

**First Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO**

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 13-0867.02 Jery Payne x2157

SENATE BILL 13-280

SENATE SPONSORSHIP

Tochtrop,

HOUSE SPONSORSHIP

Vigil,

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,**
103 **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,

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

SENATE
3rd Reading Unamended
May 2, 2013

SENATE
Amended 2nd Reading
May 1, 2013

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.

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

SECTION 1. In Colorado Revised Statutes, 33-14.5-103, **amend**
(1) as follows:

33-14.5-103. Proof of ownership for registration purposes.
(1) The division shall require proof of ownership for an off-highway vehicle prior to the initial registration required under this article, but such proof shall not be dependent upon any certificate of title, and no certificate of title shall be issued by the division SHALL NOT ISSUE A CERTIFICATE OF TITLE FOR THE VEHICLE.

SECTION 2. In Colorado Revised Statutes, 39-26-113, **amend**
(1), (6) (a), and (6) (b); and add (7) as follows:

39-26-113. Collection of sales tax - motor vehicles - powersports vehicles - exemption. (1) ~~No registration shall be made of~~
THE DEPARTMENT OF REVENUE OR ITS AUTHORIZED AGENT SHALL NOT
REGISTER a motor or other vehicle for which registration is required ~~and~~
~~no~~ OR ISSUE A certificate of title ~~shall be issued~~ for ~~such~~ A MOTOR vehicle,
OFF-HIGHWAY VEHICLE AS DEFINED IN SECTION 42-6-102, C.R.S., or for
a mobile MANUFACTURED home by the department of revenue or its
authorized agent AS DEFINED IN SECTION 38-29-106, C.R.S., until any tax
due on the sale and purchase of ~~such~~ THE vehicle pursuant to UNDER
section 29-2-106, C.R.S., or section 39-26-106 or imposed by ordinance
of any home rule city has been paid.

(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.

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

1 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 and (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

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
16 roadworthy condition and for legal operation on the highways exceeds the
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.

23 (18.5) "SNOWMOBILE" MEANS A SELF-PROPELLED VEHICLE
24 PRIMARILY DESIGNED OR ALTERED FOR TRAVEL ON SNOW OR ICE OFF OF
25 THE PUBLIC HIGHWAYS AND SUPPORTED BY SKIS, BELTS, OR CLEATS.
26 "SNOWMOBILE" DOES NOT INCLUDE MACHINERY USED FOR THE GROOMING
27 OF SNOWMOBILE TRAILS OR SKI SLOPES.

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 COLORADO; AND

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 A PERSON WHO IS NOT A DEALER.

16 (II) IF AN OFF-HIGHWAY VEHICLE HAS NOT BEEN ISSUED A
17 CERTIFICATE OF TITLE IN COLORADO UNDER THIS PARAGRAPH (b), AN
18 OWNER OR SUBSEQUENT OWNER MAY ELECT TO OBTAIN A CERTIFICATE OF
19 TITLE.

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 OWNER AND USER INTO COLORADO. IF AN OFF-HIGHWAY VEHICLE HAS
24 BEEN ISSUED A CERTIFICATE OF TITLE IN COLORADO, THEN THIS PART 1
25 APPLIES TO THE OWNER AND VEHICLE NOTWITHSTANDING SUBPARAGRAPH
26 (I) OF THIS PARAGRAPH (b).

27 **SECTION 5.** 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) ~~At~~ 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.

22 (2) The DEPARTMENT OR AUTHORIZED AGENT SHALL INCLUDE IN
23 THE electronic record of the certificate or the paper version of the
24 certificate ~~shall contain~~ a description of every lien ~~to which~~ ON the motor
25 OR OFF-HIGHWAY vehicle ~~is subject, as~~ THAT appears in the application
26 for the certificate of title or ~~as is noted and shown to be~~ unreleased upon
27 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 lienee, 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.

12 **SECTION 6.** In Colorado Revised Statutes, 42-6-109, **amend** (1),
13 (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.

