

**First Regular Session
Seventy-third General Assembly
STATE OF COLORADO**

REVISED

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

LLS NO. 21-0413.01 Jason Gelender x4330

SENATE BILL 21-069

SENATE SPONSORSHIP

Priola, Winter

HOUSE SPONSORSHIP

Valdez A. and Ortiz,

Senate Committees

Transportation & Energy
Finance
Appropriations

House Committees

Transportation & Local Government
Finance
Appropriations

A BILL FOR AN ACT

101 **CONCERNING LICENSE PLATES, AND, IN CONNECTION THEREWITH,**
102 **SPECIFYING THAT THE LICENSE PLATES OF A MOTOR VEHICLE**
103 **THAT IS CLASSIFIED AS CLASS C PERSONAL PROPERTY EXPIRE**
104 **UPON THE SALE OR TRANSFER OF THE MOTOR VEHICLE,**
105 **AUTHORIZING THE ISSUANCE OF LICENSE PLATES IN PREVIOUSLY**
106 **RETIRED STYLES, 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>.)

The bill specifies that:

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.

HOUSE
2nd Reading Unamended
June 1, 2021

SENATE
3rd Reading Unamended
May 5, 2021

SENATE
Amended 2nd Reading
May 4, 2021

- 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, after surrendering the expired license plates to the department of revenue (department), apply for personalized license plates that use the combination in the manner specified in current law when registering another motor vehicle; and
- The department shall approve any application for personalized license plates received from an individual who wishes to retain the same combination of letters or numbers displayed on the individual's expired license plates and who has surrendered the expired plates to the department unless the department determines that the combination is misleading or duplicates another registration number or that, due to evolving social mores, the combination, despite having previously been issued, carries connotations offensive to good taste or decency;

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.

The bill also authorizes the department to issue license plates in previously retired styles to individuals who request such plates and to charge additional fees for such plates.

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

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

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

21 **24-30-2208. Sale of registration numbers.** (2) (b) Upon
22 receiving the committee's request, the department of revenue shall verify
23 whether the plates are currently issued. FOR PURPOSES OF THIS
24 SUBSECTION (2)(b) AND SUBSECTION (2)(c) OF THIS SECTION, A PLATE
25 THAT EXPIRES DUE TO THE OPERATION OF SECTION 42-3-115 (5)(a) IS
26 CONSIDERED CURRENTLY ISSUED UNTIL THE RIGHT OF THE OWNER OF THE
27 MOTOR VEHICLE TO WHICH THE EXPIRED PLATE WAS AFFIXED TO APPLY TO

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

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

8 **42-3-115. Registration upon transfer.** (5) (a) EXCEPT AS
9 OTHERWISE PROVIDED IN SUBSECTIONS (5)(b) AND (5)(c) OF THIS SECTION,
10 ON AND AFTER JANUARY 1, 2022, WHENEVER THE OWNER OF A MOTOR
11 VEHICLE THAT IS CLASS C PERSONAL PROPERTY, AS DEFINED IN SECTION
12 42-3-106 (2)(c), TRANSFERS OR ASSIGNS THE OWNER'S TITLE OR INTEREST,
13 THE NUMBER PLATES ISSUED TO THE OWNER FOR THE VEHICLE EXPIRE AND
14 SHALL NOT BE TRANSFERRED TO ANY OTHER MOTOR VEHICLE. AN OWNER
15 OF A MOTOR VEHICLE WHOSE NUMBER PLATES EXPIRE DUE TO THE
16 OPERATION OF THIS SUBSECTION (5)(a) WHO WISHES TO RETAIN THE
17 SAME COMBINATION OF LETTERS OR NUMBERS DISPLAYED ON THE EXPIRED
18 LICENSE PLATES RETAINS THE PRIORITY RIGHT TO USE THE COMBINATION
19 AND MAY, AFTER SURRENDERING THE EXPIRED PLATES TO THE
20 DEPARTMENT, APPLY FOR PERSONALIZED LICENSE PLATES WITH THE
21 COMBINATION IN THE MANNER SPECIFIED IN SECTION 42-3-211 WHEN
22 REGISTERING ANOTHER MOTOR VEHICLE.

23 (b) SUBSECTION (5)(a) OF THIS SECTION DOES NOT APPLY TO THE
24 TRANSFER OR ASSIGNMENT OF AN OWNER'S TITLE OR INTEREST IN CLASS
25 C PERSONAL PROPERTY THAT HAS NUMBER PLATES THAT ARE
26 PERSONALIZED LICENSE PLATES ISSUED IN ACCORDANCE WITH SECTION
27 42-3-211 OR THAT HAVE A VALUABLE REGISTRATION NUMBER THAT HAS

1 BEEN RESERVED FOR USE UNDER THE "LAURA HERSHEY DISABILITY
2 SUPPORT ACT", PART 22 OF ARTICLE 30 OF TITLE 24.

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

7 **SECTION 4.** In Colorado Revised Statutes, **add** 42-3-206.5 as
8 follows:

9 **42-3-206.5. Issuance of plates in a retired style authorized -**
10 **additional fee.** (1) SUBJECT TO THE REQUIREMENTS OF THIS SECTION, THE
11 DEPARTMENT MAY ISSUE LICENSE PLATES IN THE PREVIOUSLY RETIRED
12 STYLE THAT HAD WHITE LETTERS AND NUMBERS ON A BACKGROUND OF
13 GREEN MOUNTAINS AND A WHITE SKY FOR PASSENGER CARS OR TRUCKS
14 NOT OVER SIXTEEN THOUSAND POUNDS EMPTY WEIGHT.

15 (2) THE DEPARTMENT MAY ONLY ISSUE PLATES IN THE PREVIOUSLY
16 RETIRED STYLE IF THE DEPARTMENT DETERMINES THAT DEMAND FOR THE
17 STYLE, INCLUDING WILLINGNESS TO PAY AN ADDITIONAL FEE THAT FULLY
18 DEFRAYS THE COSTS OF PRODUCING THE LICENSE PLATES IN THE STYLE, IS
19 SUFFICIENTLY HIGH TO JUSTIFY PRODUCTION OF THE LICENSE PLATES.

20 (3) AN APPLICANT MAY APPLY FOR PERSONALIZED LICENSE PLATES
21 IN THE PREVIOUSLY RETIRED STYLE IF THE DEPARTMENT OFFERS SUCH
22 PLATES FOR PURCHASE. IF THE APPLICANT COMPLIES WITH SECTION
23 42-3-211, THE DEPARTMENT MAY ISSUE SUCH PLATES UPON PAYMENT OF
24 THE ADDITIONAL FEE REQUIRED BY SECTION 42-3-211 (6) FOR
25 PERSONALIZED LICENSE PLATES PLUS TWENTY-FIVE DOLLARS. THE
26 TWENTY-FIVE DOLLARS PAID ON TOP OF THE ADDITIONAL FEE REQUIRED BY
27 SECTION 42-3-211 (6) SHALL BE TRANSMITTED TO THE STATE TREASURER,

1 WHO SHALL CREDIT THE TWENTY-FIVE DOLLARS TO THE DISABILITY
2 SUPPORT FUND CREATED IN SECTION 24-30-2205.5. IF THE APPLICANT HAS
3 EXISTING PERSONALIZED LICENSE PLATES FOR A MOTOR VEHICLE, THE
4 APPLICANT MAY TRANSFER THE COMBINATION OF LETTERS OR NUMBERS
5 TO A NEW SET OF LICENSE PLATES IN THE PREVIOUSLY RETIRED STYLE FOR
6 THE VEHICLE UPON PAYING THE FEE IMPOSED BY SECTION 42-3-211 (6)(a)
7 AND UPON TURNING IN SUCH EXISTING PLATES TO THE DEPARTMENT AS
8 REQUIRED BY THE DEPARTMENT. A PERSON WHO HAS OBTAINED
9 PERSONALIZED LICENSE PLATES IN THE PREVIOUSLY RETIRED STYLE UNDER
10 THIS SUBSECTION (3) SHALL PAY THE ANNUAL FEE IMPOSED BY SECTION
11 42-3-211 (6)(b) TO RENEW SUCH PLATES. THE FEES IMPOSED BY THIS
12 SUBSECTION (3) ARE IN ADDITION TO ALL OTHER TAXES AND FEES IMPOSED
13 FOR LICENSE PLATES IN THE PREVIOUSLY RETIRED STYLE.

14 (4) THE AMOUNT OF THE TAXES AND FEES FOR LICENSE PLATES IN
15 THE PREVIOUSLY RETIRED STYLE IS THE SAME AS THE AMOUNT OF THE
16 TAXES AND FEES SPECIFIED FOR REGULAR MOTOR VEHICLE PLATES PLUS AN
17 ADDITIONAL ANNUAL FEE SET BY THE DEPARTMENT IN THE LESSER OF THE
18 AMOUNT NECESSARY TO DEFRAID THE ACTUAL COSTS OF PRODUCING AND
19 ISSUING THE PLATES PLUS TWENTY-FIVE DOLLARS OR SEVENTY-FIVE
20 DOLLARS. THE ADDITIONAL FEE SHALL BE TRANSMITTED TO THE STATE
21 TREASURER, WHO SHALL CREDIT IT TO THE LICENSE PLATE CASH FUND
22 CREATED IN SECTION 42-3-301 (1)(b); EXCEPT THAT TWENTY-FIVE
23 DOLLARS OF THE FEE SHALL BE CREDITED TO THE DISABILITY SUPPORT
24 FUND CREATED IN SECTION 24-30-2205.5.

25 (5) ALL APPLICATIONS FOR LICENSE PLATES IN THE PREVIOUSLY
26 RETIRED STYLE MUST BE MADE DIRECTLY TO THE DEPARTMENT.

27 (6) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT MAY PREPARE

1 ANY SPECIAL FORMS AND PROMULGATE ANY RULES NECESSARY TO
2 IMPLEMENT THIS SECTION.

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

6 **42-3-301. License plate cash fund - license plate fees.**

7 (2) (a) The fees imposed pursuant to subsection (1) of this section ~~shall~~
8 ~~be~~ ARE limited to the amount necessary to recover the costs of the
9 production and distribution of any license plates, decals, or validating tabs
10 issued pursuant to this article 3, INCLUDING ADDITIONAL PRODUCTION AND
11 DISTRIBUTION RESULTING FROM THE ENACTMENT OF SECTION 42-3-115
12 (5)(a) BY SENATE BILL 21-069, ENACTED IN 2021, and the related support
13 functions provided to the department of revenue by the division. The
14 correctional industries advisory committee, established pursuant to
15 section 17-24-104 (2), shall annually review and recommend to the
16 director of the division the amounts of the fees to be imposed pursuant to
17 subsection (1) of this section. The director of the division, in cooperation
18 and consultation with the department of revenue and the office of state
19 planning and budgeting, shall annually establish the amounts of the fees
20 imposed pursuant to subsection (1) of this section to recover the division's
21 costs pursuant to this subsection (2).

22 **SECTION 6. Appropriation.** (1) For the 2021-22 state fiscal
23 year, \$598,290 is appropriated to the department of revenue for use by the
24 division of motor vehicles. This appropriation consists of \$102,600
25 General Fund and \$495,690 from the license plate cash fund created in
26 section 42-3-301 (1)(b), C.R.S. To implement this act, the division may
27 use this appropriation as follows:

1 (a) \$102,600 from the General Fund for DRIVES maintenance
2 and support; and

3 (b) \$495,690 from the license plate cash fund for license plate
4 ordering.

5 (2) For the 2021-22 state fiscal year, \$256,970 is appropriated to
6 the department of corrections for use by the division of correctional
7 industries. This appropriation is from reappropriated funds received from
8 the department of revenue. To implement this act, the division may use
9 this appropriation as follows:

10 (a) \$1,786 for personal services;

11 (b) \$40,004 for operating expenses; and

12 (c) \$215,180 for raw materials.

13 **SECTION 7. Act subject to petition - effective date.** This act
14 takes effect at 12:01 a.m. on the day following the expiration of the
15 ninety-day period after final adjournment of the general assembly; except
16 that, if a referendum petition is filed pursuant to section 1 (3) of article V
17 of the state constitution against this act or an item, section, or part of this
18 act within such period, then the act, item, section, or part will not take
19 effect unless approved by the people at the general election to be held in
20 November 2022 and, in such case, will take effect on the date of the
21 official declaration of the vote thereon by the governor.