

**Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 26-0527.01 Jery Payne x2157

HOUSE BILL 26-1053

HOUSE SPONSORSHIP

Mauro,

SENATE SPONSORSHIP

(None),

House Committees
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE ADMINISTRATION OF DUTIES RELATED TO THE**
102 **OWNERSHIP OF A 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>.)

Under current law, an owner of a vehicle that pays specific ownership tax, except intrastate commercial carriers, have their license plates retired and are reissued new plates when the vehicle's ownership is transferred. The bill repeals this requirement and authorizes the owner to transfer the plates to a new motor vehicle.

Current law provides for an electronic vehicle registration and

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

titling system (electronic system). The bill requires the department of revenue (department) to develop an application programming interface for this electronic system. The department must provide the application programming interface to its authorized agents. An authorized agent may use this interface or use the agent's own interface system. The department may adopt rules governing the authorized agent's use of such an interface with the electronic system.

The bill requires the department to develop, implement, and maintain a comprehensive contingency plan to ensure continuity of operations and the protection of critical services in the event of a disruption in vehicle licensing operations. Standards are set for the contingency plan. The governor's office of information technology must provide the appropriate network and equipment support to the department.

Current law provides for the keep Colorado wild pass, which allows people to obtain a Colorado parks pass for a motor vehicle for a reduced fee when registering the motor vehicle. The bill requires the authorized agent of the department to retain 3.33% of the fee.

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

2 **SECTION 1.** In Colorado Revised Statutes, 42-3-115, **amend**
3 (5)(a); and **repeal** (5)(b) and (5)(d) as follows:

4 **42-3-115. Registration upon transfer - rules - definitions.**

5 (5) (a) ~~Except as otherwise provided in subsections (5)(b), (5)(c),~~
6 ~~and (5)(d) of this section, on and after January 1, 2022, whenever the~~
7 ~~owner of a motor vehicle that is Class C personal property, as described~~
8 ~~in section 42-3-106 (2)(c), transfers or assigns the owner's title or interest,~~
9 ~~the number plates issued to the owner for the vehicle expire and shall not~~
10 ~~be transferred by the department to any other motor vehicle. Except as~~
11 ~~otherwise provided in subsection (5)(d) of this section, whenever the~~
12 ~~owner of a motor vehicle that is Class B personal property, as described~~
13 ~~in section 42-3-106 (2)(b), Class D personal property, as described in~~
14 ~~section 42-3-106 (2)(d), or Class F personal property, as described in~~
15 ~~section 42-3-106 (2)(e), transfers or assigns the owner's title or interest,~~

1 ~~the number plates issued to the owner for the vehicle expire and shall not~~
2 ~~be transferred by the department to any other motor vehicle. An owner of~~
3 ~~a motor vehicle whose number plates expire due to the operation of this~~
4 ~~subsection (5)(a) who wishes to retain the same combination of letters or~~
5 ~~numbers displayed on the expired license plates retains the priority right~~
6 ~~to use the combination and may, after surrendering the expired plates to~~
7 ~~the department, apply for personalized license plates with the~~
8 ~~combination in the manner specified in section 42-3-211 when registering~~
9 ~~another motor vehicle~~ UPON REQUEST OF THE OWNER OF A MOTOR
10 VEHICLE, THE DEPARTMENT MAY TRANSFER A NUMBER PLATE FROM ONE
11 MOTOR VEHICLE TO ANOTHER MOTOR VEHICLE IF AT LEAST ONE PERSON IS
12 LISTED AS AN OWNER ON THE CERTIFICATE OF TITLE FOR EACH MOTOR
13 VEHICLE.

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

17 ~~(I) That are personalized license plates issued in accordance with~~
18 ~~section 42-3-211, distinctive special license plates, group special license~~
19 ~~plates, or special alumni license plates issued in accordance with section~~
20 ~~42-3-214; or~~

21 ~~(II) That have a valuable registration number that has been~~
22 ~~reserved for use under the "Laura Hershey Disability Support Act", part~~
23 ~~2 of article 88 of title 8.~~

24 ~~(d) Subsection (5)(a) of this section does not apply to number~~
25 ~~plates issued to a fleet operator that are easily legible and in good~~
26 ~~condition, and a fleet operator may transfer such number plates from one~~
27 ~~fleet vehicle to another when the fleet operator transfers or assigns the~~

1 owner's title or interest in the fleet vehicle from which the number plates
2 are being transferred.