27 (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.

24 **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

1 which a Colorado certificate of title has been issued, THE DEALER SHALL
2 TRANSFER AND FILE the certificate of title to the motor OR OFF-HIGHWAY
3 vehicle; ~~shall be transferred and filed;~~ except that, so long as the vehicle
4 remains in the dealer's possession and at the dealer's place of business for
5 sale and for no other purpose, ~~such~~ THE dealer ~~shall not be required to~~
6 NEED NOT procure or file a new certificate of title as is otherwise required
7 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 9.** 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 10.** In Colorado Revised Statutes, **amend** 42-6-113 as
26 follows:

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

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

5 (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.;

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

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

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

24 **SECTION 11.** In Colorado Revised Statutes, **amend** 42-6-114 as
25 follows:

26 **42-6-114. Transfers by bequest, descent, or law.** Upon the
27 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.

11 (II) AN APPLICANT NEED NOT FURNISH SURETY UNDER THIS
12 SUBSECTION (3) FOR AN OFF-HIGHWAY VEHICLE IF THE APPLICANT SUBMITS
13 AN AFFIDAVIT UNDER PENALTY OF PERJURY THAT ATTESTING TO
14 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 POWER SPORTS 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;

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

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

4 **SECTION 13.** In Colorado Revised Statutes, **amend** 42-6-116 as
5 follows:

6 **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

1 accompanied by a written declaration that it is made under the penalties
2 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.

12 **SECTION 14.** In Colorado Revised Statutes, **amend** 42-6-118 as
13 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 15.** In Colorado Revised Statutes, **amend** 42-6-119 as
25 follows:

26 **42-6-119. Certificates for vehicles registered in other states.**

27 (1) When a resident of the state acquires the ownership of a motor OR

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

5 (2) If a dealer acquires the ownership of a motor OR OFF-HIGHWAY
6 vehicle by lawful means and the ~~motor~~ vehicle is titled under the laws of
7 a state other than Colorado, ~~such~~ THE dealer ~~shall not be required to~~ NEED
8 NOT file a Colorado certificate of title for the vehicle so long as ~~such~~ THE
9 vehicle remains in the dealer's possession and at the dealer's place of
10 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:

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

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

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

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.

14 **SECTION 16.** In Colorado Revised Statutes, **amend** 42-6-120 as
15 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

1 title or bill of sale substantially in the manner provided in section
2 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.

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

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

22 **SECTION 17.** In Colorado Revised Statutes, 42-6-121, **amend**
23 (1) and (2) as follows:

24 **42-6-121. Filing of mortgage - rules.** (1) The holder of a chattel
25 mortgage on a motor OR OFF-HIGHWAY vehicle desiring to secure the
26 rights provided for in this part 1 and to have the existence of the mortgage
27 and the fact of the filing of the mortgage for public record noted in the

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.

18 (2) (a) Upon the receipt of the electronic, original, or duplicate
19 mortgage or certified copy ~~thereof~~ OF THE MORTGAGE and certificate of
20 title or application for certificate of title, the authorized agent, if satisfied
21 that the vehicle described in the mortgage is the same as that described in
22 the certificate of title or filed title, shall file within the director's
23 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;

2 (III) The amount secured by the vehicle;

3 (IV) The date of the mortgage;

4 (V) The day and year on which the mortgage was filed for public
5 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 18.** In Colorado Revised Statutes, **amend** 42-6-122 as
16 follows:

17 **42-6-122. Disposition of mortgages by agent - rules.** (1) The
18 authorized agent, upon receipt of the mortgage, shall file the mortgage in
19 the agent's office, ~~Such mortgage shall be~~ appropriately indexed and
20 cross-indexed:

21 (a) Under one or more of the following headings in accordance
22 with the rules adopted by the director:

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

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

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

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 and
8 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.

