

Colorado Becomes Fourth State to Approve Digital License Plates

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Effective August 10, 2022, the owner of a Colorado registered vehicle may display a “digital number plate” in lieu of one or both of the plates traditionally issued by the Colorado Division of Motor Vehicles (“DMV”), as long as the registration number and expiration date are clearly visible at a distance of one hundred feet in normal sunlight. The legislation was [signed by the Governor](#) on April 22, 2022. Colorado is the fourth state to enact such legislation, following Arizona, California, and Michigan.

Traditionally, vehicle registration or vehicle number plates—commonly known as license plates—are made of metal or plastic with an alphanumeric unique identifier engraved directly into the plate. (Several states also offer digitally printed “flat” plates, but the concept is the same.) To title and register a vehicle or renew title and registration, vehicle owners must visit the DMV in person or complete the process online and wait for the items to arrive via mail. Then, the owner is responsible for physically replacing the plates and/or affixing the decals.

However, as technology continues to become an ever-present aspect of our daily lives, more states are embracing digital license plates.

Digital license plates typically include a processing unit, storage media, and wireless connectivity all built into an electronic display—similar to an e-reader and roughly the same size as a traditional license plate. However, while digital license plates may look like a traditional plate, they represent the crossroads of fintech, privacy, and auto finance. For example, they make it easier for owners to complete and/or renew title and registration (eliminating altogether physical plates and decals); disable and report a stolen vehicle; or just locate one in a crowded parking garage. They can also help broadcast public safety messages, such as AMBER alerts. Conversely, the technology makes it easier for creditors to locate and disable vehicles (such as for repossession); for parents, spouses, or significant others to track their children or partners; and for the state to monitor citizens’ driving habits or general whereabouts—all of which raise legal, privacy, ethical, and safety concerns.

Over the coming years, industry participants should anticipate more jurisdictions introducing similar laws. Georgia is likely next, with [new regulations](#) scheduled for October. After that, Florida, Illinois, and Texas are on deck, as all three jurisdictions have launched initiatives to explore this technology.

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