3 **SECTION 2.** In Colorado Revised Statutes, 42-1-234, **add** (6) as
4 follows:

5 **42-1-234. Electronic vehicle registration and titling - electronic**
6 **transmission of vehicle lien information - authority - rules - report -**
7 **electronic transactions fund - gifts, grants, and donations - notice to**
8 **revisor of statutes - repeal.**

9 (6) (a) ON OR BEFORE JANUARY 1, 2027, THE DEPARTMENT SHALL
10 DEVELOP AN INTERFACE SYSTEM TO ALLOW FOR AN AUTHORIZED AGENT
11 TO USE AN APPLICATION PROGRAMMING INTERFACE FOR THE SYSTEM
12 CREATED PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION.

13 (b) (I) ON OR BEFORE JANUARY 1, 2027, THE DEPARTMENT SHALL
14 PROVIDE ACCESS TO AN APPLICATION PROGRAMMING INTERFACE FOR THE
15 SYSTEM CREATED PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION THAT
16 AN AUTHORIZED AGENT MAY USE WITH THE SYSTEM.

17 (II) AN AUTHORIZED AGENT MAY ADOPT THE APPLICATION
18 PROGRAMMING INTERFACE PROVIDED BY THE DEPARTMENT PURSUANT TO
19 SUBSECTION (6)(b)(I) OF THIS SECTION OR PRODUCE AND USE AN
20 INTERFACE SYSTEM DEVELOPED AND IMPLEMENTED BY THE AUTHORIZED
21 AGENT. THE DEPARTMENT SHALL DEVELOP ITS INTERFACE SYSTEM IN A
22 MANNER THAT WILL INTERFACE ANY APPLICATION PROGRAMMING
23 INTERFACE ADOPTED BY THE AUTHORIZED AGENT.

24 (c) THE DEPARTMENT MAY ADOPT RULES NECESSARY FOR THE
25 IMPLEMENTATION OF THIS SECTION. THE RULES MAY:

26 (I) REGULATE THE ROLES AND INTERFACE SYSTEM REQUIREMENTS
27 FOR APPLICATION PROGRAMMING INTERFACES;

1 (II) SET STANDARDS OF COMPATIBILITY WITH INTERFACE SYSTEMS
2 AND CROSS-AGENCY INTEGRATION; OR

3 (III) SET STANDARDS FOR SECURE TRANSFER OF DATA AND
4 INFORMATION.

5 **SECTION 3.** In Colorado Revised Statutes, **add** 42-1-238 as
6 follows:

7 **42-1-238. Comprehensive contingency plan - rules - repeal.**

8 (1) (a) THE DEPARTMENT OF REVENUE SHALL DEVELOP,
9 IMPLEMENT, AND MAINTAIN A COMPREHENSIVE CONTINGENCY PLAN TO
10 ENSURE CONTINUITY OF OPERATIONS AND THE PROTECTION OF CRITICAL
11 SERVICES IN THE EVENT OF A DISRUPTION IN VEHICLE LICENSING
12 OPERATIONS.

13 (b) (I) THE DEPARTMENT SHALL IMPLEMENT THE CONTINGENCY
14 PLAN REQUIRED IN SUBSECTION (1)(a) OF THIS SECTION ON OR BEFORE
15 DECEMBER 31, 2027.

16 (II) THIS SUBSECTION (1)(b) IS REPEALED, EFFECTIVE JULY 1, 2029.

17 (2) TO COMPLY WITH THIS SECTION, THE CONTINGENCY PLAN
18 MUST:

19 (a) IDENTIFY THE FUNCTIONS THAT ARE CRITICAL TO VEHICLE
20 LICENSING OPERATIONS AND THE RESOURCES REQUIRED TO SUPPORT
21 THEM;

22 (b) ESTABLISH PROCEDURES FOR BACKUP, RECOVERY, AND
23 RECONSTITUTION OF SYSTEMS AND SERVICES;

24 (c) DESIGNATE ROLES AND RESPONSIBILITIES DURING
25 CONTINGENCY OPERATIONS;

26 (d) IDENTIFY ALTERNATE PROCESSING SITES DURING CONTINGENCY
27 OPERATIONS;

1 (e) BE TESTED AND UPDATED ANNUALLY OR UPON CHANGES TO
2 CRITICAL FUNCTIONS AND THE SYSTEMS THAT PROVIDE AND SUPPORT
3 CRITICAL FUNCTIONS;

4 (f) BE ANNUALLY REVIEWED AND, WHEN HELPFUL, ENHANCED;
5 AND

6 (g) BE ESTABLISHED THROUGH CONSULTATION WITH,
7 CONSIDERATION OF, RECOMMENDATIONS BY, AND UNANIMOUS
8 ACCEPTANCE FROM STAKEHOLDERS THAT INCLUDE:

9 (I) AN ASSOCIATION OF COUNTY CLERKS IN COLORADO; AND

10 (II) THE GOVERNOR'S OFFICE OF INFORMATION TECHNOLOGY
11 CREATED IN SECTION 24-37.5-103.

12 (3) THE GOVERNOR'S OFFICE OF INFORMATION TECHNOLOGY SHALL
13 PROVIDE THE APPROPRIATE NETWORK AND EQUIPMENT SUPPORT TO THE
14 DEPARTMENT.

15 (4) THE DEPARTMENT SHALL ADOPT RULES NECESSARY FOR THE
16 IMPLEMENTATION OF THIS SECTION.

17 **SECTION 4.** In Colorado Revised Statutes, 24-37.5-105, **amend**
18 (3)(c) and (3)(d); and **add** (3)(e) as follows:

19 **24-37.5-105. Office - roles - responsibilities - state search**
20 **interface - rules - legislative declaration - definitions.**

21 (3) The office shall:

22 (c) Assist the joint technology committee as necessary to facilitate
23 the committee's oversight of the office; ~~and~~

24 (d) Establish, maintain, and keep an inventory of information
25 technology owned by or held in trust for every state agency; AND

26 (e) PROVIDE THE SUPPORT REQUIRED BY SECTION 42-1-238 (3).

27 **SECTION 5.** In Colorado Revised Statutes, 33-12-108, **amend**

1 (4)(d)(I) and (4)(d)(II) introductory portion as follows:

2 **33-12-108. Keep Colorado wild pass - assess with vehicle**
3 **registration - option to decline to pay - rules - short title - legislative**
4 **declaration - definitions.**

5 (4) (d) (I) The pass fee shall be assessed when one of the motor
6 vehicles listed in subsection (4)(b)(II) of this section is registered as
7 required by article 3 of title 42. Each authorized agent shall remit to the
8 department of revenue no less frequently than once a month ~~and~~ THE pass
9 fees collected by the authorized agent; EXCEPT THAT THE AUTHORIZED
10 AGENT SHALL RETAIN THREE AND ONE-THIRD PERCENT OF THE FEES. The
11 ~~executive director of the department of revenue~~ STATE TREASURER shall
12 ~~transmit~~ CREDIT all pass fees remitted by authorized agents plus any pass
13 fees collected directly by the department of revenue, minus the direct and
14 indirect costs for the collection and transmission of the pass fee as
15 incurred by the department of revenue ~~and its authorized agents~~ and as
16 annually appropriated by the general assembly, ~~to the state treasurer no~~
17 ~~less frequently than once a month, and the state treasurer shall credit the~~
18 ~~fees~~ to the specified funds in accordance with subsection (4)(e) of this
19 section.

