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HOUSE BILL 22-1388

BY REPRESENTATIVE(S) Valdez A., Bennett, Hooton, Jodeh, Kipp, Lindsay;
also SENATOR(S) Priola and Winter, Hinrichsen, Kolker.

CONCERNING THE REGULATION OF VEHICLES RELATED TO THEIR OWNERSHIP,
AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

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

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

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

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

42-3-102. Periodic registration - rules. (3) (a) The department

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

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

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

42-3-112. Failure to pay tax - penalty - rules. (1.7) (a) Notwithstanding ~~the provisions of~~ subsection (1) of this section, ~~on and after July 1, 2010, the amount of the late fee payable by the owner of THE FOLLOWING VEHICLES THAT ARE SUBJECT TO TAXATION UNDER THIS ARTICLE 3 WHO FAILS TO REGISTER THE VEHICLE WHEN REQUIRED BY LAW SHALL PAY A LATE FEE OF TEN DOLLARS:~~

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

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

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

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

42-3-115. Registration upon transfer. (5) (a) Except as otherwise provided in subsections (5)(b) and (5)(c) of this section, on and after January 1, 2022, whenever the owner of a motor vehicle that is Class C personal property, as defined in section 42-3-106 (2)(c), transfers or assigns the owner's title or interest, the number plates issued to the owner for the vehicle expire and shall not be transferred BY THE DEPARTMENT to any other motor vehicle. ~~WHENEVER THE OWNER OF A MOTOR VEHICLE THAT IS CLASS B PERSONAL PROPERTY, AS DEFINED IN SECTION 42-3-106 (2)(b), CLASS D PERSONAL PROPERTY, AS DEFINED IN SECTION 42-3-106 (2)(d), OR CLASS F~~

PERSONAL PROPERTY, AS DEFINED IN SECTION 42-3-106 (2)(e), TRANSFERS OR ASSIGNS THE OWNER'S TITLE OR INTEREST, THE NUMBER PLATES ISSUED TO THE OWNER FOR THE VEHICLE EXPIRE AND SHALL NOT BE TRANSFERRED BY THE DEPARTMENT TO ANY OTHER MOTOR VEHICLE. An owner of a motor vehicle whose number plates expire due to the operation of this subsection (5)(a) who wishes to retain the same combination of letters or numbers displayed on the expired license plates retains the priority right to use the combination and may, after surrendering the expired plates to the department, apply for personalized license plates with the combination in the manner specified in section 42-3-211 when registering another motor vehicle.

(b) Subsection (5)(a) of this section does not apply to the transfer or assignment of an owner's title or interest in ~~Class C~~ CLASS B, CLASS C, AND CLASS D personal property that has number plates:

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

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

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

42-3-118.5. Inoperable vehicle - rules. (1) AN OWNER OF AN INOPERABLE VEHICLE THAT IS NOT DRIVEN ON ROADWAYS AND IS UNDERGOING MAINTENANCE, REPAIR, RESTORATION, REBUILDING, OR RENOVATION SHALL PAY THE ANNUAL SPECIFIC OWNERSHIP TAX ON THE VEHICLE AS PROVIDED IN SECTION 42-3-106.

(2) UPON PAYMENT OF THE SPECIFIC OWNERSHIP TAX FOR A VEHICLE DESCRIBED IN SUBSECTION (1) OF THIS SECTION, THE DEPARTMENT SHALL ISSUE TO THE OWNER OF THE VEHICLE A LICENSE PLATE, STICKER, DECAL, OR OTHER EVIDENCE OF THE PAYMENT AS MAY BE PRESCRIBED BY THE EXECUTIVE DIRECTOR OF THE DEPARTMENT BY RULE. WHEN THE LICENSE PLATE OR OTHER EVIDENCE OF PAYMENT IS AFFIXED TO THE VEHICLE, THE

OWNER OF THAT VEHICLE MAY STORE THE VEHICLE ON PRIVATE PROPERTY FOR THE PURPOSES OF MAINTENANCE, REPAIR, RESTORATION, REBUILDING, OR RENOVATION.

SECTION 6. In Colorado Revised Statutes, **add** 42-3-266 as follows:

42-3-266. Special plates - one hundred fiftieth anniversary.

(1) BEGINNING ON OR AFTER AUGUST 1, 2023, AND BEFORE AUGUST 1, 2027, THE DEPARTMENT SHALL ISSUE SPECIAL LICENSE PLATES TO QUALIFIED APPLICANTS IN ACCORDANCE WITH THIS SECTION FOR MOTORCYCLES, PASSENGER CARS, TRUCKS, OR NONCOMMERCIAL OR RECREATIONAL MOTOR VEHICLES THAT DO NOT EXCEED SIXTEEN THOUSAND POUNDS EMPTY WEIGHT. A PERSON WHO HAS BEEN ISSUED A LICENSE PLATE UNDER THIS SECTION MAY CONTINUE TO USE THE PLATE AFTER AUGUST 1, 2027.

