First Regular Session Sixty-ninth General Assembly STATE OF COLORADO

ENGROSSED

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

LLS NO. 13-0867.02 Jery Payne x2157

SENATE BILL 13-280

SENATE SPONSORSHIP

Tochtrop,

HOUSE SPONSORSHIP

Senate Committees Agriculture, Natural Resources, & Energy Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE ISSUANCE OF CERTIFICATES OF TITLE FOR** 102 OFF-HIGHWAY VEHICLES, AND, IN CONNECTION THEREWITH,

MAKING AN APPROPRIATION.

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://www.leg.state.co.us/billsummaries.)

The bill requires off-highway vehicles to be titled in the same manner as motor vehicles except under statutory provisions that apply to salvage vehicles and assume the vehicle will be registered with the department of revenue. Off-highway vehicles sold before July 1, 2014,

SENATE Amended 2nd Reading May 1, 2013

Vigil,

are exempt until they are sold again. A current registration issued by the department of parks and wildlife is evidence of ownership. Several categories of these vehicles are exempt from bonded title.

1 Be it enacted by the General Assembly of the State of Colorado: 2 SECTION 1. In Colorado Revised Statutes, 33-14.5-103, amend 3 (1) as follows: 4 33-14.5-103. Proof of ownership for registration purposes. 5 (1) The division shall require proof of ownership for an off-highway vehicle prior to the initial registration required under this article, but such 6 7 proof shall not be dependent upon any certificate of title, and no 8 certificate of title shall be issued by the division SHALL NOT ISSUE A 9 CERTIFICATE OF TITLE FOR THE VEHICLE. 10 SECTION 2. In Colorado Revised Statutes, 39-26-113, amend 11 (1), (6) (a), and (6) (b); and **add** (7) as follows: 12 39-26-113. Collection of sales tax - motor vehicles -13 powersports vehicles - exemption. (1) No registration shall be made of 14 THE DEPARTMENT OF REVENUE OR ITS AUTHORIZED AGENT SHALL NOT 15 REGISTER a motor or other vehicle for which registration is required and 16 no OR ISSUE A certificate of title shall be issued for such A MOTOR vehicle, 17 OFF-HIGHWAY VEHICLE AS DEFINED IN SECTION 42-6-102, C.R.S., or for 18 a mobile MANUFACTURED home by the department of revenue or its 19 authorized agent AS DEFINED IN SECTION 38-29-106, C.R.S., until any tax 20 due on the sale and purchase of such THE vehicle pursuant to UNDER 21 section 29-2-106, C.R.S., or section 39-26-106 or imposed by ordinance 22 of any home rule city has been paid. 23 (6) (a) In the case of a seller-financed sale in which the seller has

added the sales tax due on the sale to the financed sales price of the motor

1 OR OFF-HIGHWAY vehicle and the purchaser has defaulted or otherwise 2 failed to make payments due to the seller, the seller shall be entitled to 3 MAY deduct all portions of the unreceived payments that are attributable 4 to the sales tax due on the sale from the next sales tax return made by the 5 seller pursuant to UNDER this article. If the amount to be SO deducted 6 pursuant to this subsection (6) exceeds the amount of sales tax to be 7 remitted by the seller for the next reporting period, the seller may carry 8 forward the remaining amount of the deduction to future sales tax returns. 9 In no event shall This subsection (6) be construed to DOES NOT create a 10 right to a refund or any other payment by the department of revenue to the 11 seller.

12 (b) For purposes of this subsection (6), "seller-financed sale" 13 means a retail sale of a motor OR OFF-HIGHWAY vehicle by a seller 14 licensed pursuant to part 1 of UNDER article 6 of title 12, C.R.S., in which 15 the seller, or a wholly-owned affiliate or subsidiary of the seller, collects 16 all or part of the total consideration paid for the motor vehicle in periodic 17 payments and retains a lien on the motor vehicle until all payments have 18 been received. Except as otherwise provided in this paragraph (b), the 19 term "SELLER-FINANCED SALE" does not include a retail sale of a motor 20 vehicle in which a person other than the seller provides the consideration 21 for the sale and retains a lien on the motor vehicle until all payments have 22 been made.

(7) SUBSECTIONS (1) AND (2) OF THIS SECTION DO NOT APPLY TO
THE SALE OR TRANSFER OF <u>OFF-HIGHWAY</u> VEHICLES BEFORE JULY 1, 2014.
FOR A <u>OFF-HIGHWAY</u> VEHICLE THAT WAS FIRST PURCHASED OR
TRANSFERRED BEFORE JULY 1, 2014, AND IS BEING ISSUED ITS FIRST
CERTIFICATE OF TITLE FOR THE FIRST TIME AFTER THIS DATE, THE

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 $1 \qquad {\sf DEPARTMENT SHALL NOT VERIFY THAT THE PERSON PAID ANY TAX DUE ON}$

2 THE VEHICLE.

3	SECTION 3. In Colorado Revised Statutes, 42-6-102, amend (1)
4	<u>and</u> (17) (a); and add (1.5), (11.5), and (18.5) as follows:
5	42-6-102. Definitions. As used in this part 1, unless the context
6	otherwise requires:
7	(1) "Authorized agents" means the county clerk and recorder in
8	each of the counties of the state, including the city and county of
9	Broomfield, and the manager of revenue or such other official of the city
10	and county of Denver as may be appointed by the mayor to perform
11	functions related to the registration of motor vehicles. "ALL-TERRAIN
12	VEHICLE" MEANS A THREE- OR FOUR-WHEELED VEHICLE THAT TRAVELS ON
13	LOW-PRESSURE TIRES WITH A SEAT THAT IS STRADDLED BY THE RIDER AND
14	WITH HANDLEBARS FOR STEERING CONTROL.
15	(1.5) "AUTHORIZED AGENT" MEANS THE COUNTY CLERK AND
16	RECORDER IN EACH OF THE COUNTIES OF THE STATE OR SUCH OTHER
17	OFFICIAL OF A CITY AND COUNTY APPOINTED TO PERFORM THE FUNCTION
18	OF TITLING OF OR RECORDING LIENS ON MOTOR VEHICLES.
19	(11.5) (a) "Off-highway vehicle" means a self-propelled
20	VEHICLE THAT IS:
21	(I) Designed to travel on wheels or tracks in contact with
22	THE GROUND;
23	(II) DESIGNED PRIMARILY FOR USE OFF OF THE PUBLIC HIGHWAYS;
24	AND
25	(III) GENERALLY AND COMMONLY USED TO TRANSPORT PERSONS
26	FOR RECREATIONAL PURPOSES.
27	(b) "OFF-HIGHWAY VEHICLE" INCLUDES VEHICLES COMMONLY

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1 KNOWN AS ALL-TERRAIN VEHICLES AND SNOWMOBILES BUT DOES NOT

2 INCLUDE:

- 3 (I) TOY VEHICLES;
- 4 (II) VEHICLES DESIGNED AND USED PRIMARILY FOR TRAVEL ON,
- 5 OVER, OR IN THE WATER;
- 6 (III) MILITARY VEHICLES;
- 7 (IV) GOLF CARTS OR GOLF CARS;
- 8 (V) VEHICLES DESIGNED AND USED TO CARRY PERSONS WITH 9 DISABILITIES;
- 10 (VI) VEHICLES DESIGNED AND USED SPECIFICALLY FOR
 11 AGRICULTURAL, LOGGING, OR MINING PURPOSES; OR
- 12 (VII) MOTOR VEHICLES.
- 13 (17) (a) (I) "Salvage vehicle" means a vehicle that is damaged by 14 collision, fire, flood, accident, trespass, or other occurrence, excluding 15 hail damage, to the extent that the cost of repairing the vehicle to a roadworthy condition and for legal operation on the highways exceeds the 16 17 vehicle's retail fair market value immediately prior to such THE damage, 18 as determined by the person who owns the vehicle at the time of such THE 19 occurrence or by the insurer or other person acting on behalf of such THE 20 owner.
- 21 (II) "SALVAGE VEHICLE" DOES NOT INCLUDE AN OFF-HIGHWAY
 22 VEHICLE.

(18.5) "SNOWMOBILE" MEANS A SELF-PROPELLED VEHICLE
PRIMARILY DESIGNED OR ALTERED FOR TRAVEL ON SNOW OR ICE OFF OF
THE PUBLIC HIGHWAYS AND SUPPORTED BY SKIS, BELTS, OR CLEATS.
"SNOWMOBILE" DOES NOT INCLUDE MACHINERY USED FOR THE GROOMING
OF SNOWMOBILE TRAILS OR SKI SLOPES.