13 **SECTION 19.** In Colorado Revised Statutes, **amend** 42-6-123 as
14 follows:

15 **42-6-123. Disposition after mortgaging.** After a mortgage on a
16 motor OR OFF-HIGHWAY vehicle has been filed in the authorized agent's
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
27 ~~said~~ THE new certificate of title containing ~~said~~ THE notation as provided

1 in section 42-6-124.

2 **SECTION 20.** 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

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

8 **SECTION 21.** 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
12 OFF-HIGHWAY vehicle that has been filed for record ~~in the manner~~
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

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.

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

25 (2) (a) (I) Except when a lienholder can show extenuating
26 circumstances, within fifteen calendar days after a lien or mortgage on a
27 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 22.** 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 (II) The lienholder shall notify the authorized agent of the
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.

25 (b) Upon the receipt by the director of a statement of mortgage
26 release, the director shall:

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

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

2 **SECTION 23.** In Colorado Revised Statutes, 42-6-127, **amend**
3 (2) as follows:

4 **42-6-127. Duration of lien of mortgage - extensions - rules.**

5 (2) Upon receipt of a mortgage extension, the ~~director's~~ authorized agent
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.

1 **SECTION 24.** In Colorado Revised Statutes, **amend** 42-6-128 as
2 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.

11 **SECTION 25.** In Colorado Revised Statutes, 42-6-129, **amend**
12 (1), (2), and (4) as follows:

13 **42-6-129. Second or other junior mortgages.** (1) On and after
14 July 1, 1977, ~~any~~ A person who takes a ~~second or other~~ junior mortgage
15 on a motor OR OFF-HIGHWAY vehicle for which a Colorado certificate of
16 title has been issued or filed may file ~~said~~ THE mortgage for public record
17 and have the existence ~~thereof~~ OF THE MORTGAGE noted or filed on the
18 certificate of title with like effect as in other cases, ~~in the manner~~
19 ~~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~~

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

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

14 **SECTION 26.** In Colorado Revised Statutes, **amend** 42-6-130 as
15 follows:

16 **42-6-130. Priority of secured interests.** The liens or mortgages
17 filed for record or noted on a certificate of title to a motor OR
18 OFF-HIGHWAY vehicle, as provided in section 42-6-121, ~~shall~~ take priority
19 in the same order that they were filed ~~in the office of~~ WITH the authorized
20 agent; except that the priority of a purchase-money security interest, as
21 defined in section 4-9-103, C.R.S., ~~shall be~~ IS determined in accordance
22 with sections 4-9-317 (e) and 4-9-324 (a), C.R.S.

23 **SECTION 27.** In Colorado Revised Statutes, **amend** 42-6-131 as
24 follows:

25 **42-6-131. Mechanic's, warehouse, and other liens.** Nothing in
26 this part 1 ~~shall be construed to impair~~ IMPAIRS the rights of lien
27 claimants arising under ~~any mechanics'~~ A MECHANIC'S lien law or the lien

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

7 **SECTION 28.** 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.

22 **SECTION 29.** In Colorado Revised Statutes, **amend** 42-6-134 as
23 follows:

24 **42-6-134. Where application for certificates of title made.**
25 Except as otherwise provided in this part 1, ~~all applications~~ A PERSON
26 SHALL APPLY for recording of ~~certificates~~ A CERTIFICATE of title upon the
27 sale or transfer of a motor OR OFF-HIGHWAY vehicle ~~described in the~~

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

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

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

12 **SECTION 31.** In Colorado Revised Statutes, 42-6-136, **amend**
13 (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 32.** 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.

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

17 (7) An authorized agent shall, if possible, provide the following
18 recording of titles on the same day as the date of request by an applicant:

19 (a) A title issued ~~pursuant to~~ BECAUSE OF a transfer of a motor OR
20 OFF-HIGHWAY vehicle currently titled in Colorado;

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

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

25 **42-6-138. Disposition of fees.** (2) ~~All fees collected by~~ The
26 authorized agent SHALL DISPOSE OF ALL FEES COLLECTED under section
27 42-6-137 (5) or 38-29-138 (5), C.R.S., ~~shall be disposed of~~ as follows:

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
7 all fees ~~collected by the department~~ IT COLLECTS under ~~the provisions of~~
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.

