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An Act

SENATE BILL 23-049

BY SENATOR(S) Zenzinger and Van Winkle;
also REPRESENTATIVE(S) Snyder and Bockenfeld, Bird, Catlin,
Lindstedt, Mabrey, Taggart, McCluskie.

CONCERNING THE REGISTRATION EXEMPTION FOR SPECIAL MOBILE MACHINERY, AND, IN CONNECTION THEREWITH, ELIMINATING THE REQUIREMENT THAT AN OWNER OF SUCH MACHINERY REGULARLY HAVE AT LEAST ONE THOUSAND ITEMS OF SUCH MACHINERY IN THE STATE TO OBTAIN A REGISTRATION EXEMPT CERTIFICATE FOR THE MACHINERY AND MAKING AN APPROPRIATION.

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

SECTION 1. In Colorado Revised Statutes, 42-3-107, **amend** (16)(d)(III), (16)(g)(I)(A), (16)(g)(I)(C), (16)(g)(I)(D), **AND** (16)(g)(III); and **add** (16)(g)(I)(E) and (16)(g)(V) as follows:

42-3-107. Taxable value of classes of property - rate of tax - when and where payable - department duties - apportionment of tax collections - definitions - rules - repeal. (16) (d) (III) The department shall allow the owner to file the report electronically with the department of revenue either by electronic transmission or by electronically readable

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.

media as determined by rule. If the filing is made under this ~~subparagraph (HH)~~ SUBSECTION (16)(d)(III), the owner ~~need not~~ DOES NOT NEED TO file with the authorized agent. The department shall make the information in the report available to the authorized agents in the counties where the equipment is rented or used. EXCEPT AS PROVIDED IN SUBSECTION (16)(g)(II) OF THIS SECTION, this ~~subparagraph (HH)~~ SUBSECTION (16)(d)(III) does not relieve the owner of the requirement to remit payment of the tax to the county in accordance with ~~subparagraph (H) of paragraph (c) of this subsection (16)~~ SUBSECTION (16)(c)(II) OF THIS SECTION.

(16)(g)(I) An owner of special mobile machinery who pays specific ownership taxes in accordance with this subsection (16) may apply to the department for a registration exempt certificate, which the department shall issue to the owner if:

(A) The department verifies that the owner regularly has ~~one thousand or more items of such~~ AT LEAST TWO HUNDRED FIFTY ITEMS OF special mobile machinery in the state;

(C) Each item of ~~such~~ special mobile machinery bears a visible and readily identifiable unique identification number assigned by the owner; ~~and~~

(D) Each item of ~~such~~ special mobile machinery bears a visible toll-free telephone number for the owner that can be used for verification of ownership; AND

(E) THE OWNER OF THE SPECIAL MOBILE MACHINERY HAS PAID ALL FEES AND SURCHARGES REFERENCED IN THIS SECTION.

(III) An item of special mobile machinery that is owned by a person to whom the department has issued a registration exempt certificate is not required to be registered, and the department shall not require the owner of any such item of THE special mobile machinery to obtain license plates, annual validating tabs, or identifying decals for the item of special mobile machinery. Notwithstanding the exemptions from registration and licensing requirements for any such item of special mobile machinery, ~~at the time during each calendar year in which specific ownership tax is first paid for the item as required by subsection (16)(c)(H) of this section,~~ UPON THE APPLICATION, RENEWAL, OR EXPIRATION OF A REGISTRATION EXEMPT CERTIFICATE, the owner of the item shall ~~also~~ pay directly to the department

all fees and ~~surcharges~~ SURCHARGES, AS INDICATED IN SUBSECTION (16)(g)(V) OF THIS SECTION, that would otherwise be paid at the time of registration PURSUANT TO SUBSECTION (16)(g)(V) OF THIS SECTION; except that the owner shall not pay any fee imposed pursuant to section 42-3-301 for the purpose of covering the direct costs of license plates, decals, or validating tabs or any fee that would otherwise be retained by an authorized agent for the purpose of defraying the direct costs incurred by the authorized agent in registering or issuing license plates, decals, or validating tabs for the item. The department shall transmit all additional registration fees imposed pursuant to section 42-3-310 that it receives from owners of special mobile machinery to whom the department has issued a registration exempt certificate to the county treasurer of each county of the state in proportion to the total amount of vehicle registrations statewide represented by vehicle registrations within the county, and each county treasurer shall apportion the fees within the county in the manner specified in section 42-3-310.

(V) AN OWNER OF AN ITEM OF SPECIAL MOBILE MACHINERY THAT IS ISSUED A REGISTRATION EXEMPT CERTIFICATE PURSUANT TO THIS SUBSECTION (16)(g) SHALL PAY, FOR EACH ITEM OF SPECIAL MOBILE MACHINERY, ALL FEES AND SURCHARGES THAT WOULD OTHERWISE BE PAID AT THE TIME OF REGISTRATION AND ANY OTHER FEES AND SURCHARGES DUE.

