



LATE VEHICLE REGISTRATION FEES

by Kurtis Morrison

Senate Bill 09-108, the Funding Advancements for Surface Transportation and Economic Recovery (FASTER) Act, increased fees for late vehicle registrations to \$25 per month, up to a maximum \$100, per registration period, as of July 1, 2009.¹ Prior to FASTER, late fees were capped at \$10 and could be waived by county clerks. In 2010, the General Assembly enacted a reduced late fee of \$10 for nonmotorized vehicles, and directed the Department of Revenue to establish exemptions for specific circumstances in which late fees are accrued. This issue brief provides a summary of late fee exemptions and reductions, as well as information on vehicles impacted during FY 2009-10.

Reductions, Exceptions, and Exemptions

During the 2010 legislative session, the General Assembly enacted three bills to provide either a reduced fee, or an exemption for certain classes of vehicles under certain circumstances.

Nonmotorized vehicles. House Bill 10-1211 and Senate Bill 10-198 reduce the \$100 maximum late fee to a single \$10 for three types of vehicles:²

- nonmotorized vehicles weighing 16,000 pounds or less;
- camper trailers, regardless of weight; and
- multipurpose trailers, regardless of weight.

The reduction took effect on July 1, 2010, and is not retroactive. Rather, it applies only to late fees accrued beginning on July 1, 2010. Therefore, nonmotorized vehicle owners remain liable for late fees accumulated prior to this date and accrued under the \$100 maximum previously in effect.

Exemptions. House Bill 10-1212 directs the Department of Revenue to establish rules for circumstances in which vehicle owners who register vehicles late may be exempt from late registration fees. Rules are to include, based on certain criteria, exemptions for the following conditions: acts of God and weather-related delays; office closures and furloughs; temporary registration plates, certificates or tags that have expired; medical hardships; and information technology failures.³

Commercial and farm trailers. HB 10-1212 also directs the Department of Revenue to set rules to permit late fee reductions or waivers for trailers used as commercial or farm vehicles. To qualify, an owner must establish that the trailer was properly idled and was not operated on public highways for one or more full registration periods. The bill requires that owners provide a sworn affidavit affirming that the trailer has not been operated on public highways during the period it was unregistered, and describing the business conditions resulting in the vehicle's removal from service.⁴

¹ Section 42-3-112 (1), C.R.S.

² Section 42-3-112 (1.7), C.R.S.

³ Section 42-3-112 (1.5) (a), C.R.S.

⁴ Section 42-3-112 (1.5) (b), C.R.S.

Other exemptions. State law also provides late registration fee exemptions for vehicles that are:⁵

- used for operating a commercial business and were idled for a full registration period;
- owned by military personnel serving outside Colorado when the grace period for renewal has passed and the vehicle is not operated on any public highway until re-registration; and
- stolen, and the registration expired during the time, or duration of, the theft.

FY 2009-10 Registrations

Since enactment of SB 09-108, approximately 584,000 vehicles were registered late (11.3 percent of all registrations), resulting in \$31.3 million in late fees collected in FY 2009-10; this figure will likely decrease in future fiscal years given the new exemptions. Table 1 summarizes all late registrations.

Table 1.
Late Vehicle Registrations, FY 2009-10

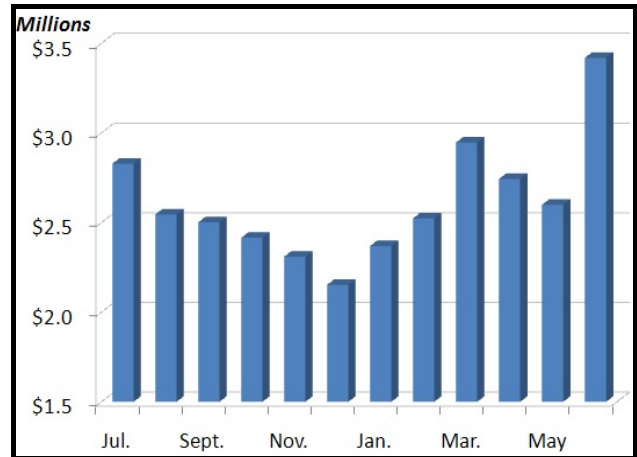
Vehicle Type	Number Registered Late	% of All Late Registrations
Passenger	367,760	62.9%
Light Trucks	103,568	17.7%
Trailers <2,000 lbs	38,734	6.6%
Motorcycles	23,696	4.1%
Trailers >2,000 lbs	21,057	3.6%
Spec. Mobile Machine	6,450	1.1%
All Others	23,087	4.0%
Total	584,352	100.0%

Source: Department of Revenue

Revenue collections. During FY 2009-10, late fee revenue averaged \$2.6 million per month, with collections experiencing seasonal fluctuations. Chart 1 provides a summary of monthly collections.

Chart 1.

Late Registration Fee Collections, FY 2009-10

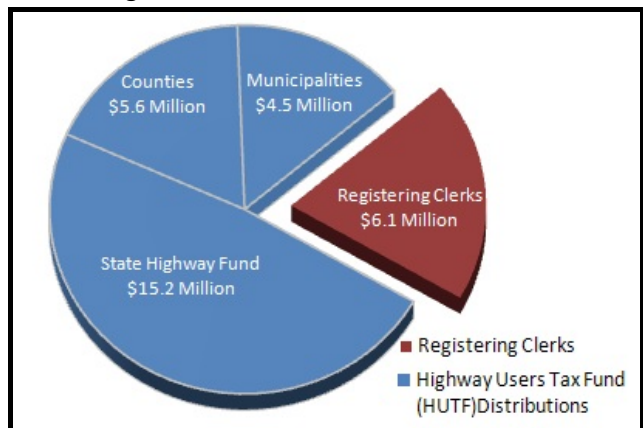


Source: Department of Revenue

Revenue distributions. Late fees are collected by county clerks and recorders. Ten dollars of the late fee is retained by the registering clerk; the balance is remitted to the Department of Revenue and credited to the Highway Users Tax Fund (HUTF). HUTF late fee revenues are distributed 60 percent to the state, 22 percent to counties, and 18 percent to municipalities, to fund transportation projects.⁶ Prior to enactment of SB 09-108, the \$10 waiveable late fee was retained by county clerks. In FY 2009-10, late fee collections totaled \$25.3 million credited to the HUTF and \$6.1 million retained by county clerks (see Chart 2). All HUTF distributions represent new HUTF revenue not collected prior to SB 09-108.

Chart 2.

Late Registration Fee Distributions, FY 2009-10



Source: Department of Revenue

⁵ Section 42-3-112 (3), C.R.S.

⁶ Section 43-4-804 (1) (e), C.R.S.