20 (II) Any money that ~~the department of revenue receives and~~
21 ~~transmits to the state treasurer pursuant to subsection (4)(d)(I) of this~~
22 ~~section and~~ the state treasurer credits to the parks and outdoor recreation
23 cash fund, the wildlife cash fund, or the backcountry search and rescue
24 fund pursuant to subsections (4)(e)(I)(A), (4)(e)(II), and (4)(e)(I)(B) of
25 this section:

26 **SECTION 6.** In Colorado Revised Statutes, 42-3-254, **amend**
27 (4.5) as follows:

1 **42-3-254. Special plates - Colorado professional fire fighters**
2 **- definition.**

3 (4.5) Notwithstanding ~~section 42-3-115 (5)(b)(f)~~ SECTION
4 42-3-115 (5)(a), whenever a person who has been issued the Colorado
5 professional fire fighters license plate transfers or assigns the person's
6 title or interest in a motorcycle, passenger car, truck, or noncommercial
7 or recreational motor vehicle upon which the license plate is affixed, the
8 license plate expires and the department shall not transfer the license plate
9 to another motor vehicle. A person whose license plate expires due to the
10 operation of this subsection (4.5) may apply again for the Colorado
11 professional fire fighters license plate if the person pays the taxes and
12 fees required under this section and fulfills the other requirements in this
13 section.

14 **SECTION 7.** In Colorado Revised Statutes, 42-3-211, **amend**
15 (9)(a) as follows:

16 **42-3-211. Issuance of personalized plates authorized.**

17 (9) (a) A person who has been issued personalized license plates
18 pursuant to this section ~~section 42-3-115 (5)(a)~~, or section 42-3-206.5
19 may retain the unique combination of letters or numbers of such plate,
20 notwithstanding that the person no longer has a registered motor vehicle,
21 if the person pays an annual fee of twenty-five dollars, which shall be
22 ~~transferred~~ CREDITED to the highway users tax fund.

23 **SECTION 8.** In Colorado Revised Statutes, 42-3-301, **amend**
24 (2)(a) as follows:

25 **42-3-301. License plate cash fund - license plate fees - repeal.**

26 (2) (a) The fees imposed pursuant to subsection (1) of this section
27 are limited to the amount necessary to recover the costs of the production

1 and distribution of any license plates, decals, or validating tabs issued
2 pursuant to this article 3 ~~including additional production and distribution~~
3 ~~resulting from the enactment of section 42-3-115 (5)(a) by Senate Bill~~
4 ~~21-069, enacted in 2021~~, and the related support functions provided to the
5 department of revenue by the division. The correctional industries
6 advisory committee, established pursuant to section 17-24-104 (2), shall
7 annually review and recommend to the director of the division the
8 amounts of the fees to be imposed pursuant to subsection (1) of this
9 section. The director of the division, in cooperation and consultation with
10 the department of revenue and the office of state planning and budgeting,
11 shall annually establish the amounts of the fees imposed pursuant to
12 subsection (1) of this section to recover the division's costs pursuant to
13 this subsection (2).

14 **SECTION 9. Act subject to petition - effective date.** Sections
15 42-3-115, Colorado Revised Statutes, as amended in section 1 of this act,
16 33-12-108, Colorado Revised Statutes, as amended in section 5 of this
17 act, 42-3-254, Colorado Revised Statutes, as amended in section 6 of this
18 act, 42-3-211, Colorado Revised Statutes, as amended in section 7 of this
19 act, and 42-3-301, Colorado Revised Statutes, as amended in section 8 of
20 this act, take effect January 1, 2028, and the remainder of this act takes
21 effect at 12:01 a.m. on the day following the expiration of the ninety-day
22 period after final adjournment of the general assembly; except that, if a
23 referendum petition is filed pursuant to section 1 (3) of article V of the
24 state constitution against this act or an item, section, or part of this act
25 within the ninety-day period after final adjournment of the general
26 assembly, then the act, item, section, or part will not take effect unless
27 approved by the people at the general election to be held in November

1 2026 and, in such case, will take effect on the date of the official
2 declaration of the vote thereon by the governor; except that sections
3 42-3-115, Colorado Revised Statutes, as amended in section 1 of this act,
4 33-12-108, Colorado Revised Statutes, as amended in section 5 of this
5 act, 42-3-254, Colorado Revised Statutes, as amended in section 6 of this
6 act, 42-3-211, Colorado Revised Statutes, as amended in section 7 of this
7 act, and 42-3-301, Colorado Revised Statutes, as amended in section 8 of
8 this act, take effect January 1, 2028.