(A) UPON APPLICATION FOR A REGISTRATION EXEMPT CERTIFICATE FOR AN ITEM OF SPECIAL MOBILE MACHINERY, THE OWNER SHALL SUBMIT A REPORT TO THE DEPARTMENT THAT IDENTIFIES ALL OF THE OWNER'S SPECIAL MOBILE MACHINERY LOCATED IN THE STATE AT THE TIME OF SUBMITTAL OF THE REPORT. THE REPORT MUST BE ON A FORM FURNISHED BY THE DEPARTMENT. WHEN A REGISTRATION EXEMPT CERTIFICATE APPLICATION IS APPROVED, AN OWNER SHALL MAKE PAYMENT DIRECTLY TO THE DEPARTMENT FOR ANY ITEM OF SPECIAL MOBILE MACHINERY THAT IS CURRENTLY IN THE STATE, AS IDENTIFIED IN THE REPORT. AN OWNER SHALL PAY FOR EACH ITEM OF SPECIAL MOBILE MACHINERY AN AMOUNT BASED ON THE PERIOD COVERED BY THE ISSUED REGISTRATION EXEMPT CERTIFICATE.

(B) UPON A REQUEST FOR RENEWAL OF A REGISTRATION EXEMPT CERTIFICATE FOR AN ITEM OF SPECIAL MOBILE MACHINERY, THE OWNER SHALL SUBMIT A REPORT TO THE DEPARTMENT THAT IDENTIFIES ALL OF THE OWNER'S SPECIAL MOBILE MACHINERY LOCATED IN THE STATE AT THE TIME OF SUBMITTAL OF THE REPORT AND THAT IDENTIFIES EACH ITEM OF THE

OWNER'S SPECIAL MOBILE MACHINERY THAT IS NEW OR WAS DELIVERED OR OPERATED IN THE STATE DURING THE PERIOD COVERED BY THE EXPIRING REGISTRATION EXEMPT CERTIFICATE. THE REPORT MUST BE ON A FORM FURNISHED BY THE DEPARTMENT. UPON APPROVAL BY THE DEPARTMENT OF A REQUEST FOR RENEWAL OF A REGISTRATION EXEMPT CERTIFICATE, AN OWNER SHALL PAY THE DEPARTMENT FOR EACH ITEM OF SPECIAL MOBILE MACHINERY LOCATED IN THE STATE AT THE TIME OF SUBMITTAL OF THE REPORT AND FOR EACH ITEM OF SPECIAL MOBILE MACHINERY THAT IS NEW OR WAS DELIVERED OR OPERATED IN THE STATE DURING THE PERIOD COVERED BY THE PRECEDING REGISTRATION EXEMPT CERTIFICATE, AS INDICATED IN THE REPORT. FOR EACH ITEM OF SPECIAL MOBILE MACHINERY THAT IS NEW OR WAS DELIVERED OR OPERATED IN THE STATE DURING THE TERM OF THE EXPIRING REGISTRATION EXEMPT CERTIFICATE, THE OWNER SHALL PAY THE DEPARTMENT FOR EACH ITEM BASED ON A PERIOD BEGINNING IN THE MONTH WHEN A NEW, DELIVERED, OR OPERATED ITEM OF SPECIAL MOBILE MACHINERY WAS ADDED AND ENDING ON THE EXPIRATION DATE OF THE EXPIRING REGISTRATION EXEMPT CERTIFICATE.

(C) WITHIN TWENTY DAYS AFTER THE EXPIRATION OF A REGISTRATION EXEMPT CERTIFICATE WHICH HAS NOT BEEN RENEWED, AN OWNER SHALL SUBMIT A REPORT TO THE DEPARTMENT THAT IDENTIFIES EACH ITEM OF SPECIAL MOBILE MACHINERY THAT IS NEW, WAS DELIVERED, OR WAS OPERATED DURING THE TERM OF THE PREVIOUS REGISTRATION EXEMPT CERTIFICATE. THE REPORT MUST BE ON A FORM FURNISHED BY THE DEPARTMENT. FOR EACH ITEM OF SPECIAL MOBILE MACHINERY THAT IS NEW, WAS DELIVERED, OR WAS OPERATED DURING THE TERM OF THE PREVIOUS REGISTRATION EXEMPT CERTIFICATE, THE OWNER SHALL PAY THE DEPARTMENT BASED ON THE PERIOD BEGINNING IN THE MONTH WHEN THE NEW, DELIVERED, OR OPERATED MACHINERY WAS ADDED AND ENDING ON THE EXPIRATION DATE OF THE EXPIRING REGISTRATION EXEMPT CERTIFICATE.

SECTION 2. Appropriation. (1) For the 2023-24 state fiscal year, \$113,476 is appropriated to the department of revenue for use by the division of motor vehicles. This appropriation is from 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 division may use this appropriation as follows:

(a) \$47,492 for personal services related to vehicle services, which

amount is based on an assumption that the division will require an additional 0.8 FTE;

(b) \$12,962 for operating expenses related to vehicle services; and

(c) \$53,022 for DRIVES maintenance and support.

SECTION 3. Act subject to petition - effective date. 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 such period, 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 2024 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Steve Fenberg
PRESIDENT OF
THE SENATE

Julie McCluskie
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

Robin Jones
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED _____

(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO