

# An Act

SENATE BILL 12-095

BY SENATOR(S) Lundberg, Grantham, Harvey, Hudak, King K., King S., Lambert, Williams S.;  
also REPRESENTATIVE(S) Barker, Holbert.

CONCERNING REQUIREMENTS FOR THE VALID TRANSFER OF TITLE TO A  
MOTOR VEHICLE.

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

**SECTION 1. Legislative declaration.** (1) The general assembly finds, determines, and declares that:

(a) The purpose of Senate Bill 12-095, enacted in 2012, is to modernize and make more consistent the provisions of Colorado's motor vehicle registration statutes that deal with documents evidencing ownership of used motor vehicles;

(b) With the advent of computerized vehicle identification number inspections, it is appropriate to ease the requirement for the buyer to post a bond in cases in which a paper certificate of title to a motor vehicle cannot readily be obtained; and

(c) Nothing in Senate Bill 12-095, enacted in 2012, is intended to,

nor shall it be construed to, affect the marketability of antique and collector vehicles nor diminish the security of titles to such vehicles.

**SECTION 2.** In Colorado Revised Statutes, **amend** 42-6-109 as follows:

**42-6-109. Sale or transfer of vehicle.** (1) Except as provided in section 42-6-113, ~~no~~ A person shall NOT sell or otherwise transfer a motor vehicle to a purchaser or transferee without delivering to ~~such~~ THE purchaser or transferee a certificate of title ~~which may be electronic~~; to ~~such~~ THE vehicle duly transferred in the manner prescribed in section 42-6-110. EXCEPT AS PROVIDED IN SUBSECTION (2) OF THIS SECTION, THE CERTIFICATE OF TITLE MAY BE IN AN ELECTRONIC FORMAT. EXCEPT AS PROVIDED IN SECTION 42-6-115, no purchaser or transferee shall acquire any right, title, or interest in and to a motor vehicle purchased by ~~such~~ THE purchaser or transferee unless and until he or she obtains from the transferor the certificate of title duly transferred in accordance with this part 1. A lienholder may request either a paper or electronic version of a certificate of title.

(2) EXCEPT AS PROVIDED IN SECTION 42-6-115, a paper copy of a certificate of title ~~shall be~~ IS necessary for any transaction in which:

- (a) Either party to the transaction is located outside Colorado; or
- (b) The purchaser pays for a motor vehicle entirely with cash.

**SECTION 3.** In Colorado Revised Statutes, **amend** 42-6-115 as follows:

**42-6-115. Furnishing bond for certificates.** (1) (a) If the applicant for a certificate of title to a motor vehicle is unable to provide the director or the authorized agent with a certificate of title duly transferred to ~~such~~ THE applicant ~~a bill of sale~~, or other evidence of ownership ~~that satisfies~~ SATISFACTORY TO the director ~~that the applicant owns the vehicle~~ AS SPECIFIED IN RULES ESTABLISHED PURSUANT TO SECTION 42-6-104, THE DIRECTOR OR THE AUTHORIZED AGENT MAY FILE a certificate of title for ~~such~~ THE vehicle ~~may be filed by the director or the authorized agent upon~~ IF the applicant ~~furnishing~~ FURNISHES the director or the authorized agent with a statement, in ~~such~~ A form ~~as required~~ SPECIFIED by the director, ~~The~~

~~statement shall contain~~ THAT CONTAINS:

(I) A recital of the facts and circumstances by which the applicant acquired the ownership and possession of ~~such~~ THE vehicle;

(II) The source of the title to the vehicle; and ~~such~~

(III) Other information as the director may require to determine:

(A) Whether any liens are attached to ~~such~~ THE motor vehicle;

(B) The date of the liens;

(C) The amount secured by the vehicle;

(D) Where ~~such~~ THE liens are of public record; and

(E) The right of the applicant to have a certificate of title filed on behalf of the applicant.

(b) The statement ~~shall~~ SPECIFIED IN PARAGRAPH (a) OF THIS SUBSECTION (1) MUST contain or be accompanied by a written declaration that it is made under ~~the penalties~~ PENALTY of perjury in the second degree, as defined in section 18-8-503, C.R.S., and ~~shall~~ MUST accompany the application for the certificate as required in section 42-6-116.

(c) THE DIRECTOR OR THE AUTHORIZED AGENT MAY MAINTAIN any evidence submitted to ~~and maintained~~ by the director or the authorized agent ~~may be maintained~~ in a paper or electronic version.

(2) If the director or the authorized agent finds that the applicant is the same person to whom a certificate of title for the vehicle has previously been issued or filed and to whom a license was issued for the year during which the application for ~~such~~ THE certificate of title is made and that a certificate of title should be filed on behalf of the applicant, ~~such~~ THE DIRECTOR OR AUTHORIZED AGENT MAY FILE THE certificate. ~~may be filed and disposition of such certificate shall be made as in other cases.~~

(3) (a) Except as provided by paragraph (b) of this subsection (3) or section 42-12-402, the department or an authorized agent shall not file a

certificate of title under this section until the applicant furnishes evidence of a savings account, deposit, or certificate of deposit meeting the requirements of section 11-35-101, C.R.S., or a good and sufficient bond with a corporate surety, to the state, in an amount ~~to be~~ fixed by the director, not less than twice the reasonable value of the vehicle determined as of the time of application. The applicant and the applicant's surety shall hold harmless any person who suffers loss or damage by reason of the filing of a certificate under this section.

(b) If the vehicle for which the certificate is filed is twenty-five years old or older, the applicant has had a certified vehicle identification number inspection performed on the vehicle, and the applicant presents a notarized bill of sale within twenty-four months after the sale with the title application, ~~then~~ the applicant need not furnish surety under this subsection (3). To be excepted from the surety requirement, an applicant shall submit an affidavit to the department that is sworn to under penalty of perjury that states that the required documents submitted are true and correct.

(4) If any person suffers loss or damage by reason of the filing of the certificate of title as provided in this section, ~~such~~ THE person ~~shall have~~ HAS a right of action against the applicant and the surety on the applicant's bond against either of whom the person damaged may proceed independently of the other.

**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 8, 2012, if adjournment sine die is on May 9, 2012); 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 2012 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

(2) The provisions of this act apply to applications for certificates of title made on or after the applicable effective date of this act.

---

Brandon C. Shaffer  
PRESIDENT OF  
THE SENATE

---

Frank McNulty  
SPEAKER OF THE HOUSE  
OF REPRESENTATIVES

---

Cindi L. Markwell  
SECRETARY OF  
THE SENATE

---

Marilyn Eddins  
CHIEF CLERK OF THE HOUSE  
OF REPRESENTATIVES

APPROVED \_\_\_\_\_

---

John W. Hickenlooper  
GOVERNOR OF THE STATE OF COLORADO