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# An Act

HOUSE BILL 21-1254

BY REPRESENTATIVE(S) Valdez A. and Larson, Bernett, Bird, Duran, Exum, Gray, Hooton, Lontine, Mullica, Ricks, Tipper;  
also SENATOR(S) Winter and Priola, Moreno.

CONCERNING REGULATION RELATED TO THE OWNERSHIP OF A VEHICLE, 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, 42-1-211, **amend** (2)(b)(I); and **add** (2)(b)(III) as follows:

**42-1-211. Driver's license, record, identification, and vehicle enterprise solution - rule.** (2) (b) (I) There is hereby created the Colorado DRIVES vehicle services account in the highway users tax fund for the purpose of providing funds for the development and operation of Colorado DRIVES, including operations performed under articles 3, 4, 6, 7, and 12 of this title 42, to cover the costs of administration and enforcement of the motorist insurance identification database program created in section 42-7-604, and to purchase and issue license plates, decals, and validating tabs in accordance with article 3 of this title 42. Money received from the fees imposed by ~~section~~ **SECTIONS** 38-29-138 (1), (2), (4), and (5), ~~and~~

*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.*

sections 42-1-206 (2)(a), 42-1-231, **42-3-103 (4)(a)(II)(C)**, 42-3-107 (22), 42-3-213 (1)(b)(IV), 42-3-304 (18), 42-3-306 (14), 42-3-313 (2)(c)(I), and 42-6-137 (1), (2), (4), (5), and (6), as well as any money received through gifts, grants, and donations to the account from private or public sources for the purposes of this section, shall be credited by the state treasurer to the Colorado DRIVES vehicle services account. The general assembly shall appropriate annually the money in the account for the purposes of this subsection (2). If any unexpended and unencumbered money remains in the account at the end of a fiscal year, the balance remains in the account and is not transferred to the general fund or any other fund.

(III) NOTWITHSTANDING THE AMOUNT SPECIFIED FOR ANY FEE IN SECTIONS 38-29-138 (1), (2), (4), AND (5), 42-3-213 (1)(b)(IV), 42-3-306 (14), 42-3-313 (2)(c)(I), AND 42-6-137 (1), (2), (4), (5), AND (6), THE EXECUTIVE DIRECTOR OF THE DEPARTMENT BY RULE SHALL REDUCE, IN ACCORDANCE WITH SECTION 24-75-402 (3), THE AMOUNT OF ONE OR MORE OF THE FEES IN THESE SECTIONS TO REDUCE THE UNCOMMITTED RESERVES OF THE COLORADO DRIVES VEHICLE SERVICES ACCOUNT; EXCEPT THAT THE EXECUTIVE DIRECTOR OF THE DEPARTMENT SHALL NOT REDUCE THE FEE AMOUNT THAT IS RETAINED BY THE AUTHORIZED AGENT. AFTER THE UNCOMMITTED RESERVES OF THE FUND ARE SUFFICIENTLY REDUCED, THE EXECUTIVE DIRECTOR OF THE DEPARTMENT BY RULE MAY INCREASE THE AMOUNT OF ONE OR MORE OF THE FEES IN THESE SECTIONS AS PROVIDED IN SECTION 24-75-402 (4).

**SECTION 2.** In Colorado Revised Statutes, 42-3-103, **amend** (4)(a) and (5) as follows:

**42-3-103. Registration required - exemptions - rules - repeal.**  
(4) (a) (I) Within ninety days after becoming a resident of Colorado, an owner of a ~~motor~~ vehicle required to be registered by subsection (1) of this section shall register ~~such~~ THE vehicle with the department, irrespective of ~~such~~ THE vehicle being registered within another state or country.

(II) TO REGISTER A VEHICLE THAT IS OR WAS PREVIOUSLY REGISTERED WITHIN ANOTHER STATE OR COUNTRY, THE OWNER MUST:

(A) PROVIDE THE DEPARTMENT WITH DOCUMENTATION OF THE PREVIOUS REGISTRATION THAT CONTAINS THE DATES OF THE PREVIOUS REGISTRATION;

(B) PROVIDE THE DEPARTMENT WITH EVIDENCE OF THE DATE THAT THE OWNER BECAME A RESIDENT OF COLORADO UNLESS THE PREVIOUS REGISTRATION EXPIRED WITHIN NINETY DAYS BEFORE THE DATE THE OWNER APPLIED TO REGISTER THE VEHICLE IN COLORADO; AND

(C) PAY, IN ADDITION TO THE TAXES AND FEES TO REGISTER THE VEHICLE, THE VEHICLE'S REGISTRATION TAXES AND FEES THAT ARE IMPOSED IN THIS ARTICLE 3 AND PART 8 OF ARTICLE 4 OF TITLE 43 AND THAT ARE PRORATED FROM THE DATE THE OWNER BECAME A RESIDENT OF COLORADO TO THE DATE THE OWNER APPLIED TO REGISTER THE VEHICLE, UNLESS THE VEHICLE IS CLASS A PERSONAL PROPERTY OR UNLESS THE OWNER REGISTERED THE VEHICLE WITHIN NINETY DAYS AFTER BECOMING A RESIDENT AS DETERMINED BY THE DOCUMENTS AND EVIDENCE PROVIDED UNDER SUBSECTIONS (4)(a)(II)(A) AND (4)(a)(II)(B) OF THIS SECTION.

(III) THE DEPARTMENT SHALL PROMULGATE RULES GOVERNING THE DOCUMENTATION AND EVIDENCE THAT ESTABLISH THE DATES DESCRIBED IN SUBSECTIONS (4)(a)(II)(A) AND (4)(a)(II)(B) OF THIS SECTION;

(IV) THE DEPARTMENT SHALL TRANSFER THE FEES TO THE STATE TREASURER, WHO SHALL CREDIT THE FEES, WHICH DO NOT INCLUDE SPECIFIC OWNERSHIP TAX, IMPOSED IN SUBSECTION (4)(a)(II)(C) OF THIS SECTION TO THE COLORADO DRIVES VEHICLE SERVICES ACCOUNT CREATED IN SECTION 42-1-211 (2)(b)(I); EXCEPT THAT, WHEN THE AMOUNT CREDITED TO THE ACCOUNT EXCEEDS THE AMOUNT APPROPRIATED FROM THE ACCOUNT FOR THE PURPOSES OF SECTION 42-1-211 IN A FISCAL YEAR, THE STATE TREASURER SHALL CREDIT THE REMAINDER OF THE FEES FOR THE FISCAL YEAR AS FOLLOWS:

(A) THE FIRST SEVEN MILLION FIVE HUNDRED THOUSAND DOLLARS TO THE STATEWIDE BRIDGE ENTERPRISE SPECIAL REVENUE FUND CREATED IN SECTION 43-4-805 (3)(a); AND

(B) THE REMAINDER OF THE FEES TO THE HIGHWAY USERS TAX FUND CREATED IN SECTION 43-4-201.

(V) A person who violates this ~~paragraph (a)~~ SUBSECTION (4)(a) is subject to the penalties provided in sections 42-6-139 and 43-4-804 (1)(d).  
~~C.R.S.~~

(5) The provisions of this ~~title~~ TITLE 42 concerning the registration of ~~motor~~ vehicles and the display of number plates or of other identification ~~shall~~ DO not apply to manufactured homes.

**SECTION 3.** In Colorado Revised Statutes, 42-3-112, **amend** (1) and (1.5)(a) introductory portion; and **repeal** (1.5)(a)(III) as follows:

**42-3-112. Failure to pay tax - penalty - rules.** (1) (a) If a vehicle subject to taxation under this ~~article~~ ARTICLE 3 is not registered when required by law, the vehicle owner shall pay:

(I) A late fee of twenty-five dollars for each month or portion of a month following the expiration of the registration period, or, if applicable, the expiration of the grace period described in section 42-3-114 for which the vehicle is unregistered; except that the amount of the late fee shall not exceed one hundred dollars; AND

(II) IN ADDITION TO THE TAXES AND FEES TO REGISTER THE VEHICLE, THE PRORATED REGISTRATION TAXES AND FEES IMPOSED IN SECTION 42-3-103 (4)(a)(II)(C). THE DEPARTMENT SHALL CREDIT THE FEES TO THE STATE TREASURER, WHO SHALL CREDIT THE FEES, WHICH DO NOT INCLUDE SPECIFIC OWNERSHIP TAX, IN ACCORDANCE WITH SECTION 42-3-103 (4)(a)(IV).

(b) BOTH the late fee ~~shall be~~ AND PRORATED REGISTRATION TAXES AND FEES IMPOSED IN THIS SUBSECTION (1) ARE due when the vehicle is registered.

(1.5) (a) Notwithstanding ~~the provisions of~~ subsection (1) of this section, the executive director of the department shall promulgate rules ~~in accordance with article 4 of title 24, C.R.S.,~~ that establish circumstances in addition to the circumstances described in subsection (3) of this section in which a vehicle owner shall be exempted from paying the late fee described in said subsection (1). The rules ~~shall~~ MUST apply uniformly throughout the state and ~~shall~~ MUST include ~~but shall not be limited to,~~ exemptions for:

(III) ~~Temporary registration number plates, tags, or certificates that have expired;~~

**SECTION 4.** In Colorado Revised Statutes, 42-3-203, **amend**

(3)(a)(I), (3)(c)(I), and (3)(c)(III) as follows:

**42-3-203. Standardized plates - notice of funding through gifts, grants, and donations - rules - repeal.** (3) (a) (I) The department may issue individual temporary registration number plates and certificates good for a period not to exceed sixty days upon application by an owner of a ~~motor~~ vehicle or the owner's agent and the payment of a registration fee of two dollars, one dollar and sixty cents to be retained by the authorized agent or department issuing the plates and certificates and the remainder to be remitted monthly to the department to be transmitted to the state treasurer for credit to the highway users tax fund.

(c) (I) Subject to ~~subparagraph (III) of this paragraph (c)~~ SUBSECTION (3)(c)(III) OF THIS SECTION, the department shall not issue more than two temporary registration number plates and certificates per ~~year to~~ OWNER OR PURCHASER OF a ~~Class A or Class B motor~~ vehicle.

(III) (A) The department may promulgate rules authorizing the issuance of more than two temporary registration number plates and certificates per ~~year~~ VEHICLE BEING PURCHASED OR OWNED BY ONE PERSON if the ~~motor~~ vehicle title work or lien perfection has caused the need for ~~such~~ issuance OF ANOTHER TEMPORARY REGISTRATION.

(B) TO BE ISSUED A THIRD TEMPORARY REGISTRATION NUMBER PLATE OR CERTIFICATE FOR A VEHICLE, THE PURCHASER OR OWNER MUST PAY THE FULL TAXES AND FEES IMPOSED IN THIS ARTICLE 3 TO REGISTER THE VEHICLE. IF A VEHICLE PURCHASER NEVER FULLY REGISTERS THE VEHICLE BECAUSE THE SALE WAS NOT CONSUMMATED, THE DEPARTMENT SHALL GIVE THE PERSON WHO PAID THE TAXES AND FEES UNDER THIS SUBSECTION (3)(c)(III)(B) A CREDIT EQUAL TO THE AMOUNT OF TAXES AND FEES PAID UNDER THIS SUBSECTION (3)(c)(III)(B) TOWARDS A SUBSEQUENT REGISTRATION OF ANOTHER VEHICLE; EXCEPT THAT THE CREDIT IS AVAILABLE FOR A SUBSEQUENT VEHICLE FOR NO MORE THAN TWELVE MONTHS AFTER THE THIRD TEMPORARY REGISTRATION EXPIRES.

**SECTION 5. Appropriation.** For the 2021-22 state fiscal year, \$160,200 is appropriated to the department of revenue for use by the division of motor vehicles. This appropriation is from the Colorado DRIVES vehicle services account in the highway users tax fund created in section 42-1-211 (2)(b)(I), C.R.S. To implement this act, the division may

use this appropriation for DRIVES maintenance and support.

**SECTION 6. Act subject to petition - effective date - applicability.** (1) This act takes effect January 1, 2022; 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 registration or certificate applications filed on or after the applicable effective date of this act.

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Alec Garnett  
SPEAKER OF THE HOUSE  
OF REPRESENTATIVES

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Leroy M. Garcia  
PRESIDENT OF  
THE SENATE

\_\_\_\_\_  
Robin Jones  
CHIEF CLERK OF THE HOUSE  
OF REPRESENTATIVES

\_\_\_\_\_  
Cindi L. Markwell  
SECRETARY OF  
THE SENATE

APPROVED \_\_\_\_\_  
(Date and Time)

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Jared S. Polis  
GOVERNOR OF THE STATE OF COLORADO