

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

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 21-0509.01 Jery Payne x2157

HOUSE BILL 21-1024

HOUSE SPONSORSHIP

Snyder and Van Winkle,

SENATE SPONSORSHIP

(None),

House Committees

Transportation & Local Government
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING REQUIREMENTS RELATING TO THE TRANSFER OF AN**
102 **OFF-HIGHWAY VEHICLE.**

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 requires an off-highway vehicle to have a certificate of title in order to be transferred unless:

- The off-highway vehicle was first transferred before July 1, 2014, and not subsequently transferred to an off-highway vehicle dealer; or
- The off-highway vehicle was used exclusively for

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.

agricultural purposes on private land.

Section 2 of the bill requires all off-highway vehicle transfers on or after July 1, 2022, to have a certificate of title, but the agricultural exemption is not changed.

Section 1 exempts private transfers of off-highway vehicles from sales tax if the transfer occurred on or after July 1, 2014, and before July 1, 2022.

Current law authorizes motor vehicle dealers, salvage pools, and insurers to electronically access the department of revenue's ownership and lienholder records to verify motor vehicle ownership and lienholding information to prevent fraud. **Section 3** authorizes off-highway vehicle dealers to access this system to verify the same information on off-highway vehicles for the same reasons.

Notwithstanding the requirement that an off-highway vehicle have a title to be purchased by a dealer, current law authorizes a dealer to purchase an off-highway vehicle that was initially sold before July 1, 2014, and was never titled. The dealer must obtain an affidavit from the owner and then use the affidavit to obtain a title. **Section 4** extends this authorization and procedure to off-highway vehicles:

- Privately transferred on or after July 1, 2014, and before July 1, 2022; or
- Used exclusively for agricultural purposes on private land.

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

2 **SECTION 1.** In Colorado Revised Statutes, 39-26-704, add (6)
3 as follows:

4 **39-26-704. Miscellaneous sales tax exemptions - governmental**
5 **entities - hotel residents - schools - exchange of property -**
6 **off-highway vehicles. (6) THE FOLLOWING TRANSACTIONS ARE BOTH**
7 **EXEMPT FROM TAXATION UNDER PART 1 OF THIS ARTICLE 26:**

8 (a) THE SALE OF OR TRANSFER OF AN OFF-HIGHWAY VEHICLE ON OR
9 AFTER JULY 1, 2014, AND BEFORE JULY 1, 2023, BETWEEN INDIVIDUALS
10 WHEN NEITHER OF THE INDIVIDUALS IS A MOTOR VEHICLE DEALER OR AN
11 OFF-HIGHWAY VEHICLE DEALER; OR

12 (b) THE SALE OF OR TRANSFER OF AN OFF-HIGHWAY VEHICLE THAT
13 WAS FIRST SOLD OR TRANSFERRED BEFORE JULY 1, 2014, AND IS BEING

1 ISSUED ITS FIRST CERTIFICATE OF TITLE ON OR AFTER THIS DATE.

2 **SECTION 2.** In Colorado Revised Statutes, 42-6-102, **amend**
3 (11.5)(a)(I), (11.5)(b)(I) introductory portion, and (11.5)(b)(I)(B); and
4 **add** (13.5) as follows:

5 **42-6-102. Definitions.** As used in this part 1, unless the context
6 otherwise requires:

7 (11.5) (a) "Off-highway vehicle" means a self-propelled vehicle
8 that is:

9 (I) (A) Designed to travel on wheels or tracks in contact with the
10 ground; OR

11 (B) USED TO TRAVEL OVER WATER USING AN INBOARD MOTOR
12 POWERING A WATER JET PUMP OR AN OUTBOARD MOTOR-DRIVEN
13 PROPELLER.

14 (b) (I) Except as described in subsection (11.5)(b)(II) of this
15 section, "off-highway vehicle" includes vehicles commonly known as
16 all-terrain vehicles, snowmobiles, PERSONAL WATERCRAFT, and surplus
17 military vehicles but does not include:

18 (B) Vehicles, OTHER THAN PERSONAL WATERCRAFT, designed and
19 used primarily for travel on, over, or in the water;

20 (13.5) "PERSONAL WATERCRAFT" MEANS A MOTORBOAT THAT IS
21 DESIGNED TO BE OPERATED BY A PERSON SITTING, STANDING, OR
22 KNEELING ON THE VESSEL, RATHER THAN THE CONVENTIONAL MANNER OF
23 SITTING OR STANDING INSIDE THE VESSEL, THAT IS DESIGNED PRIMARILY
24 FOR USE OFF OF THE PUBLIC HIGHWAYS, AND THAT USES EITHER OF THE
25 FOLLOWING AS THE PRIMARY SOURCE OF MOTIVE POWER:

26 (a) AN INBOARD MOTOR POWERING A WATER JET PUMP; OR

27 (b) AN OUTBOARD MOTOR-DRIVEN PROPELLER.

