Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

**REVISED**

*This Version Includes All Amendments Adopted on Second Reading in the Second House*

LLS NO. 26-0534.01 Jery Payne x2157

**HOUSE BILL 26-1200**

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March 12, 2026

HOUSE
Amended 2nd Reading
March 11, 2026

## A BILL FOR AN ACT

**CONCERNING REQUIRED PAYMENTS UPON REGISTRATION OF A VEHICLE FOR A MEMBER OF THE UNITED STATES ARMED FORCES SERVING OUTSIDE THE STATE.**

### 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.)*

Current law exempts the owner of a motor vehicle who is a member of the United States armed forces (member) from motor vehicle registration fees and sets the specific ownership tax at $1 while the member is serving outside the United States. This applies to personal motor vehicles and intrastate trucks, truck tractors, trailers, and

semitrailers used to transport property. To qualify, the member must show the military order or evidence acceptable to the department of revenue (department) demonstrating that the member served outside the United States and sign an affidavit that the motor vehicle will not be driven while the tax rate applies. **Section 1** of the bill repeals the requirement that the member sign the affidavit to pay the $1 specific ownership fee. **Section 3** repeals the requirement that the member sign the affidavit to be exempt from the motor vehicle fee.

Current law exempts members from paying late fees for failing to renew a registration for a vehicle if the member was serving outside the state when the registration period expired. **Section 2** sets the requirement to qualify for a late fee exception by requiring the member to show the military order or evidence acceptable to the department demonstrating that the member served outside of the United States.

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

**SECTION 1.** In Colorado Revised Statutes, 42-3-107, **amend** (8)(b)(II) introductory portion, (8)(b)(II)(A), (10)(b)(II) introductory portion, and (10)(b)(II)(A); **repeal** (8)(b)(II)(B) and (10)(b)(II)(B); and **add** (8)(b)(V) and (10)(b)(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.**

(8) (b) (II) In order to qualify for the tax rate imposed by this ~~paragraph (b)~~ SUBSECTION (8)(b), the owner must:

(A) Show the department military orders to serve outside the United States or any evidence acceptable to the department that the owner served outside the United States. ~~and~~

(B) ~~File a signed affidavit that the motor vehicle will not be operated on a highway when the tax rate applies.~~

(V) THE OWNER NEED NOT SIGN AN AFFIDAVIT TO QUALIFY FOR THE TAX RATE IMPOSED BY THIS SUBSECTION (8)(b). THE DEPARTMENT

SHALL NOTIFY THE OWNER THAT THE MOTOR VEHICLE MUST NOT BE OPERATED ON THE ROADWAYS WHEN THE REDUCED TAX RATE APPLIES.

(10) (b) (II) In order to qualify for the tax rate imposed by this ~~paragraph (b)~~ SUBSECTION (10)(b), the owner must:

(A) Show the department military orders to serve outside the United States or any evidence acceptable to the department that the owner served outside the United States. ~~and~~

(B) ~~File a signed affidavit that the motor vehicle will not be operated on a highway when the tax rate applies.~~

(V) THE OWNER NEED NOT SIGN AN AFFIDAVIT TO QUALIFY FOR THE TAX RATE IMPOSED BY THIS SUBSECTION (10)(b). THE DEPARTMENT SHALL NOTIFY THE OWNER THAT THE MOTOR VEHICLE MUST NOT BE OPERATED ON THE ROADWAYS WHEN THE REDUCED TAX RATE APPLIES.

**SECTION 2.** In Colorado Revised Statutes, 42-3-112, **amend** (3)(b) as follows:

**42-3-112. Failure to pay tax - penalty - rules.**

(3) The late fee described in subsection (1) of this section shall not be imposed on a vehicle subject to taxation under this ~~article~~ ARTICLE 3 if:

(b) (I) The ~~person~~ INDIVIDUAL who owns the vehicle is in the active military service of the United States and is serving outside the state when a registration period and grace period for renewal of registration for the vehicle end and the vehicle is not operated on any public highway of the state between the time the registration period and grace period end and the time the vehicle is reregistered.

(II) IN ORDER TO QUALIFY UNDER THIS SUBSECTION (3)(b) FOR EXEMPTION FROM PAYMENT OF THE LATE FEE DESCRIBED IN SUBSECTION

(1) OF THIS SECTION, THE OWNER OF THE VEHICLE MUST SHOW THE DEPARTMENT MILITARY ORDERS TO SERVE OUTSIDE THE STATE OR ANY EVIDENCE ACCEPTABLE TO THE DEPARTMENT THAT THE OWNER SERVED OUTSIDE THE STATE. THE OWNER NEED NOT SIGN AN AFFIDAVIT TO QUALIFY UNDER THIS SUBSECTION (3)(b) FOR EXEMPTION FROM PAYMENT OF THE LATE FEE DESCRIBED IN SUBSECTION (1) OF THIS SECTION. THE DEPARTMENT SHALL NOTIFY THE OWNER THAT THE VEHICLE MUST NOT HAVE BEEN USED ON THE ROADWAYS WHEN THE EXEMPTION APPLIES.

(III) Nothing in this ~~paragraph (b)~~ SUBSECTION (3)(b) shall be construed to exempt the owner of such a vehicle from paying any fees imposed pursuant to this ~~article~~ ARTICLE 3 other than the late fee before again operating the vehicle on a public highway in this state or from paying any taxes imposed pursuant to this ~~article~~ ARTICLE 3.

**SECTION 3.** In Colorado Revised Statutes, 42-3-314, **amend** (2)(a) and (4); and **repeal** (2)(b) as follows:

**42-3-314. Military deployment.**

(2) **Qualifications.** In order for a motor vehicle to qualify for the exemption from registration fees under this section, the owner must:

(a) Show the department military orders to serve outside the United States or any evidence acceptable to the department that the owner served outside the United States. ~~and~~

(b) ~~File a signed affidavit that the motor vehicle will not be operated on a highway during the exemption period.~~

(4) **Violations.** A person shall not operate the motor vehicle during the time ~~covered by the affidavit filed~~ THE MOTOR VEHICLE IS EXEMPT FROM PAYING FEES under subsection (2) of this section. A violation of this section is a class B traffic infraction.

**SECTION 4. Act subject to petition - effective date - applicability.** (1) 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 (August 12, 2026, if adjournment sine die is on May 13, 2026); 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 2026 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

(2) This act applies to taxes and fees due on or after the applicable effective date of this act.