

CHAPTER 347

MOTOR VEHICLES AND TRAFFIC REGULATION

HOUSE BILL 26-1053

BY REPRESENTATIVE(S) Mauro, Caldwell, Clifford, Duran, Garcia Sander, Keltie, Lindsay, Nguyen, Rutinel, Weinberg,
Winter T., McCluskie, Phillips, Ricks;
also SENATOR(S) Pelton B. and Wallace, Bright, Carson, Kipp, Marchman, Coleman.

AN ACT

**CONCERNING THE ADMINISTRATION OF DUTIES 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, 42-3-115, **amend** (5)(a); and **repeal** (5)(b) and (5)(d) as follows:

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

(5) (a) ~~Except as otherwise provided in subsections (5)(b), (5)(c), and (5)(d) of this section, on and after January 1, 2022, whenever the owner of a motor vehicle that is Class C personal property, as described 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. Except as otherwise provided in subsection (5)(d) of this section, whenever the owner of a motor vehicle that is Class B personal property, as described in section 42-3-106 (2)(b); Class D personal property, as described in section 42-3-106 (2)(d); or Class F personal property, as described 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~~ UPON REQUEST OF THE OWNER OF A MOTOR VEHICLE, THE DEPARTMENT MAY TRANSFER A

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.

NUMBER PLATE FROM ONE MOTOR VEHICLE TO ANOTHER MOTOR VEHICLE IF AT LEAST ONE PERSON IS LISTED AS AN OWNER ON THE CERTIFICATE OF TITLE FOR EACH 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 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 2 of article 88 of title 8.~~

~~(d) Subsection (5)(a) of this section does not apply to number plates issued to a fleet operator that are easily legible and in good condition, and a fleet operator may transfer such number plates from one fleet vehicle to another when the fleet operator transfers or assigns the owner's title or interest in the fleet vehicle from which the number plates are being transferred.~~

SECTION 2. In Colorado Revised Statutes, **add** 42-1-238 as follows:

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

(1) (a) THE DEPARTMENT OF REVENUE SHALL 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.

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

(II) THIS SUBSECTION (1)(b) IS REPEALED, EFFECTIVE JULY 1, 2029.

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

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

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

(c) DESIGNATE ROLES AND RESPONSIBILITIES DURING CONTINGENCY OPERATIONS;

(d) IDENTIFY ALTERNATE PROCESSING SITES DURING CONTINGENCY OPERATIONS;

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

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

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

(I) AN ASSOCIATION OF COUNTY CLERKS IN COLORADO THAT HAS EXISTED AND HAS BEEN ACTIVE FOR AT LEAST TEN YEARS; AND

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

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

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

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

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

(3) The office shall:

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

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

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

SECTION 4. In Colorado Revised Statutes, 42-3-254, **amend** (4.5) as follows:

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

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

SECTION 5. In Colorado Revised Statutes, 42-3-211, **amend** (9)(a) as follows:

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

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

SECTION 6. In Colorado Revised Statutes, 42-3-301, **amend** (2)(a) as follows:

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

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

SECTION 7. Appropriation. (1) For the 2026-27 state fiscal year, \$18,170 is appropriated to the department of revenue. This appropriation is from the Colorado DRIVES vehicle services account in the highway users tax fund created in section 42-1-211 (2), C.R.S. To implement this act, the department may use this appropriation as follows:

- (a) \$13,520 for DRIVES maintenance and support;
- (b) \$1,148 for use by the division of motor vehicles for personal services related to vehicle services;
- (c) \$1,558 for use by the executive director's office for personal services related to administration and support; and
- (d) \$1,944 for payments to OIT.

SECTION 8. Act subject to petition - effective date. Sections 42-3-115, Colorado Revised Statutes, as amended in section 1 of this act, 42-3-254, Colorado Revised Statutes, as amended in section 4 of this act, 42-3-211, Colorado Revised Statutes, as amended in section 5 of this act, and 42-3-301, Colorado Revised Statutes, as amended in section 6 of this act, take effect January 1, 2028, and the remainder of this act takes 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 2026 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor; except that sections 42-3-115, Colorado Revised Statutes, as amended in section 1 of this act, 42-3-254, Colorado Revised Statutes, as amended in section 4 of this act, 42-3-211, Colorado Revised Statutes, as amended in section 5 of this act, and 42-3-301, Colorado Revised Statutes, as amended in section 6 of this act, take effect January 1, 2028.

Approved: June 3, 2026