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1	SECTION 4. In Colorado Revised Statutes, amend 42-6-103 as
2	follows:
3	42-6-103. Application. (1) The provisions of EXCEPT AS
4	PROVIDED IN SUBSECTION (2) OF THIS SECTION, this part 1 shall apply
5	APPLIES to motor vehicles as defined in section 42-6-102 AND
6	OFF-HIGHWAY VEHICLES.
7	(2) (a) This part 1 does not apply to an OFF-highway vehicle
8	THAT WAS SOLD OR TRANSFERRED BEFORE JULY 1, 2014, UNTIL THE
9	OFF-HIGHWAY VEHICLE IS SOLD OR TRANSFERRED AFTER JULY 1, 2014.
10	(b) (I) This part 1 does not apply to an OFF-highway vehicle:
11	(A) THAT HAS NEVER BEEN ISSUED A CERTIFICATE OF TITLE IN
12	<u>Colorado; and</u>
13	(B) THE OWNER ELECTS NOT TO OBTAIN A CERTIFICATE OF TITLE
14	WHEN THE OFF-HIGHWAY VEHICLE IS PURCHASED FOR THE FIRST TIME BY
15	<u>A PERSON WHO IS NOT A DEALER.</u>
16	(II) IF AN OFF-HIGHWAY VEHICLE HAS NOT BEEN ISSUED A
17	<u>CERTIFICATE OF TITLE IN COLORADO UNDER THIS PARAGRAPH (b), AN</u>
18	OWNER OR SUBSEQUENT OWNER MAY ELECT TO OBTAIN A CERTIFICATE OF
19	<u>TITLE.</u>
20	(III) THE OWNER IS AUTHORIZED TO NOT HAVE A CERTIFICATE OF
21	TITLE UNDER THIS PARAGRAPH (b) ONLY WHEN THE OFF-HIGHWAY
22	VEHICLE IS FIRST SOLD IN COLORADO BY A DEALER OR BROUGHT BY THE
23	<u>OWNER AND USER INTO COLORADO. IF AN OFF-HIGHWAY VEHICLE HAS</u>
24	<u>BEEN ISSUED A CERTIFICATE OF TITLE IN COLORADO, THEN THIS PART 1</u>
25	APPLIES TO THE OWNER AND VEHICLE NOTWITHSTANDING SUBPARAGRAPH
26	<u>(I) OF THIS PARAGRAPH (b).</u>
27	SECTION <u>5.</u> In Colorado Revised Statutes, 42-6-107, amend (1)

1 (a) and (2) as follows:

2 **42-6-107.** Certificates of title - contents - rules. (1) (a) All THE 3 DEPARTMENT OR AUTHORIZED AGENT SHALL MAIL OR DELIVER certificates 4 of title to motor OR OFF-HIGHWAY vehicles issued under this part 1 shall 5 be mailed to the applicant, except as provided in section 42-6-124, and 6 THE DIRECTOR SHALL RETAIN AND APPROPRIATELY INDEX AND FILE 7 information appearing and concerning the issuance thereof shall be 8 retained by the director and appropriately indexed and filed in the 9 director's office. Such OF THE CERTIFICATES OF TITLE. THE certificates 10 may be electronic records pursuant to IN COMPLIANCE WITH rules adopted 11 by the director. and, In addition to other information that the director may 12 by rule require, shall THE CERTIFICATES MUST contain the make and model 13 of the motor OR OFF-HIGHWAY vehicle for which the certificate is issued 14 or the record is created, where such DESCRIBED IN THE RECORD, IF THE 15 information is available, together with the motor and any OTHER serial 16 number of the vehicle, and a description of such ANY other marks or 17 symbols as may be placed upon the vehicle by the vehicle manufacturer 18 for identification purposes. The year that is listed on the certificate of title 19 of a kit vehicle shall be IS the year of manufacture of the kit from which 20 the vehicle was assembled, as indicated in the manufacturer's statement 21 of origin.

(2) The DEPARTMENT OR AUTHORIZED AGENT SHALL INCLUDE IN
THE electronic record of the certificate or the paper version of the
certificate shall contain a description of every lien to which ON the motor
OR OFF-HIGHWAY vehicle is subject, as THAT appears in the application
for the certificate of title or as is noted and shown to be unreleased upon
a PRIOR certificate of title issued after August 1, 1949, for such THE

1 vehicle, including the date of such THE lien, the original amount secured 2 by the vehicle, the named lience, and the county in which the lien appears 3 of record if it is of public record. The DEPARTMENT OR AUTHORIZED 4 AGENT SHALL NUMBER certificates and electronic records shall be 5 numbered consecutively by counties, beginning with number one. The 6 certificate of title filed with the authorized agent shall be IS prima facie 7 evidence of the contents of the record and that the person in whose name 8 the certificate is registered is the lawful owner of the vehicle. Except as 9 provided in section 42-6-118, said THE certificate shall be REMAINS 10 effective after filing until the vehicle described in the record is sold or 11 ownership is otherwise transferred.

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SECTION <u>6.</u> In Colorado Revised Statutes, 42-6-109, amend (1), (2) introductory portion, and (2) (b) as follows:

14 **42-6-109.** Sale or transfer of vehicle. (1) Except as provided in 15 section 42-6-113, a person shall not sell or otherwise transfer a motor OR 16 OFF-HIGHWAY vehicle to a purchaser or transferee without delivering to 17 the purchaser or transferee a certificate of title to the vehicle duly 18 transferred in the manner prescribed in section 42-6-110. Except as 19 provided in subsection (2) of this section, the certificate of title may be in 20 an electronic format. Except as provided in section 42-6-115, no A 21 purchaser or transferee shall DOES NOT acquire any right, title, or interest 22 in and to a motor OR OFF-HIGHWAY vehicle purchased by the purchaser or 23 transferee unless and until he or she obtains from the transferor the 24 certificate of title duly transferred in accordance with this part 1. A 25 lienholder may request either a paper or electronic version of a certificate 26 of title.

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(2) Except as provided in section 42-6-115, a paper copy of a

1 certificate of title is necessary for any A transaction in which:

2 (b) The purchaser pays for a motor OR OFF-HIGHWAY vehicle 3 entirely with cash.

4 **SECTION 7.** In Colorado Revised Statutes, 42-6-110, **amend** (1) 5 as follows:

6 **42-6-110.** Certificate of title - transfer. (1) Upon the sale or 7 transfer of a motor OR OFF-HIGHWAY vehicle for which a certificate of 8 title has been issued or filed, the person in whose name the certificate of 9 title is registered, if such THE person is other than NOT a dealer, shall 10 execute a formal transfer of the vehicle described in the certificate. Such 11 transfer shall be affirmed by a statement signed by The person in whose 12 name the certificate of title is registered or by such THE person's 13 authorized agent or attorney and shall contain or be AFFIRM THE SALE OR 14 TRANSFER, accompanied by a written declaration that it THE STATEMENT 15 is made under the penalties of perjury in the second degree, as defined in 16 section 18-8-503, C.R.S. The purchaser or transferee, within sixty days 17 thereafter, shall present such THE certificate, together with an application 18 for a new certificate of title, to the director or one of the authorized 19 agents, accompanied by the fee required in section 42-6-137 to be paid 20 for the filing of a new certificate of title; except that, if no title can be 21 found and the motor vehicle is not roadworthy, the purchaser or transferee 22 may wait until twenty-four months after the motor vehicle was purchased 23 to apply for a certificate of title.

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SECTION 8. In Colorado Revised Statutes, 42-6-111, **amend** (1) 25 and (2) as follows:

26 **42-6-111.** Sale to dealers - certificate need not issue. (1) Upon 27 the sale or transfer to a dealer of a motor OR OFF-HIGHWAY vehicle for

which a Colorado certificate of title has been issued, THE DEALER SHALL
TRANSFER AND FILE the certificate of title to the motor OR OFF-HIGHWAY
vehicle; shall be transferred and filed; except that, so long as the vehicle
remains in the dealer's possession and at the dealer's place of business for
sale and for no other purpose, such THE dealer shall not be required to
NEED NOT procure or file a new certificate of title as is otherwise required
in this part 1.

8 (2) If a motor OR OFF-HIGHWAY vehicle dealer wishes to obtain a 9 new certificate of title, to a motor vehicle, such THE dealer may present 10 the old certificate of title to the director with the fee imposed by section 11 42-6-137 (6), whereupon the director shall issue a new certificate of title 12 to such THE dealer within one working day after application. This 13 subsection (2) shall DOES not apply to a motor OR OFF-HIGHWAY vehicle 14 subject to a lien.

15 SECTION <u>9.</u> In Colorado Revised Statutes, amend 42-6-112 as
16 follows:

17 42-6-112. Initial registration of a vehicle - dealer responsibility 18 to timely forward certificate of title to purchaser or holder of a 19 chattel mortgage. In order to facilitate initial registration of a vehicle, A 20 dealer of motor OR OFF-HIGHWAY vehicles shall, have not more than thirty 21 days after the date of sale of such vehicle to WITHIN THIRTY DAYS AFTER 22 THE SALE, deliver or facilitate the delivery of the certificate of title to a 23 purchaser or the holder of a chattel mortgage on such THE motor OR 24 OFF-HIGHWAY vehicle subject to section 42-6-109.

25 SECTION <u>10.</u> In Colorado Revised Statutes, amend 42-6-113 as
26 follows:

27 **42-6-113.** New vehicles - bill of sale - certificate of title - rules.

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(1) Upon the sale or transfer by a dealer of a new motor OR OFF-HIGHWAY
 vehicle, such THE dealer shall, upon delivery, make, execute, and deliver
 to the purchaser or transferee a sufficient bill of sale and the
 manufacturer's certificate of origin.

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(2) The bill of sale shall MUST:

6 (a) Be affirmed by a statement signed by such THE dealer, shall
7 contain CONTAINING or be accompanied by a written declaration that it is
8 made under the penalties of perjury in the second degree, as defined in
9 section 18-8-503, C.R.S.;

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(b) shall Be in such form as the director may require; and

(c) shall Contain, in addition to other information that the director may by rule require, the make and model of the motor OR OFF-HIGHWAY vehicle, so sold or transferred, the identification number placed upon the vehicle by the manufacturer for identification purposes, the manufacturer's suggested retail price, and the date of the sale or transfer, together with a description of any mortgage or lien on the vehicle that secures any part of the purchase price.

(3) Upon presentation of such a THE bill of sale AND THE
MANUFACTURER'S CERTIFICATE OF ORIGIN, to the director or an authorized
agent SHALL FILE a new certificate of title for the vehicle described in the
bill of sale. shall be filed. A DEALER SHALL TRANSFER A new motor OR
OFF-HIGHWAY vehicle that is used by a dealer for demonstration shall be
transferred in accordance with this section.

SECTION <u>11.</u> In Colorado Revised Statutes, amend 42-6-114 as
follows:

42-6-114. Transfers by bequest, descent, or law. Upon the
 transfer of ownership of a motor OR OFF-HIGHWAY vehicle by inheritance

1 or by operation of law, as in proceedings in bankruptcy, insolvency, 2 replevin, attachment, execution, or other judicial sale, or whenever such 3 IF THE vehicle is sold to satisfy storage or repair charges or repossessed 4 to satisfy a secured debt, the director or the authorized agent may issue, 5 upon the surrender of any available certificate of title and presentation of 6 such proof of ownership as the director may reasonably require or a court 7 order, a new certificate of title on behalf of the new owner, and 8 disposition shall be made DISPOSE OF THE CERTIFICATE as in other cases. 9 SECTION 12. In Colorado Revised Statutes, 42-6-115, amend 10 (1) (a) introductory portion and (3) (b); and **add** (1) (d) as follows:

11 42-6-115. Furnishing bond for certificates. (1) (a) If the 12 applicant for a certificate of title to a motor OR OFF-HIGHWAY vehicle is 13 unable to provide the director or the authorized agent with a certificate of 14 title duly transferred to the applicant or other evidence of ownership 15 satisfactory to the director as specified in rules established pursuant to 16 UNDER section 42-6-104, the director or the authorized agent may file a 17 certificate of title for the vehicle if the applicant furnishes the director or 18 the authorized agent with a statement, in a form specified by the director, 19 that contains:

20 (d) UPON RECEIPT OF AN APPLICATION BY THE OWNER OF A MOTOR 21 OR OFF-HIGHWAY VEHICLE THAT IS SUBJECT TO A LIEN OR MORTGAGE, THE 22 AUTHORIZED AGENT SHALL NOT ISSUE A CERTIFICATE OF TITLE UNLESS THE 23 OWNER INCLUDES A SIGNED ORIGINAL OR SIGNED DUPLICATE OF THE 24 MORTGAGE OR COPY THEREOF, CERTIFIED BY THE HOLDER OF THE 25 MORTGAGE OR THE HOLDER'S AGENT TO BE A TRUE COPY OF THE SIGNED 26 ORIGINAL MORTGAGE. UPON RECEIVING THE MORTGAGE, THE AUTHORIZED 27 AGENT SHALL COMPLY WITH SECTIONS 42-6-121 (2), 42-6-122, AND

1 42-6-123 CONCERNING THE LIEN OR MORTGAGE.

2 (3) (b) (I) If the A vehicle for which the certificate is filed is 3 twenty-five years old or older, the applicant has had a certified vehicle 4 identification number inspection performed on the vehicle, and the 5 applicant presents a notarized bill of sale within twenty-four months after 6 the sale with the title application, the applicant need not furnish surety 7 under this subsection (3). To be excepted from the surety requirement, an 8 applicant shall MUST submit an affidavit to the department that is sworn 9 to under penalty of perjury AND that states that the required documents 10 submitted are true and correct.

(II) AN APPLICANT NEED NOT FURNISH SURETY UNDER THIS
SUBSECTION (3) FOR AN OFF-HIGHWAY VEHICLE IF THE APPLICANT SUBMITS
AN AFFIDAVIT UNDER PENALTY OF PERJURY THAT ATTESTING TO
OWNERSHIP OF THE VEHICLE AND IF THE VEHICLE:

15 (A) WAS MOVED TO COLORADO FROM A STATE NOT ISSUING
16 CERTIFICATES OF TITLE FOR OFF-HIGHWAY VEHICLES;

17 (B) IS USED AND HELD AS INVENTORY BY A POWERSPORTS DEALER;
18 (C) WAS OWNED BY AN AGENCY OF THE UNITED STATES OR
19 ANOTHER STATE OR A POLITICAL SUBDIVISION THEREOF;

20 (D) WAS OWNED BY AN AGRICULTURAL PRODUCER AND USED
21 STRICTLY FOR AGRICULTURAL PURPOSES;

(E) WAS OWNED EXCLUSIVELY FOR THE PURPOSE OF BEING
OPERATED IN AN ORGANIZED COMPETITIVE OR NONCOMPETITIVE EVENT ON
PUBLICLY OR PRIVATELY OWNED OR LEASED LAND; EXCEPT THAT THIS
EXEMPTION DOES NOT APPLY UNLESS THE AGENCY EXERCISING
JURISDICTION OVER THE LAND SPECIFICALLY AUTHORIZES THE ORGANIZED
COMPETITIVE OR NONCOMPETITIVE EVENT; OR

(F) WAS USED BY A DEALER, MANUFACTURER, OR AUTHORIZED
 DESIGNEE FOR AN OFF-HIGHWAY VEHICLE OPERATOR EDUCATION OR
 SAFETY PROGRAM.

4 SECTION <u>13.</u> In Colorado Revised Statutes, amend 42-6-116 as
5 follows:

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42-6-116. Applications for filing of certificates of title - rules.

7 (1) If a person who desires or who is entitled to a filing of a certificate 8 of title to a motor OR OFF-HIGHWAY vehicle is required to apply to the 9 director or the authorized agent, such THE applicant shall apply upon a 10 form provided by the director in which appears a description of the motor 11 OR OFF-HIGHWAY vehicle including the make and model, the 12 manufacturer's number, and a description of any other distinguishing 13 mark, number, or symbol placed on said THE vehicle by the vehicle 14 manufacturer for identification purposes, as may be required by the 15 director by rule adopted in accordance with article 4 of title 24, C.R.S. 16 The application shall also MUST show the name and correct address of the 17 owner determined pursuant to section 42-6-139, a class A, class B, class 18 C, class D, or class F vehicle owner's personal identification number as 19 provided on a state-issued driver's license or assigned by the department, 20 and the applicant's source of title and shall MUST include a description of 21 all known mortgages and liens upon the motor OR OFF-HIGHWAY vehicle, 22 the holder of the lien, the amount originally secured, and the name of the 23 county and state in which such IF THE OWNER HOLDS A CERTIFICATE OF 24 TITLE OR THE STATE IF THE OWNER DOES NOT HOLD A CERTIFICATE OF 25 TITLE WHERE THE mortgage, or lien, OR FINANCING STATEMENT is 26 recorded or filed. Such THE application shall MUST be verified by a 27 statement signed by the applicant and shall MUST contain or be

accompanied by a written declaration that it is made under the penalties
 of perjury in the second degree, as defined in section 18-8-503, C.R.S.

3 (2) UPON RECEIPT OF AN APPLICATION BY THE OWNER OF A MOTOR 4 OR OFF-HIGHWAY VEHICLE THAT IS SUBJECT TO A LIEN OR MORTGAGE, THE 5 AUTHORIZED AGENT SHALL NOT ISSUE A CERTIFICATE OF TITLE UNLESS THE 6 OWNER INCLUDES A SIGNED ORIGINAL OR SIGNED DUPLICATE OF THE 7 MORTGAGE OR COPY THEREOF, CERTIFIED BY THE HOLDER OF THE 8 MORTGAGE OR THE HOLDER'S AGENT TO BE A TRUE COPY OF THE SIGNED 9 ORIGINAL MORTGAGE. UPON RECEIVING THE MORTGAGE, THE AUTHORIZED 10 AGENT SHALL COMPLY WITH SECTIONS 42-6-121 (2), 42-6-122, AND 11 42-6-123 CONCERNING THE LIEN OR MORTGAGE.

SECTION <u>14.</u> In Colorado Revised Statutes, amend 42-6-118 as
follows:

14 42-6-118. Amended certificate. If the owner of a motor OR 15 OFF-HIGHWAY vehicle for which a Colorado certificate of title has been 16 issued or filed replaces any part of the motor OR OFF-HIGHWAY vehicle on 17 which appears the identification number or symbol described in the 18 certificate of title and such THE identification number or symbol no longer 19 appears on the motor OR OFF-HIGHWAY vehicle, or incorporates the part 20 containing the identification number or symbol into another motor OR 21 OFF-HIGHWAY vehicle, such THE owner shall immediately apply to the 22 director or an authorized agent for an assigned identification number and 23 an amended filing of a certificate of title to such THE vehicle.

24 SECTION <u>15.</u> In Colorado Revised Statutes, amend 42-6-119 as
25 follows:

42-6-119. Certificates for vehicles registered in other states.
(1) When a resident of the state acquires the ownership of a motor OR

OFF-HIGHWAY vehicle for which a certificate of title has been issued by
 a state other than Colorado, the person acquiring such THE vehicle shall
 apply to the director or an authorized agent for the filing of a certificate
 of title as in other cases.

(2) If a dealer acquires the ownership of a motor OR OFF-HIGHWAY
vehicle by lawful means and the motor vehicle is titled under the laws of
a state other than Colorado, such THE dealer shall not be required to NEED
NOT file a Colorado certificate of title for the vehicle so long as such THE
vehicle remains in the dealer's possession and at the dealer's place of
business solely for the purpose of sale.

11 (3) Upon the sale by a dealer of a motor OR OFF-HIGHWAY vehicle, 12 the certificate of title to which was issued in a state other than Colorado, 13 the dealer shall, within thirty days after the date of sale, deliver or 14 facilitate the delivery to the purchaser such THE certificate of title, from 15 a state other than Colorado duly and properly endorsed or assigned to the 16 purchaser, with a statement by the dealer that shall contain CONTAINING 17 or be accompanied by a written declaration that it is made under the 18 penalties of perjury in the second degree, as defined in section 18-8-503, 19 C.R.S., and that shall set SETTING forth the following:

(a) That such THE dealer, has warranted and, by the execution of
such THE affidavit, does warrant WARRANTS to the purchaser and all
persons who shall claim through the NAMED purchaser named that, at the
time of the sale, transfer, and delivery by the dealer, the vehicle described
was free and clear of all liens and mortgages except as might therein
appear IN THE CERTIFICATE OF TITLE;

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(b) That the vehicle is not a stolen vehicle; and

(c) That such THE dealer had good, sure, and adequate title to, and

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1 full right and authority to sell and transfer, the vehicle.

2 (4) If the purchaser of the vehicle completes and includes the 3 vehicle identification number inspection form as part of the application 4 for filing of a Colorado certificate of title to such THE vehicle and 5 accompanies the application with the affidavit required by subsection (3) 6 of this section and the duly endorsed or assigned certificate of title from 7 a state other than Colorado, a Colorado certificate of title may be filed in 8 the same manner as upon the sale or transfer of a motor OR OFF-HIGHWAY 9 vehicle for which a Colorado certificate of title has been issued or filed. 10 Upon the filing by the director or the authorized agent of such THE 11 certificate of title, the director or the authorized agent may dispose of 12 such THE certificate of title and shall record such THE certificate of title 13 as provided in section 42-6-124.

SECTION <u>16.</u> In Colorado Revised Statutes, amend 42-6-120 as
 follows:

16 42-6-120. Security interests upon motor vehicles. (1) Except 17 as provided in this section and section SECTIONS 42-6-130 AND 42-6-148, 18 the provisions of the "Uniform Commercial Code", title 4, C.R.S., 19 relating to the filing, recording, releasing, renewal, priority, and extension 20 of chattel mortgages, as the term is defined in section 42-6-102 (9), shall 21 DO not apply to motor OR OFF-HIGHWAY vehicles. Any A mortgage or 22 refinancing of a mortgage intended by the parties to the mortgage or 23 refinancing to encumber or create a lien on a motor vehicle, or to be 24 perfected as a valid lien against the rights of third persons, purchasers for 25 value without notice, mortgagees, or creditors of the owner, shall MUST 26 be filed for public record. THE DEPARTMENT OR AUTHORIZED AGENT 27 SHALL NOTE the fact of filing shall be noted on the owner's certificate of title or bill of sale substantially in the manner provided in section
 42-6-121.

3 (2) The provisions of This section and section 42-6-121 shall DO 4 not apply to any A mortgage or security interest upon any A vehicle or 5 motor vehicle held for sale or lease which THAT constitutes inventory as 6 defined in section 4-9-102, C.R.S. As to such mortgages or security 7 interests, the provisions of article 9 of title 4, C.R.S., shall apply, and THE 8 perfection of such mortgages or security interests, shall be made pursuant 9 thereto, and the rights of the parties, shall be ARE governed and 10 determined thereby BY ARTICLE 9 OF TITLE 4, C.R.S.

(3) Notwithstanding any provision of law to the contrary, in the case of motor vehicles, OFF-HIGHWAY VEHICLES, or trailers, a lease transaction does not create a sale or security interest solely because it permits or requires the rental price to be adjusted either upward or downward under the agreement by reference to the amount realized upon sale or other disposition of the motor vehicle, OFF-HIGHWAY VEHICLE, or trailer.

(4) The rights of a buyer, lessee, or lien creditor that arise after a
mortgage attaches to a motor OR OFF-HIGHWAY vehicle and before
perfection under this article shall be ARE determined by section 4-9-317,
C.R.S.

SECTION <u>17.</u> In Colorado Revised Statutes, 42-6-121, amend
(1) and (2) as follows:

42-6-121. Filing of mortgage - rules. (1) The holder of a chattel
mortgage on a motor OR OFF-HIGHWAY vehicle desiring to secure the
rights provided for in this part 1 and to have the existence of the mortgage
and the fact of the filing of the mortgage for public record noted in the

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1 filing of the certificate of title to the encumbered motor vehicle shall 2 MUST present the signed original or signed duplicate of the mortgage or 3 copy thereof OF THE MORTGAGE, certified by the holder of the mortgage 4 or the holder's agent to be a true copy of the signed original mortgage, 5 and the certificate of title or application for certificate of title to the motor 6 vehicle encumbered to the authorized agent of the director in the county 7 or city and county in which the mortgagor of such motor THE vehicle 8 resides or where the property VEHICLE is located. The filings HOLDER may 9 be made FILE either with paper documents or electronically. The mortgage 10 or refinancing of a loan secured by a mortgage shall MUST state the name 11 and address of the debtor; the name and address of the mortgagee or name 12 of the mortgagee's assignee; the make, vehicle identification number, and 13 year of manufacture of the mortgaged vehicle; and the date and amount 14 of the loan secured by the mortgage. AN OWNER OF A MOTOR OR 15 OFF-HIGHWAY VEHICLE APPLYING FOR A CERTIFICATE OF TITLE UNDER 16 SECTION 42-6-115, 42-6-116, OR 42-6-119 IS DEEMED TO HAVE FILED 17 UNDER THIS SECTION ON BEHALF OF THE MORTGAGE OR LIEN HOLDER.

(2) (a) Upon the receipt of the electronic, original, or duplicate
mortgage or certified copy thereof OF THE MORTGAGE and certificate of
title or application for certificate of title, the authorized agent, if satisfied
that the vehicle described in the mortgage is the same as that described in
the certificate of title or filed title, shall file within the director's
authorized agent's motor AND OFF-HIGHWAY vehicle database:

24 (I) Notice of such THE mortgage or lien, in which shall appear
25 APPEARS the day on which the mortgage was received for filing;

26 (II) The name and address of the mortgagee named and the name
27 and address of the holder of such THE mortgage, if such person is other

1 than the mortgagee named, THE HOLDER IS NOT THE NAMED MORTGAGEE;

- (III) The amount secured by the vehicle;
- (IV) The date of the mortgage;

2

3

4 (V) The day and year on which the mortgage was filed for public5 record; and

6 (VI) such ANY other information regarding the filing of the 7 mortgage in the office of the director's authorized agent as may be 8 required by the director by rule.

9 (b) The director's authorized agent shall electronically transmit, 10 when the director's authorized agent uses an electronic filing system, the 11 certificate of title, application for certificate of title, and mortgage 12 information to the database of the director for maintenance of a central 13 registry of motor AND OFF-HIGHWAY vehicle title information pursuant to 14 section 42-6-147.

15 SECTION <u>18.</u> In Colorado Revised Statutes, amend 42-6-122 as
16 follows:

42-6-122. Disposition of mortgages by agent - rules. (1) The
authorized agent, upon receipt of the mortgage, shall file the mortgage in
the agent's office, Such mortgage shall be appropriately indexed and
cross-indexed:

(a) Under one or more of the following headings in accordancewith the rules adopted by the director:

23 (I) Make or vehicle identification number of motor OR
24 OFF-HIGHWAY vehicles mortgaged;

(II) Names of owners of mortgaged motor OR OFF-HIGHWAY
vehicles as the same THEY appear on the certificates of title thereto;

27 (III) The numbers of the certificates of title for motor OR

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1 OFF-HIGHWAY vehicles mortgaged;

2 (IV) The numbers or other identification marks assigned to
3 registration certificates issued upon the licensing REGISTRATION of
4 mortgaged vehicles;

5 (b) Under the name of the mortgagee, the holder of such THE
6 mortgage, or the owner of such THE vehicle; or

7 (c) Under such other system as the director may devise and8 determine to be necessary for the efficient administration of this part 1.

9 (2) All records of mortgages affecting motor OR OFF-HIGHWAY
10 vehicles shall be ARE public and may be inspected and copies thereof OF
11 THE RECORDS made, as is provided by law respecting public records
12 affecting real property.

SECTION <u>19.</u> In Colorado Revised Statutes, amend 42-6-123 as
follows:

15 **42-6-123. Disposition after mortgaging.** After a mortgage on a motor OR OFF-HIGHWAY vehicle has been filed in the authorized agent's 16 17 office, the authorized agent shall mail, DELIVER, or electronically transfer 18 to the director the certificate of title or bill of sale which THAT the 19 authorized agent has filed in the record. Upon the receipt thereof, The 20 director shall maintain completed electronic records transferred by the 21 authorized agent. The director shall issue a new certificate of title 22 containing, in addition to the other matters and things required to be set 23 forth in certificates of title, a description of the mortgage and all 24 information respecting said THE mortgage and the filing thereof as may 25 appear THAT APPEAR in the certificate of the authorized agent, and the 26 director or the director's authorized agent shall thereafter THEN dispose of said THE new certificate of title containing said THE notation as provided 27

1 in section 42-6-124.

2 SECTION <u>20.</u> In Colorado Revised Statutes, amend 42-6-124 as
3 follows:

4 42-6-124. Disposition of certificates of title. (1) All certificates
5 of title issued by The director or the director's authorized agent shall be
6 disposed of by the director DISPOSE OF A CERTIFICATE OF TITLE ISSUED BY
7 THE DIRECTOR OR THE AUTHORIZED AGENT in the following manner:

8 (a) If the certificate of title that is filed by the director's authorized 9 agent is maintained in an electronic format within the director's and the 10 director's authorized agent's motor AND OFF-HIGHWAY vehicle databases 11 as required by the standards established pursuant to article 71.3 of title 24, 12 C.R.S., the certificate of title shall be disposed of in accordance with 13 paragraphs (b) and (c) of this subsection (1).

14 (b) If it appears, from the records in the director's or the director's 15 authorized agent's office and from an examination of the certificate of 16 title, that the motor OR OFF-HIGHWAY vehicle therein described IN THE 17 CERTIFICATE OF TITLE is not subject to a mortgage filed subsequent to 18 AFTER August 1, 1949, or if such THE vehicle is encumbered by a 19 mortgage filed in any county of a state other than the state of Colorado, 20 THE DIRECTOR OR AUTHORIZED AGENT SHALL DELIVER the certificate of 21 title shall be delivered to the person who therein appears to be the owner 22 of the vehicle described, or such certificate shall be mailed MAIL THE 23 CERTIFICATE to the owner thereof OF THE VEHICLE at his or her address as 24 the same may appear IT APPEARS in the application, the certificate of title, 25 or other records in the director's or the director's authorized agent's office. 26 (c) If it appears, from the records in the office of the director or

27 the director's authorized agent and from the certificate of title, that the

motor OR OFF-HIGHWAY vehicle therein described IN THE CERTIFICATE OF
TITLE is subject to one or more mortgages filed subsequent to AFTER
August 1, 1949, the director or the director's authorized agent shall
electronically maintain or deliver the certificate of title issued by the
director to the mortgagee named therein IN THE CERTIFICATE OF TITLE or
the holder thereof OF THE CERTIFICATE OF TITLE whose mortgage was first
filed in the office of an authorized agent.

8 SECTION <u>21.</u> In Colorado Revised Statutes, 42-6-125, amend
9 (1) and (2) (a) (I) as follows:

10 **42-6-125.** Release of mortgages - rules. (1) Upon the payment 11 or discharge of the undertaking secured by any A mortgage on a motor OR OFF-HIGHWAY vehicle that has been filed for record in the manner 12 13 prescribed in UNDER section 42-6-121, the legal holder, on a form 14 approved by the director, shall make and execute the notice NOTIFY THE 15 DIRECTOR OR AUTHORIZED AGENT of the discharge of the obligation and 16 release of the mortgage securing the obligation and set forth in the notice 17 the facts concerning the right of the holder to release the mortgage as the 18 director by appropriate rule may require which BY RULE. THE LIENHOLDER 19 SHALL INCLUDE IN THE NOTICE OF satisfaction and release shall be 20 affirmed by a statement A signed by the legal lienholder AFFIRMATION, 21 noted in the certificate of title on file with the director or the director's 22 authorized agent, and that shall contain or be CONTAINS OR IS 23 accompanied by a written declaration that it is made under the penalties 24 of perjury in the second degree, as defined in section 18-8-503, C.R.S. 25 Thereupon, the holder of the RELEASED mortgage so released shall 26 dispose of the certificate of title as follows:

27

(a) If it appears that the motor OR OFF-HIGHWAY vehicle is

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1 encumbered by a mortgage filed in the manner prescribed in UNDER 2 section 42-6-121 subsequent to AFTER the date on which the RELEASED 3 mortgage so released was filed for record, the holder of such THE 4 certificate of title shall deliver the title CERTIFICATE to the person shown 5 to be the holder of the mortgage noted on the title filed earliest after the 6 filing of the RELEASED mortgage, released, or to the person or agent of the 7 person shown to be the assignee or other legal holder of the mortgage, or 8 shall mail the title CERTIFICATE to the mortgagee or holder at his or her 9 THE address APPEARING ON THE MORTGAGE. If the certificate is returned 10 unclaimed, it shall be sent by THE HOLDER SHALL mail THE CERTIFICATE 11 to the director.

12 (b) If it appears from an examination of the certificate of title that 13 there are no other outstanding mortgages against the motor OR 14 OFF-HIGHWAY vehicle in the title upon the release of the mortgage as 15 provided in this section, the holder of the mortgage shall deliver the 16 certificate of title to the owner of the vehicle or shall mail the title to the 17 owner at his or her address, and, if for any reason the certificate of title 18 is not delivered to the owner of the vehicle or is returned unclaimed, it 19 shall immediately be mailed THE HOLDER SHALL IMMEDIATELY MAIL THE 20 CERTIFICATE to the director.

(c) The director's authorized agent shall note in the electronic
record of the lien such THE satisfaction or AND release of such THE lien
or mortgage and shall file such A NOTICE OF THE satisfaction or AND
release of such lien as required in ACCORDANCE WITH section 42-6-122.

(2) (a) (I) Except when a lienholder can show extenuating
circumstances, within fifteen calendar days after a lien or mortgage on a
motor OR OFF-HIGHWAY vehicle is paid and satisfied, a lienholder shall

1 release the lien or mortgage as required by subsection (1) of this section.

2 SECTION <u>22.</u> In Colorado Revised Statutes, 42-6-126, amend
3 (1) (a) and (1) (b) (II) as follows:

4 42-6-126. New certificate upon release of mortgage - rules.
5 (1) (a) Upon the satisfaction of the debt and release of a mortgage on a
6 motor OR OFF-HIGHWAY vehicle filed for record in the manner prescribed
7 in AS REQUIRED BY section 42-6-121:

8 (I) The owner of the vehicle encumbered by the mortgage, the 9 purchaser from or transferee of the owner as appears on the certificate of 10 title, or the holder of any A mortgage that was junior to the mortgage 11 released, upon the receipt of the certificate of title, as provided in section 12 42-6-125, shall deliver the title to the authorized agent, who shall transmit 13 the title to the director; or

14 The lienholder shall notify the authorized agent of the (II) 15 satisfaction of the debt and release of the mortgage, setting forth any facts 16 concerning the right of the holder to release the mortgage as the director 17 may require. The LIENHOLDER SHALL SIGN A satisfaction and release shall 18 be THAT IS affirmed by a statement signed by the lienholder noted in the 19 certificate of title and shall contain CONTAINING or be accompanied by a 20 written declaration that it is made under the penalties of perjury in the 21 second degree, as defined in section 18-8-503, C.R.S. Upon receiving a 22 valid satisfaction and release, the director or authorized agent shall note 23 the release of the lien and shall issue a certificate of title for the motor 24 vehicle, omitting all reference to the mortgage.

(b) Upon the receipt by the director of a statement of mortgagerelease, the director shall:

27

(II) Issue a new certificate of title to the motor OR OFF-HIGHWAY

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1 vehicle, omitting all reference to the released mortgage; and

SECTION <u>23.</u> In Colorado Revised Statutes, 42-6-127, amend
 (2) as follows:

4 42-6-127. Duration of lien of mortgage - extensions - rules. (2) Upon receipt of a mortgage extension, the director's authorized agent 5 6 shall make and complete the electronic record of the extension as the 7 director by rule may require within the director's or the director's 8 authorized agent's motor AND OFF-HIGHWAY vehicle database, and shall 9 note the fact of the extension of the mortgage on the certificate of title, 10 which may be filed electronically. Thereafter, the certificate of title shall 11 be returned AUTHORIZED AGENT SHALL RETURN THE CERTIFICATE to the 12 person shown on the certificate to be entitled to the certificate. If any 13 mortgage other than one on a trailer coach; truck tractor; multipurpose 14 trailer, if known when filed; or motor home that has been filed for record 15 and noted on the certificate of title AND has not been released or extended 16 within ten years after the date on which WHEN the mortgage was filed in 17 the office of the director's authorized agent, the person shown by the 18 records in the director's office to be the owner of the motor OR 19 OFF-HIGHWAY vehicle described in the certificate of title, upon making an 20 appropriate application therefor FILING AN APPLICATION, may request that 21 any THE AUTHORIZED AGENT REMOVE references to the mortgages shown 22 on the records. of the director's authorized agent be removed by the 23 authorized agent. The director's authorized agent shall remove all 24 reference to mortgages shown in the director's authorized agent's records 25 to have been of record in the office of the authorized agent for more than 26 ten years which mortgages have been neither released nor extended as 27 provided in this section WITHOUT BEING RELEASED OR EXTENDED.

SECTION <u>24.</u> In Colorado Revised Statutes, amend 42-6-128 as
 follows:

3 **42-6-128.** Validity of mortgage between parties. Nothing in this 4 part 1 shall be construed to impair IMPAIRS the validity of a mortgage on 5 a motor OR OFF-HIGHWAY vehicle between the parties thereto as long as 6 no purchaser for value, mortgagee, or creditor without actual notice of the 7 existence thereof OF A MORTGAGE has acquired an interest in the motor OR 8 OFF-HIGHWAY vehicle described therein IN THE MORTGAGE, 9 notwithstanding that the parties to said THE mortgage have failed to 10 comply with the provisions of this part 1.

SECTION <u>25.</u> In Colorado Revised Statutes, 42-6-129, amend
(1), (2), and (4) as follows:

42-6-129. Second or other junior mortgages. (1) On and after
July 1, 1977, any A person who takes a second or other junior mortgage
on a motor OR OFF-HIGHWAY vehicle for which a Colorado certificate of
title has been issued or filed may file said THE mortgage for public record
and have the existence thereof OF THE MORTGAGE noted or filed on the
certificate of title with like effect as in other cases, in the manner
prescribed in AS REQUIRED BY this section.

20 (2) Such second or THE junior mortgagee or the holder thereof OF 21 THE MORTGAGE shall file said THE mortgage pursuant to the requirements 22 of AS REQUIRED BY section 42-6-121 with the director's authorized agent 23 of the county wherein WHERE the mortgagor of said THE motor OR 24 OFF-HIGHWAY vehicle resides or where the motor vehicle is located, and 25 shall accompany said THE mortgage with a written request to have the 26 existence thereof OF THE MORTGAGE noted or filed on the certificate of 27 title records of the director's authorized agent pertaining to the motor

vehicle covered by the junior or second mortgage. Upon the filing of such
THE mortgage, the director's authorized agent shall note in the record of
the subject vehicle the day and hour on which such WHEN THE mortgage
was received by the agent, and shall make and deliver a receipt for the
mortgage to the person filing the mortgage, and shall file the second or
junior mortgage as required under section 42-6-122.

(4) If any A person lawfully in possession of a certificate of title
to any A motor OR OFF-HIGHWAY vehicle, upon whom demand is made for
the delivery thereof to the authorized agent, omits, for any reason
whatsoever, FAILS to deliver or mail the same CERTIFICATE OF TITLE to the
authorized agent, such THE person shall be IS liable to the holder of such
second or THE junior mortgage for all damage sustained by reason of such
THE omission.

SECTION <u>26.</u> In Colorado Revised Statutes, amend 42-6-130 as
 follows:

42-6-130. Priority of secured interests. The liens or mortgages
filed for record or noted on a certificate of title to a motor OR
OFF-HIGHWAY vehicle, as provided in section 42-6-121, shall take priority
in the same order that they were filed in the office of WITH the authorized
agent; except that the priority of a purchase-money security interest, as
defined in section 4-9-103, C.R.S., shall be IS determined in accordance
with sections 4-9-317 (e) and 4-9-324 (a), C.R.S.

23 SECTION <u>27.</u> In Colorado Revised Statutes, amend 42-6-131 as
 24 follows:

42-6-131. Mechanic's, warehouse, and other liens. Nothing in
this part 1 shall be construed to impair IMPAIRS the rights of lien
claimants arising under any mechanics' A MECHANIC'S lien law or the lien

of a warehouse or other person claimed for repairs on or storage of any
A motor OR OFF-HIGHWAY vehicle, when a mechanic's lien or storage lien
originated prior to a mortgage or lien on the motor OR OFF-HIGHWAY
vehicle being filed for record and such motor THE vehicle has remained
continuously in the possession of the person claiming such THE
mechanic's lien or lien for storage.

7 SECTION <u>28.</u> In Colorado Revised Statutes, amend 42-6-133 as
8 follows:

9 **42-6-133.** Foreign mortgages and liens. No A mortgage or lien 10 on a motor OR OFF-HIGHWAY vehicle filed for record in a state other than 11 Colorado shall be IS NOT valid and enforceable against the rights of 12 subsequent purchasers for value, creditors, lienholders, or mortgagees 13 having no actual notice of the existence of such THE mortgage or lien. If 14 the certificate of title for such THE vehicle bears any notation adequate to 15 apprise a purchaser, creditor, lienholder, or mortgagee of the existence of 16 a mortgage or lien at the time a third party acquires a right in the motor 17 vehicle, such THE mortgage or lien and the rights of the holder of the 18 mortgage or lien shall be ARE enforceable in this state as though such THE 19 mortgage were filed in Colorado and noted on the certificate of title or 20 noted in the record of the authorized agent pertaining to that FOR THE 21 vehicle pursuant to UNDER section 42-6-121.

SECTION <u>29.</u> In Colorado Revised Statutes, amend 42-6-134 as
 follows:

42-6-134. Where application for certificates of title made.
Except as otherwise provided in this part 1, all applications A PERSON
SHALL APPLY for recording of certificates A CERTIFICATE of title upon the
sale or transfer of a motor OR OFF-HIGHWAY vehicle described in the

certificate of title shall be directed to and filed with the authorized agent
 of the county where such THE vehicle will be registered and licensed for
 operation.

4 SECTION <u>30.</u> In Colorado Revised Statutes, 42-6-135, amend
5 (2) as follows:

42-6-135. Lost certificates of title. (2) If the title owner,
lienholder, or mortgagee of a certificate of title loses, misplaces, or
accidentally destroys a certificate of title to a motor OR OFF-HIGHWAY
vehicle that such THE person holds as described in the certificate of title,
upon application, the director or the authorized agent may issue a
duplicate copy of the recorded certificate of title as in other cases.

SECTION <u>31.</u> In Colorado Revised Statutes, 42-6-136, amend
(1) as follows:

14 42-6-136. Surrender and cancellation of certificate - penalty 15 for violation. (1) The owner of a motor OR OFF-HIGHWAY vehicle for 16 which a Colorado certificate of title has been issued, upon the destruction 17 or dismantling of said motor THE vehicle, upon its being changed so that 18 it is no longer a motor OR OFF-HIGHWAY vehicle, or upon its being sold or 19 otherwise disposed of as salvage, shall surrender the certificate of title to 20 the motor vehicle to the director or the authorized agent to be canceled or 21 notify the director or the authorized agent on director-approved forms 22 indicating the loss, destruction or dismantling, or sale for salvage. Upon 23 the owner's procuring the consent of the holders of any unreleased 24 mortgages or liens noted on or recorded as part of the certificate of title, 25 such THE DIRECTOR OR AUTHORIZED AGENT SHALL CANCEL THE 26 certificate. shall be canceled. A person who violates this section commits 27 a class 1 petty offense and shall be punished as provided in section

1 18-1.3-503, C.R.S.

2 SECTION <u>32.</u> In Colorado Revised Statutes, 42-6-137, amend
3 (2), (6), (7) (a), and (7) (b) as follows:

4 **42-6-137.** Fees. (2) Upon the receipt by an authorized agent of a 5 mortgage for filing under section 42-6-121, 42-6-125, or 42-6-129, THE 6 FILER SHALL PAY the authorized agent shall be paid such THE fees as THAT 7 are imposed by law for the filing of like instruments in the office of the 8 county clerk and recorder in the county where such mortgage is filed and, 9 shall also receive IN ADDITION, a fee of seven dollars and twenty cents for 10 the issuance or recording of the certificate of title and the notation in the 11 record of the director or the authorized agent of the existence of the 12 mortgage.

(6) Upon filing with the director an application for a certificate of
title, a motor OR OFF-HIGHWAY vehicle dealer who applies to receive a
certificate of title within one working day after application shall pay to
such THE director a fee of twenty-five dollars.

(7) An authorized agent shall, if possible, provide the following
recording of titles on the same day as the date of request by an applicant:
(a) A title issued pursuant to BECAUSE OF a transfer of a motor OR
OFF-HIGHWAY vehicle currently titled in Colorado;

(b) A title issued for a new motor OR OFF-HIGHWAY vehicle upon
filing of a manufacturer's statement of origin without liens; and

23 SECTION <u>33.</u> In Colorado Revised Statutes, 42-6-138, amend
24 (2) introductory portion, (2) (b), (3), and (4) as follows:

42-6-138. Disposition of fees. (2) All fees collected by The
authorized agent SHALL DISPOSE OF ALL FEES COLLECTED under section
42-6-137 (5) or 38-29-138 (5), C.R.S., shall be disposed of as follows:

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1 (b) For assignment of a new identifying number to a motor OR 2 OFF-HIGHWAY vehicle or manufactured home, THE AUTHORIZED AGENT 3 SHALL RETAIN two dollars and fifty cents shall be retained by the 4 authorized agent and disposition made DISPOSE OF IT as provided by law, 5 and SHALL CREDIT one dollar shall be credited to the special purpose 6 account established by section 42-1-211. THE DEPARTMENT SHALL CREDIT all fees collected by the department IT COLLECTS under the provisions of 7 8 section 42-6-137 (1) (a), (4), or (5) or 38-29-138 (1) (a), (4), or (5), 9 C.R.S., shall be credited to such THE special purpose account.

10 (3) THE AUTHORIZED AGENT SHALL RETAIN all fees paid to the 11 authorized agent under section 42-6-137 (3) for the extension of a 12 mortgage or lien on a motor OR OFF-HIGHWAY vehicle filed in the 13 authorized agent's office shall be retained by the authorized agent to 14 defray the cost of such THE extension or release and shall be disposed of 15 by the authorized agent DISPOSE OF THE FEES as provided by law; except 16 that THE AUTHORIZED AGENT SHALL DISPOSE OF fees for this service that 17 are paid to the authorized agent in the city and county of Denver shall, by 18 such agent, be disposed of in the same manner as fees retained by the 19 agent that were paid upon application being made for FILING AN 20 APPLICATION FOR a certificate of title.

(4) THE DIRECTOR SHALL CREDIT the fee paid by a motor OR
OFF-HIGHWAY vehicle dealer to the director pursuant to section 42-6-137
(6) for ISSUANCE OF a certificate of title issued within one working day of
AFTER application shall be credited to the special purpose account
established by section 42-1-211 (2).

26 SECTION <u>34.</u> In Colorado Revised Statutes, 42-6-139, amend
27 (1), (2), and (4) as follows:

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1 42-6-139. Registration and title application - where made. 2 (1) (a) For purposes of this section, a person's residence shall be IS the 3 person's principal or primary home or place of abode, to be determined in 4 the same manner as residency for voter registration purposes as provided 5 in sections 1-2-102 and 31-10-201, C.R.S.; except that, IN APPLYING THE 6 TERMS OF THOSE SECTIONS, "voter registration" shall be substituted for IS 7 REPLACED WITH "motor vehicle registration" OR "OFF-HIGHWAY VEHICLE 8 REGISTRATION" as a circumstance to be taken into account in determining 9 such THE principal or primary home or place of abode.

10 (b) A PERSON'S RESIDENCE FOR THE PURPOSES OF TITLING AN
11 OFF-HIGHWAY VEHICLE IS THE SAME AS DETERMINED BY PARAGRAPH (a)
12 OF THIS SUBSECTION (1).

(2) (a) Except as may be otherwise provided by rule of the
director, it is unlawful for any A person who is a resident of the state to
register, to obtain a license for, or to procure a certificate of title to a
motor vehicle at any address other than:

17 (a) (I) For a motor vehicle that is owned by a business and
18 operated primarily for business purposes, the address where such THE
19 vehicle is principally operated and maintained; or

(b) (II) For any A motor vehicle for TO which the provisions of
SUBPARAGRAPH (I) OF THIS paragraph (a) of this subsection (2) do DOES
not apply, the address of the owner's residence; except that, if a motor
vehicle is permanently maintained at an address other than the address of
the owner's residence, such motor THE vehicle shall be registered at the
address where such motor THE vehicle is permanently maintained.

26 (b) EXCEPT AS MAY BE OTHERWISE PROVIDED BY RULE OF THE
27 DIRECTOR, IT IS UNLAWFUL FOR A PERSON WHO IS A RESIDENT OF THE

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STATE TO PROCURE A CERTIFICATE OF TITLE TO AN OFF-HIGHWAY VEHICLE
 AT AN ADDRESS OTHER THAN:

3 (I) FOR AN OFF-HIGHWAY VEHICLE OWNED BY A BUSINESS AND
4 OPERATED PRIMARILY FOR BUSINESS PURPOSES, THE ADDRESS WHERE THE
5 VEHICLE IS PRINCIPALLY OPERATED AND MAINTAINED; OR

6 (II) FOR AN OFF-HIGHWAY VEHICLE TO WHICH SUBPARAGRAPH (I)
7 OF THIS PARAGRAPH (b) DOES NOT APPLY, THE ADDRESS OF THE OWNER'S
8 RESIDENCE; EXCEPT THAT, IF AN OFF-HIGHWAY VEHICLE IS PERMANENTLY
9 MAINTAINED AT AN ADDRESS OTHER THAN THE ADDRESS OF THE OWNER'S
10 RESIDENCE, THE VEHICLE MUST BE REGISTERED AT THE ADDRESS WHERE
11 THE VEHICLE IS PERMANENTLY MAINTAINED.

12 (4) In addition to any other applicable penalty, a person who 13 registers a motor vehicle in violation of the provisions of VIOLATES 14 subsection (2) of this section, section 42-3-103 (4) (a), or section 15 42-6-140 shall be IS subject to a civil penalty of five hundred dollars. 16 Such THE violation shall be IS determined by, assessed by, and paid to the 17 municipality or county where the motor OR OFF-HIGHWAY vehicle is or 18 should have been registered, subject to judicial review pursuant to rule 19 106 (a) (4) of the Colorado rules of civil procedure.

20 SECTION <u>35.</u> In Colorado Revised Statutes, amend 42-6-141 as
21 follows:

42-6-141. Director's records to be public. All Records in the
director's office pertaining to the title to a motor OR OFF-HIGHWAY vehicle
shall be ARE public records and shall be subject to the provisions of
section 42-1-206. This shall include any INCLUDES records regarding
ownership of and mortgages or liens on a vehicle for which a Colorado
certificate of title has been issued.

SECTION <u>36.</u> In Colorado Revised Statutes, 42-6-142, amend
 (1) as follows:

42-6-142. Penalties. (1) No A person may SHALL NOT sell,
transfer, or in any manner dispose of a motor OR OFF-HIGHWAY vehicle in
this state without complying with this part 1.

6 SECTION <u>37.</u> In Colorado Revised Statutes, 42-6-145, amend
7 (1) as follows:

8 42-6-145. Use of vehicle identification numbers in applications 9 - rules. (1) (a) A person required to apply for a certificate of title or 10 registration of a motor vehicle shall use the identification number placed 11 upon the motor vehicle by the manufacturer or the special vehicle 12 identification number assigned to the motor vehicle by the department 13 pursuant to section 42-12-202. The DEPARTMENT SHALL NOT ISSUE A 14 certificate of title and OR registration card issued by the department shall 15 use UNLESS IT USES the identification number of the motor vehicle.

16 (b) A PERSON REQUIRED TO APPLY FOR A CERTIFICATE OF TITLE ____ 17 __OF AN OFF-HIGHWAY VEHICLE SHALL USE THE IDENTIFICATION NUMBER 18 PLACED UPON THE VEHICLE BY THE MANUFACTURER OR THE SPECIAL 19 VEHICLE IDENTIFICATION NUMBER ASSIGNED TO THE OFF-HIGHWAY 20 VEHICLE BY THE DEPARTMENT. THE DEPARTMENT SHALL NOT ISSUE A 21 CERTIFICATE OF TITLE _____ UNLESS IT USES THE IDENTIFICATION NUMBER 22 OF THE OFF-HIGHWAY VEHICLE; EXCEPT THAT, IF THE VEHICLE DOES NOT 23 HAVE A CONFORMING IDENTIFICATION NUMBER OR IS A DUPLICATE, THE 24 DEPARTMENT SHALL ASSIGN A SPECIAL IDENTIFICATION NUMBER FOR THE CERTIFICATE OF TITLE __ AND REQUIRE THE OWNER TO PLACE THE NUMBER 25 26 ON THE VEHICLE.

27

SECTION <u>38.</u> In Colorado Revised Statutes, 42-6-146, amend

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1 (1), (3), and (4) as follows:

2 42-6-146. Repossession of motor vehicle or off-highway vehicle 3 - owner must notify law enforcement agency - definition - penalty. 4 (1) If a mortgagee, lienholder, or the mortgagee's or lienholder's assignee or the agent of either repossesses a motor OR OFF-HIGHWAY vehicle 5 6 because of default in the terms of a secured debt, the repossessor shall 7 notify, either verbally ORALLY or in writing, a law enforcement agency, 8 as provided in this section, of the fact of such repossession, the name of 9 the owner, the name of the repossessor, and the name of the mortgagee, 10 lienholder, or assignee. Such THE notification shall MUST be made at least 11 one hour before, or IF POSSIBLE, AND IN ANY EVENT no later than one hour 12 after, the repossession occurs. If such THE repossession takes place in an 13 incorporated city or town, the repossessor shall notify the police 14 department, town marshal, or other local law enforcement agency of such 15 THE city or town. If such THE repossession takes place in the 16 unincorporated area of a county, the repossessor shall notify the county 17 sheriff.

(3) If a motor OR OFF-HIGHWAY vehicle being repossessed is
subject to the "Uniform Commercial Code - Secured Transactions",
article 9 of title 4, C.R.S., the repossession shall be IS governed by the
provisions of section 4-9-629, C.R.S.

(4) As used in this section, the term "repossessor" means the party
who physically takes possession of the motor OR OFF-HIGHWAY vehicle
and drives, tows, or transports the motor vehicle for delivery to the
mortgagee, lienholder, or assignee or the agent of such THE mortgagee,
lienholder, or assignee.

27 SECTION <u>39.</u> In Colorado Revised Statutes, add 42-6-148 as

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1 follows:

42-6-148. Off-highway vehicles - sales. (1) UNLESS THE OWNER
HAS OBTAINED A CERTIFICATE OF TITLE FOR AN OFF-HIGHWAY VEHICLE
UNDER THIS ARTICLE, A PERSON SHALL NOT SELL THE OFF-HIGHWAY
VEHICLE AND AN OFF-HIGHWAY VEHICLE DEALER SHALL NOT PURCHASE
THE OFF-HIGHWAY VEHICLE. A SALE OR PURCHASE MADE IN VIOLATION OF
THIS SUBSECTION (1) IS VOID.

8 (2) A CURRENT OFF-HIGHWAY VEHICLE REGISTRATION ISSUED
 9 <u>UNDER ARTICLE 14.5 OF TITLE 33, C.R.S., IS SUFFICIENT</u> EVIDENCE OF
 10 OWNERSHIP TO ISSUE A CERTIFICATE OF TITLE UNDER THIS PART 1.

(3) UNTIL AN OFF-HIGHWAY VEHICLE IS ISSUED A CERTIFICATE OF
TITLE, THE ATTACHMENT, RECORDING, PERFECTION, PRIORITY, RENEWAL,
EXTENSION, MODIFICATION, RELEASING, TERMINATION, FORECLOSURE,
AND ANY OTHER ASPECT OF A SECURITY INTEREST IN AN OFF-HIGHWAY
VEHICLE IS GOVERNED BY THE "UNIFORM COMMERCIAL CODE", TITLE 4,
C.R.S.

17 **SECTION 40.** Appropriation. (1) In addition to any other 18 appropriation, there is hereby appropriated, out of any moneys in the 19 Colorado state titling and registration account in the highway users tax fund created in section 42-1-211 (2), Colorado Revised Statutes, not 20 21 otherwise appropriated, to the department of revenue, for the fiscal year 22 beginning July 1, 2013, the sum of \$25,900, or so much thereof as may 23 be necessary, to be allocated to the information technology division for 24 the purchase of computer center services.

25 (2) In addition to any other appropriation, there is hereby
 26 appropriated to the governor - lieutenant governor - state planning and
 27 budgeting, for the fiscal year beginning July 1, 2013, the sum of \$25,900,

1 or so much thereof as may be necessary, for allocation to the office of 2 information technology, for the provision of computer center services for 3 the department of revenue related to the implementation of this act. Said 4 sum is from reappropriated funds received from the department of revenue out of the appropriation made in subsection (1) of this section. 5 6 SECTION <u>41.</u> Applicability. This act applies to acts committed 7 on or after July 1, 2014. 8 SECTION 42. Safety clause. The general assembly hereby finds, 9 determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety. 10