1 **SECTION 3.** In Colorado Revised Statutes, 42-6-103, **amend**
2 (2)(a) as follows:

3 **42-6-103. Application.** (2) This part 1 does not apply to an
4 off-highway vehicle that:

5 (a) Was first **sold or** transferred before July 1, 2014, until:

6 (I) The off-highway vehicle is **sold or** transferred to a powersports
7 vehicle dealer after July 1, 2014; or

8 (II) THE OFF-HIGHWAY VEHICLE IS TRANSFERRED TO ANY PERSON
9 ON OR AFTER JULY 1, **2023**; OR

10 **SECTION 4.** In Colorado Revised Statutes, 42-6-110, **amend**
11 (1.7)(a), (1.7)(b), and (1.7)(c) as follows:

12 **42-6-110. Certificate of title - transfer - department records -**

13 **rules.** (1.7) (a) The department shall allow an insurer, as defined in
14 section 10-1-102 and that is regulated under title 10, an agent of the
15 insurer, a salvage pool that is licensed as a used motor vehicle dealer, a
16 motor vehicle dealer licensed under article 20 of title 44, a used motor
17 vehicle dealer licensed under article 20 of title 44, AN OFF-HIGHWAY
18 VEHICLE DEALER LICENSED UNDER ARTICLE 20 OF TITLE 44, or any person
19 approved by the department to use the electronic systems created in
20 section 42-4-2103 (3)(c)(III) to access owner and lienholder information
21 of a motor OR OFF-HIGHWAY vehicle in the department's records if:

22 (I) The motor OR OFF-HIGHWAY vehicle is the subject of an
23 insurance claim being processed by the insurer;

24 (II) The motor OR OFF-HIGHWAY vehicle is possessed by a salvage
25 pool;

26 (III) The access is related to a motor OR OFF-HIGHWAY vehicle
27 transaction with a motor vehicle dealer, ~~or~~ A used motor vehicle dealer,

1 OR AN OFF-HIGHWAY VEHICLE DEALER; or

2 (IV) The access is authorized by section 24-72-204 (7).

3 (b) The department shall ensure that the information available to
4 the insurer, the insurer's agent, the salvage pool, a motor vehicle dealer,
5 a used motor vehicle dealer, AN OFF-HIGHWAY VEHICLE DEALER, or a
6 person approved by the department is correct and is limited to the
7 information needed to verify and contact the owner and lienholder of the
8 motor vehicle.

9 (c) The department may charge the insurer, the insurer's agent, the
10 salvage pool, a motor vehicle dealer, a used motor vehicle dealer, AN
11 OFF-HIGHWAY VEHICLE DEALER, or a person approved by the department
12 a fee in an amount not to exceed the lesser of five dollars or the direct and
13 indirect costs of implementing this subsection (1.7). The department shall
14 deposit the fee in the special purpose account created in section 42-1-211.

15 **SECTION 5.** In Colorado Revised Statutes, 42-6-148, **amend**
16 (1)(a), (1)(b) introductory portion, and (1)(d) as follows:

17 **42-6-148. Off-highway vehicles - sales.** (1) (a) Unless the owner
18 has obtained a certificate of title for an off-highway vehicle under this
19 ~~article~~ ARTICLE 6, a person shall not sell the off-highway vehicle and a
20 ~~vehicle dealer~~ PERSON shall not purchase the off-highway vehicle; except
21 that ~~the~~ A MOTOR VEHICLE DEALER OR AN OFF-HIGHWAY VEHICLE dealer
22 may purchase an off-highway vehicle without a certificate of title if the
23 vehicle has never been titled and was originally purchased in:

24 (I) (A) Colorado before July 1, 2014; or

25 (B) COLORADO BEFORE JULY 1, 2023, FROM AN INDIVIDUAL WHO
26 IS NOT A MOTOR VEHICLE DEALER OR AN OFF-HIGHWAY VEHICLE DEALER;

27 (II) A foreign jurisdiction that does not or did not issue certificates

1 of title to off-highway vehicles when purchased; OR

2 (III) COLORADO OR A FOREIGN JURISDICTION AND THE VEHICLE
3 WAS USED EXCLUSIVELY FOR AGRICULTURAL PURPOSES ON PRIVATE LAND.

4 (b) If an off-highway vehicle DEALER OR A MOTOR VEHICLE dealer
5 purchases an off-highway vehicle without a certificate of title, the dealer
6 shall before finalizing the purchase require the seller to sign an affidavit
7 that:

8 (d) To obtain a title for an off-highway vehicle that an
9 off-highway vehicle dealer OR A MOTOR VEHICLE DEALER purchased
10 without a certificate of title, the dealer must present to the department an
11 affidavit as described in ~~paragraph (b) of this subsection (1)~~ SUBSECTION
12 (1)(b) OF THIS SECTION, signed by the seller from whom the off-highway
13 vehicle dealer OR MOTOR VEHICLE DEALER acquired the off-highway
14 vehicle. The authorized agent shall accept an affidavit that was properly
15 executed under this subsection (1) unless the authorized agent has reason
16 to believe the affidavit contains a material misstatement or omission.

17 **SECTION 6. Act subject to petition - effective date -**
18 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
19 the expiration of the ninety-day period after final adjournment of the
20 general assembly; except that, if a referendum petition is filed pursuant
21 to section 1 (3) of article V of the state constitution against this act or an
22 item, section, or part of this act within such period, then the act, item,
23 section, or part will not take effect unless approved by the people at the
24 general election to be held in November 2022 and, in such case, will take
25 effect on the date of the official declaration of the vote thereon by the
26 governor.

1 (2) This act applies to applications for certificates of title made or
2 the issuance of certificates of title on or after the applicable effective date
3 of this act.