a)(III) and (1)(a)(VI) of this section, is
20 imposed for any registration period that commences on or after July 1,
21 2009, upon the registration of any vehicle for which a registration fee
22 must be paid pursuant to part 3 of article 3 of title 42 and is also imposed
23 upon any item of special mobile machinery that is covered by a
24 registration exempt certificate issued by the department of revenue in
25 accordance with section 42-3-107 (16)(g). Except as otherwise provided
26 in subsections (1)(a)(IV), (1)(a)(V), and (1)(a)(VIII) of this section, the
27 amount of the surcharge is:

1 (A) Sixteen dollars for a motorcycle, as defined in section
2 42-1-102 (55); A TRAILER COACH, AS DEFINED IN SECTION 42-1-102 (106);
3 or any vehicle that weighs two thousand pounds or less;

4 **SECTION 16.** In Colorado Revised Statutes, 43-4-805, **amend**
5 (5)(g)(I)(A); and **amend as it will become effective July 1, 2022,**
6 (5)(g)(I) introductory portion as follows:

7 **43-4-805. Statewide bridge enterprise - creation - board -**
8 **funds - powers and duties - legislative declaration - definition.** (5) In
9 addition to any other powers and duties specified in this section, the
10 bridge enterprise board has the following powers and duties:

11 (g) (I) As necessary for the achievement of its business purpose,
12 to impose a bridge safety surcharge, which, except as otherwise provided
13 in subsections (5)(g)(III) and (5)(g)(VII) of this section, is imposed on
14 and after July 1, 2009, for any registration period that commences on or
15 after July 1, 2009, or on and after such later date as may be determined by
16 the bridge enterprise, for any registration period that commences on or
17 after the later date, upon the registration of any vehicle for which a
18 registration fee must be paid pursuant to ~~the provisions of~~ part 3 of article
19 3 of title 42 and ~~shall also be~~ IS ALSO imposed upon any item of special
20 mobile machinery that is covered by a registration exempt certificate
21 issued by the department of revenue in accordance with section 42-3-107
22 (16)(g). Except as otherwise provided in subsections (5)(g)(IV),
23 (5)(g)(V), and (5)(g)(VI) of this section, the amount of the surcharge must
24 not exceed:

25 (A) Thirteen dollars for a motorcycle, as defined in section
26 42-1-102 (55); A TRAILER COACH, AS DEFINED IN SECTION 42-1-102 (106);
27 or any vehicle that weighs two thousand pounds or less;

1 **SECTION 17. Act subject to petition - effective date -**
2 **applicability.** (1) This act takes effect January 1, 2023; except that, if a
3 referendum petition is filed pursuant to section 1 (3) of article V of the
4 state constitution against this act or an item, section, or part of this act
5 within the ninety-day period after final adjournment of the general
6 assembly, then the act, item, section, or part will not take effect unless
7 approved by the people at the general election to be held in November
8 2022 and, in such case, will take effect January 1, 2023, or on the date of
9 the official declaration of the vote thereon by the governor, whichever is
10 later.
11 (2) This act applies to applications made and amounts collected
12 on or after the applicable effective date of this act.