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

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

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).

13 (2) (a) Except as may be otherwise provided by rule of the
14 director, it is unlawful for ~~any~~ A person who is a resident of the state to
15 register, ~~to~~ obtain a license for, or ~~to~~ procure a certificate of title to a
16 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

20 ~~(b)~~ (II) For ~~any~~ A motor vehicle ~~for TO which the provisions of~~
21 SUBPARAGRAPH (I) OF THIS paragraph (a) ~~of this subsection (2) do~~ DOES
22 not apply, the address of the owner's residence; except that, if a motor
23 vehicle is permanently maintained at an address other than the address of
24 the owner's residence, ~~such motor~~ THE vehicle shall be registered at the
25 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

1 STATE TO PROCURE A CERTIFICATE OF TITLE TO AN OFF-HIGHWAY VEHICLE
2 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 35.** In Colorado Revised Statutes, **amend** 42-6-141 as
21 follows:

22 **42-6-141. Director's records to be public.** ~~All~~ Records in the
23 director's office pertaining to the title to a motor OR OFF-HIGHWAY vehicle
24 ~~shall be~~ ARE public records ~~and shall be~~ subject to ~~the provisions of~~
25 section 42-1-206. This ~~shall include any~~ INCLUDES records regarding
26 ownership of and mortgages or liens on a vehicle for which a Colorado
27 certificate of title has been issued.

1 **SECTION 36.** In Colorado Revised Statutes, 42-6-142, **amend**
2 (1) as follows:

3 **42-6-142. Penalties.** (1) ~~No~~ A person ~~may~~ SHALL NOT sell,
4 transfer, or in any manner dispose of a motor OR OFF-HIGHWAY vehicle in
5 this state without complying with this part 1.

6 **SECTION 37.** 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
25 CERTIFICATE OF TITLE == AND REQUIRE THE OWNER TO PLACE THE NUMBER
26 ON THE VEHICLE.

27 **SECTION 38.** In Colorado Revised Statutes, 42-6-146, **amend**

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
5 or the agent of either repossesses a motor OR OFF-HIGHWAY vehicle
6 because of default in the terms of a secured debt, the reposessor 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 reposessor, 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 reposessor 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 reposessor shall notify the county
17 sheriff.

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

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

27 **SECTION 39.** In Colorado Revised Statutes, **add** 42-6-148 as

1 follows:

2 **42-6-148. Off-highway vehicles - sales.** (1) UNLESS THE OWNER
3 HAS OBTAINED A CERTIFICATE OF TITLE FOR AN OFF-HIGHWAY VEHICLE
4 UNDER THIS ARTICLE, A PERSON SHALL NOT SELL THE OFF-HIGHWAY
5 VEHICLE AND AN OFF-HIGHWAY VEHICLE DEALER SHALL NOT PURCHASE
6 THE OFF-HIGHWAY VEHICLE. A SALE OR PURCHASE MADE IN VIOLATION OF
7 THIS SUBSECTION (1) IS VOID.

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

11 (3) UNTIL AN OFF-HIGHWAY VEHICLE IS ISSUED A CERTIFICATE OF
12 TITLE, THE ATTACHMENT, RECORDING, PERFECTION, PRIORITY, RENEWAL,
13 EXTENSION, MODIFICATION, RELEASING, TERMINATION, FORECLOSURE,
14 AND ANY OTHER ASPECT OF A SECURITY INTEREST IN AN OFF-HIGHWAY
15 VEHICLE IS GOVERNED BY THE "UNIFORM COMMERCIAL CODE", TITLE 4,
16 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
20 fund created in section 42-1-211 (2), Colorado Revised Statutes, not
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
5 revenue out of the appropriation made in subsection (1) of this section.

6 **SECTION 41. 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
10 preservation of the public peace, health, and safety.