



## SB21-069 License Plate Expiration on Change of Ownership

### Overview

With the implementation of SB21-069 License Plate Expiration on Change of Ownership, the following changes will take effect:

- **License plate reissuance.** The law specifies that license plates for Tax Class C motor vehicles will expire upon transfer of the owner's title or interest in the vehicle. However, the owner will retain the priority right to use the same combination of letters or numbers from the expired plates when registering a new vehicle. To do so, the owner must apply for personalized plates. This requirement does not apply to owners who currently have personalized plates, have a valuable registration that has been reserved for use under the "Laura Hershey Disability Act," or is a horseless carriage plate. Tax Class C motor vehicles include passenger vehicles, motorhomes and motorcycles.
- **Previously retired style.** The law also authorizes DOR to issue license plates for passenger cars and trucks in a previously retired style (white alpha-numerals on a background of green mountains and white sky) for an additional fee. The plate is Print on Demand (POD) so the customer pays the production cost with the purchase of the plate. Applicants for license plates in the previously retired style must pay \$118.06 for initial issuance, of which \$50 is credited to the disability support fund.

### DMV Background

When Coloradans sell or otherwise dispose of their vehicle, they will not be able to transfer the license plate from their old vehicle to their new vehicle in the same manner they have previously. Previously, when selling your vehicle and purchasing a new vehicle, you could transfer the license plate from your old vehicle to your new vehicle without paying new plate fees (personalized plates required a \$12 fee) (42-3-211(6)(c)). Beginning January 1, 2022, SB21-069 goes into effect and Coloradans will not be able to keep their previous license plates unless they are currently personalized or the vehicle is registered with horseless carriage plates.

Fees vary by plate type and configuration (e.g., sequence of letters and numbers on the license plate). A regular green and white plate with a random configuration will cost a customer \$4.73 (cheapest option). Customers wishing to keep their configuration (e.g., ABC-123 or ABC-D12) can expect to pay \$93.06. The most expensive option is to obtain the historical license plate and keep their current configuration at \$118.06. Keeping their current configuration requires a personalized plate application which will transition their license

plate to what is considered a “vanity” plate. We anticipate this will cause some dissatisfaction both with the plate holders and the county offices issuing the plates.

## Key Messages

- The License Plate Expiration On Change Of Ownership Act of 2021 is a step forward in making Colorado highways and byways safer for all motorists and first responders
  - Despite substantial growth in the number of motor vehicles on Colorado's roads, Colorado has not implemented a periodic license plate replacement program in over 20 years.
- The new law establishes a license plate reissue program that enhances public safety by ensuring registered vehicles in Colorado having a serviceable license plate that is reflective and visible in low-light environments
  - License plates are often the only highly reflective element on vehicles which is critically important in stalled vehicle scenarios
    - On average, license plates lose 50% of their reflectivity within 5 to 10 years of use and the average age of motor vehicles in Colorado is 6 years.
- Under the new program, license plates for Class C motor vehicles will expire upon transfer of the owner's title or interest in the vehicle. However, the owner will retain the priority right to use the same combination of letters or numbers from the expired plates when registering a new vehicle. To do so, the owner must apply for personalized plates. This requirement does not apply to owners who currently have personalized plates, have a valuable registration that has been reserved for use under the “Laura Hershey Disability Act,” or is a horseless carriage plate. Tax Class C motor vehicles include passenger vehicles, motorhomes and motorcycles.
- More easily readable license plates will help in public safety and law enforcement efforts during Amber Alerts
  - About 70% of crimes involve a vehicle and serviceable license plates are a low-cost and effective measure to identify vehicles involved in a crime
- Recent national studies estimate that as many as four out of 10 vehicles on Colorado thoroughfares are not properly registered
- Not only will this program make Colorado roads safer, the revenue it will generate could be used to fight traffic congestion
  - According to the [U.S. Census Bureau](#), Colorado's population increased 14.8% to 5,773,714 from 2010 to 2020.
    - The roughly 750,000 new residents Colorado gained from 2010 to 2020 have contributed to traffic congestion, and many are driving vehicles that are not registered in Colorado, which has contributed to the loss of critical revenue for transportation and other purposes.
      - Unregistered and improperly licensed vehicles contribute to significant state and local shortfalls in revenue for critical transportation and other needs

- Fees
  - Coloradans who'd like to keep the configuration on their current license plate can do so, but will need to pay a fee ranging between \$68.06 and \$118.06, depending on the license plate selected. Customers may personalize with a configuration other than the 3-3 or 4-2 (e.g., ABC-123 or ABCD-12) for a fee ranging between \$68.06 and \$93.06, depending on the plate type selected.
    - A regular green and white plate with a random configuration will cost a customer \$4.73 (cheapest option).