

First Regular Session  
Sixty-ninth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 13-0885.01 Chuck Brackney x2295

HOUSE BILL 13-1289

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HOUSE SPONSORSHIP

Moreno and Dore,

SENATE SPONSORSHIP

Jahn and Balmer,

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House Committees

Transportation & Energy

Senate Committees

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A BILL FOR AN ACT

101 CONCERNING AUTHORITY FOR THE ELECTRONIC TRANSMISSION OF  
102 INFORMATION RELATING TO MOTOR VEHICLES.

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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 provides authority to the department of revenue to establish a system to allow the electronic registration and titling of motor vehicles and electronic transmission of motor vehicle lien information. The title certificate is considered to be held by the mortgage or lien holder when an electronic mortgage or lien is used. A copy of the electronic

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.*

mortgage or lien is admissible as evidence in judicial or administrative proceedings. The department is authorized to accept gifts, grants, or donations into the electronic motor vehicle registration cash fund.

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

2 **SECTION 1.** In Colorado Revised Statutes, 42-1-102, **add** (47.5)  
3 as follows:

4 **42-1-102. Definitions.** As used in articles 1 to 4 of this title,  
5 unless the context otherwise requires:

6 (47.5) "LIEN" MEANS A SECURITY INTEREST IN A MOTOR VEHICLE  
7 UNDER ARTICLE 9 OF TITLE 4, C.R.S., AND THIS ARTICLE.

8 **SECTION 2.** In Colorado Revised Statutes, **add** 42-3-113.5 as  
9 follows:

10 **42-3-113.5. Electronic motor vehicle registration and titling -**  
11 **electronic transmission of motor vehicle lien information - authority**  
12 **- rules - cash fund - notice of funding through gifts, grants, and**  
13 **donations - repeal.** (1) THE DEPARTMENT MAY ESTABLISH A SYSTEM TO  
14 ALLOW THE ELECTRONIC TRANSMISSION OF REGISTRATION, LIEN, AND  
15 TITLING INFORMATION FOR MOTOR VEHICLES. THE DEPARTMENT MAY  
16 ADOPT RULES NECESSARY FOR THE IMPLEMENTATION OF THIS SECTION. IF  
17 THE DEPARTMENT PROMULGATES A RULE REQUIRING LIEN AND TITLE  
18 DOCUMENTS TO BE FILED ELECTRONICALLY, A FINANCIAL INSTITUTION  
19 WITH LESS THAN FIFTY TRANSACTIONS PER YEAR NEED NOT FILE  
20 ELECTRONICALLY.

21 (2) (a) THERE IS CREATED IN THE STATE TREASURY THE  
22 ELECTRONIC MOTOR VEHICLE REGISTRATION AND TITLING CASH FUND. THE  
23 DEPARTMENT IS AUTHORIZED TO SEEK AND ACCEPT GIFTS, GRANTS, OR  
24 DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR THE PURPOSES OF THIS

1 SECTION; EXCEPT THAT THE DEPARTMENT MAY NOT ACCEPT A GIFT,  
2 GRANT, OR DONATION THAT IS SUBJECT TO CONDITIONS THAT ARE  
3 INCONSISTENT WITH THIS SECTION OR ANY OTHER LAW OF THE STATE. THE  
4 DEPARTMENT SHALL TRANSMIT ALL PRIVATE AND PUBLIC MONEYS  
5 RECEIVED THROUGH GIFTS, GRANTS, OR DONATIONS TO THE STATE  
6 TREASURER, WHO SHALL CREDIT THE SAME TO THE ELECTRONIC MOTOR  
7 VEHICLE REGISTRATION AND TITLING FUND, WHICH FUND IS HEREBY  
8 CREATED AND REFERRED TO IN THIS SECTION AS THE "FUND". THE MONEYS  
9 IN THE FUND ARE SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL  
10 ASSEMBLY TO THE DEPARTMENT FOR THE DIRECT AND INDIRECT COSTS  
11 ASSOCIATED WITH IMPLEMENTING THIS SECTION.

12 (b) (I) IN SEEKING OR ACCEPTING A GIFT, GRANT, OR DONATION,  
13 THE DEPARTMENT SHALL NOTIFY THE LEGISLATIVE COUNCIL STAFF WHEN  
14 IT HAS RECEIVED ADEQUATE FUNDING THROUGH GIFTS, GRANTS, OR  
15 DONATIONS FOR THE IMPLEMENTATION OF THIS SECTION AND SHALL  
16 INCLUDE IN THE NOTIFICATION THE INFORMATION SPECIFIED IN SECTION  
17 24-75-1303 (3), C.R.S.

18 (II) THIS PARAGRAPH (b) IS REPEALED, EFFECTIVE JULY 1, 2016.

19 **SECTION 3.** In Colorado Revised Statutes, 42-6-122, **amend** (2)  
20 as follows:

21 **42-6-122. Disposition of mortgages by agent.** (2) All records of  
22 mortgages affecting motor vehicles ~~shall be~~ ARE public and may be  
23 inspected and ~~copies thereof made~~ COPIED, as is provided by law  
24 respecting public records affecting real property. A DULY CERTIFIED COPY  
25 OF THE DEPARTMENT'S ELECTRONIC RECORD OF THE MORTGAGE OR LIEN  
26 IS ADMISSIBLE IN ANY CIVIL, CRIMINAL, OR ADMINISTRATIVE PROCEEDING  
27 IN THIS STATE AS EVIDENCE OF THE EXISTENCE OF THE MORTGAGE OR LIEN.

1           **SECTION 4.** In Colorado Revised Statutes, **amend** 42-6-123 as  
2 follows:

3           **42-6-123. Disposition after mortgaging.** After a mortgage on a  
4 motor vehicle has been filed in the authorized agent's office, the  
5 authorized agent shall mail or electronically transfer to the director the  
6 certificate of title or bill of sale ~~which~~ THAT the authorized agent has filed  
7 in the record. Upon the receipt ~~thereof~~ OF THE CERTIFICATE OF TITLE OR  
8 BILL OF SALE, the director shall maintain completed electronic records  
9 transferred by the authorized agent. The director shall issue a new  
10 certificate of title containing, in addition to the other matters and things  
11 required to be set forth in certificates of title, a description of the  
12 mortgage and all information respecting ~~said~~ THE mortgage and the filing  
13 ~~thereof~~ OF THE MORTGAGE as may appear in the certificate of the  
14 authorized agent, and the director or the director's authorized agent shall  
15 thereafter dispose of ~~said~~ THE new certificate of title containing ~~said~~ THE  
16 notation as provided in section 42-6-124. WHEN A MOTOR VEHICLE IS  
17 SUBJECT TO AN ELECTRONIC MORTGAGE OR LIEN, THE CERTIFICATE OF  
18 TITLE FOR THE MOTOR VEHICLE IS CONSIDERED TO BE PHYSICALLY HELD  
19 BY THE MORTGAGEE OR LIEN HOLDER FOR ALL LEGAL PURPOSES,  
20 INCLUDING COMPLIANCE WITH STATE OR FEDERAL ODOMETER DISCLOSURE  
21 REQUIREMENTS.

22           **SECTION 5.** In Colorado Revised Statutes, 42-6-125, **add** (3) as  
23 follows:

24           **42-6-125. Release of mortgages.** (3) MORTGAGE OR LIEN  
25 SATISFACTIONS MAY BE ELECTRONICALLY TRANSMITTED TO THE  
26 DEPARTMENT'S AUTHORIZED AGENT AS AUTHORIZED BY RULES OF THE  
27 DIRECTOR. WHEN ELECTRONIC TRANSMISSION OF MORTGAGES OR LIENS OR

1 MORTGAGE OR LIEN SATISFACTIONS IS USED, A CERTIFICATE OF TITLE NEED  
2 NOT BE ISSUED UNTIL THE LAST MORTGAGE OR LIEN IS SATISFIED AND A  
3 CLEAR CERTIFICATE OF TITLE IS ISSUED TO THE OWNER OF THE MOTOR  
4 VEHICLE UNDER SECTION 42-6-126.

5 **SECTION 6.** In Colorado Revised Statutes, 42-6-129, **amend** (2)  
6 as follows:

7 **42-6-129. Second or other junior mortgages.** (2) Such A  
8 second or junior mortgagee or the holder ~~thereof~~ OF A SECOND OR JUNIOR  
9 MORTGAGE shall file ~~said~~ THE mortgage pursuant to ~~the requirements of~~  
10 section 42-6-121 with the director's authorized agent of the county  
11 wherein the mortgagor of ~~said~~ THE motor vehicle resides or where the  
12 motor vehicle is located and shall accompany ~~said~~ THE mortgage with a  
13 written request to have the existence ~~thereof~~ OF THE SECOND OR JUNIOR  
14 MORTGAGE noted or filed on the certificate of title records of the director's  
15 authorized agent pertaining to the motor vehicle covered by the junior or  
16 second mortgage. Upon the filing of ~~such~~ the mortgage, the director's  
17 authorized agent shall note in the record of the subject vehicle the day and  
18 hour on which ~~such~~ THE mortgage was received by the agent and shall  
19 make and deliver a receipt for the mortgage to the person filing the  
20 mortgage, and shall file the second or junior mortgage as required under  
21 section 42-6-122. IF THERE IS MORE THAN ONE MORTGAGE OR LIEN ON THE  
22 MOTOR VEHICLE, THE DEPARTMENT'S AUTHORIZED AGENT MAY  
23 ELECTRONICALLY TRANSMIT THE MORTGAGE OR LIEN TO THE FIRST  
24 MORTGAGE OR LIEN HOLDER AND NOTIFY THE FIRST MORTGAGE OR LIEN  
25 HOLDER OF ANY ADDITIONAL MORTGAGES OR LIENS.

26 **SECTION 7. Safety clause.** The general assembly hereby finds,

- 1 determines, and declares that this act is necessary for the immediate
- 2 preservation of the public peace, health, and safety.