(2) (a) THERE IS HEREBY ESTABLISHED THE ONE HUNDRED FIFTIETH ANNIVERSARY OF STATEHOOD LICENSE PLATE.

(b) THE DEPARTMENT SHALL HOLD A COMPETITION TO DESIGN A SPECIAL LICENSE PLATE TO COMMEMORATE THE ONE HUNDRED FIFTIETH ANNIVERSARY OF COLORADO BECOMING A STATE. THE DEPARTMENT SHALL CLOSE THE COMPETITION BY FEBRUARY 1, 2023, AND CHOOSE A DESIGN BY MARCH 1, 2023.

(c) A PERSON MAY APPLY FOR A ONE HUNDRED FIFTIETH ANNIVERSARY OF STATEHOOD LICENSE PLATE IF THE PERSON PAYS THE TAXES AND FEES REQUIRED UNDER THIS SECTION.

(3) THE AMOUNT OF THE TAXES AND FEES FOR SPECIAL LICENSE PLATES UNDER THIS SECTION IS THE SAME AS THE AMOUNT OF THE TAXES AND FEES FOR REGULAR MOTOR VEHICLE LICENSE PLATES.

(4) A QUALIFIED APPLICANT MAY APPLY TO THE DEPARTMENT FOR PERSONALIZED ONE HUNDRED FIFTIETH ANNIVERSARY OF STATEHOOD LICENSE PLATES. UPON PAYMENT OF THE ADDITIONAL FEE REQUIRED BY SECTION 42-3-211 (6)(a) FOR PERSONALIZED LICENSE PLATES, THE DEPARTMENT MAY ISSUE THE PLATES IF THE QUALIFIED APPLICANT COMPLIES WITH SECTION 42-3-211. IF A QUALIFIED APPLICANT HAS EXISTING PERSONALIZED LICENSE PLATES FOR A MOTOR VEHICLE, THE APPLICANT MAY

TRANSFER THE COMBINATION OF LETTERS OR NUMBERS TO A NEW SET OF ONE HUNDRED FIFTIETH ANNIVERSARY OF STATEHOOD LICENSE PLATES FOR THE VEHICLE UPON PAYING THE FEE REQUIRED BY SECTION 42-3-211 (6)(a) AND UPON TURNING IN THE EXISTING PLATES TO THE DEPARTMENT. A PERSON WHO HAS OBTAINED PERSONALIZED LICENSE PLATES UNDER THIS SUBSECTION (4) MUST PAY THE ANNUAL FEE IMPOSED BY SECTION 42-3-211 (6)(b) FOR RENEWAL OF THE PERSONALIZED PLATES. THE FEES UNDER THIS SUBSECTION (4) ARE IN ADDITION TO ALL OTHER APPLICABLE TAXES AND FEES.

SECTION 7. In Colorado Revised Statutes, 42-3-304, **amend as amended by Senate Bill 22-108** (17)(a)(II) introductory portion as follows:

42-3-304. Registration fees - passenger-mile taxes - clean screen fund - pilot program - report - rules - definitions. (17) (a) (II) The owner OF A TRUCK shall present to the authorized agent a manufacturer's certificate of origin, A CERTIFICATE OF TITLE, A CERTIFIED SCALE TICKET, OR OTHER APPROVED DOCUMENT OR SYSTEM, AS ANY OF THESE OPTIONS IS REQUIRED OR AUTHORIZED BY RULE, if a THE truck:

SECTION 8. In Colorado Revised Statutes, 42-3-306, **amend** (13) as follows:

42-3-306. Registration fees - passenger and passenger-mile taxes - fee schedule. (13) The annual registration fee for a noncommercial or recreational vehicle, except a motor home, operated on the public highways of this state with an empty weight of ~~ten~~ SIX thousand pounds or less ~~shall be~~ IS computed according to the schedule provided in subsection (5) of this section, and, for a noncommercial or recreational vehicle exceeding ~~ten~~ SIX thousand pounds, the fee ~~shall be~~ IS twenty-four dollars and fifty cents plus sixty cents for each one hundred pounds in excess of four thousand five hundred pounds.

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

42-6-115. Furnishing bond for certificates. (1) (a) If the applicant for a certificate of title to a motor or off-highway vehicle is unable to provide the director or the authorized agent with a certificate of title duly transferred to the applicant or other evidence of ownership satisfactory to

the director as specified in rules established under section 42-6-104, the director or the authorized agent may file a certificate of title for the vehicle if the applicant furnishes the director or the authorized agent with a statement, in a form specified by the director, that contains:

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

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

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

SECTION 10. In Colorado Revised Statutes, 42-6-116, **amend** (2) as follows:

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

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

SECTION 11. In Colorado Revised Statutes, 42-6-121, **amend** (1), (2)(a) introductory portion, and (2)(a)(V) as follows:

42-6-121. Filing of mortgage - rules. (1) The holder of a chattel mortgage on a motor or off-highway vehicle desiring to secure the rights provided for in this part 1 and to have the existence of the mortgage and the fact of the filing of the mortgage for public record noted in the filing of the certificate of title to the encumbered vehicle must present the signed original or signed duplicate of the mortgage or copy of the mortgage

~~certified by the holder of the mortgage or the holder's agent to be a true copy of the signed original mortgage,~~ and the certificate of title or application for certificate of title to the vehicle encumbered to the authorized agent of the director in the county or city and county in which the mortgagor of the vehicle resides or where the vehicle is located. The holder may file either with paper documents or electronically. The mortgage or refinancing of a loan secured by a mortgage must state the name and address of the debtor; the name and address of the mortgagee or name of the mortgagee's assignee; the make, vehicle identification number, and year of manufacture of the mortgaged vehicle; and the date and amount of the loan secured by the mortgage. An owner of a motor or off-highway vehicle applying for a certificate of title under section 42-6-115, 42-6-116, or 42-6-119 is deemed to have filed under this section on behalf of the mortgage or lienholder.

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

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

SECTION 12. In Colorado Revised Statutes, 42-6-125, **amend** (1) introductory portion as follows:

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

section 18-8-503. ~~C.R.S.~~ Thereupon, the holder of the released mortgage shall dispose of the certificate of title as follows:

SECTION 13. In Colorado Revised Statutes, 42-6-137, **amend** (6) as follows:

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

SECTION 14. In Colorado Revised Statutes, 42-6-138, **amend** (4) as follows:

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

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

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

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

SECTION 15. In Colorado Revised Statutes, 42-12-103, **amend** (1) as follows:

42-12-103. Furnishing bond for certificates. (1) If a collector's item, street-rod vehicle, or horseless carriage is twenty-five years old or older, the applicant has had a certified vehicle identification number inspection performed on the vehicle, and the applicant presents a ~~notarized~~ bill of sale within twenty-four months after the sale with the title application, then the applicant need not furnish surety under section 42-6-115 (3). To be excepted from the surety requirement, an applicant

shall submit to the department a sworn affidavit, under penalty of perjury, stating that the required documents submitted are true and correct.

SECTION 16. In Colorado Revised Statutes, 43-4-804, **amend** (1) introductory portion and (1)(a)(I)(A) as follows:

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

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

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

SECTION 17. In Colorado Revised Statutes, 43-4-805, **amend** (5)(g)(I)(A); and **amend as it will become effective July 1, 2022,** (5)(g)(I) introductory portion as follows:

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

(g) (I) As necessary for the achievement of its business purpose, to impose a bridge safety surcharge, which, except as otherwise provided in subsections (5)(g)(III) and (5)(g)(VII) of this section, is imposed on and after July 1, 2009, for any registration period that commences on or after

July 1, 2009, or on and after such later date as may be determined by the bridge enterprise, for any registration period that commences on or after the later date, upon the registration of any vehicle for which a registration fee must be paid pursuant to the provisions of part 3 of article 3 of title 42 and ~~shall also be~~ IS ALSO imposed upon any item of special mobile machinery that is covered by a registration exempt certificate issued by the department of revenue in accordance with section 42-3-107 (16)(g). Except as otherwise provided in subsections (5)(g)(IV), (5)(g)(V), and (5)(g)(VI) of this section, the amount of the surcharge must not exceed:

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

SECTION 18. Appropriation. (1) For the 2022-23 state fiscal year, \$318,840 is appropriated to the department of revenue. This appropriation consists of \$76,482 from the general fund and \$242,358 from the license plate cash fund created in section 42-3-301 (1)(b), C.R.S. To implement this act, the department may use this appropriation as follows:

(a) \$60,300 from the general fund for DRIVES maintenance and support;

(b) \$5,985 from the general fund for use by the executive director's office for personal services related to administration and support;

(c) \$10,197 from the general fund for the purchase of information technology services; and

(d) \$242,358 from the license plate cash fund for use by vehicle services for license plate ordering.

(2) For the 2022-23 state fiscal year, \$10,197 is appropriated to the office of the governor for use by the office of information technology. This appropriation is from reappropriated funds received from the department of revenue under subsection (1)(c) of this section. To implement this act, the office may use this appropriation to provide information technology services for the department of revenue.

SECTION 19. Act subject to petition - effective date -

applicability. (1) (a) Except as provided in subsection (1)(b) of this section, this act takes effect January 1, 2023; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within the ninety-day period after final adjournment of the general assembly, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2022 and, in such case, will take effect January 1, 2023, or on the date of the official declaration of the vote thereon by the governor, whichever is later.

(b) Sections 7 and 19 of this act 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; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within the ninety-day period after final adjournment of the general assembly, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2022 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

(2) This act applies to applications made and amounts collected on or after the applicable effective date of this act.

Alec Garnett
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Steve Fenberg
PRESIDENT OF
THE SENATE

Robin Jones
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

APPROVED _____
(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO