

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

REVISED

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

LLS NO. 13-0885.01 Chuck Brackney x2295

HOUSE BILL 13-1289

HOUSE SPONSORSHIP

Moreno and Dore,

SENATE SPONSORSHIP

Jahn and Balmer,

House Committees
Transportation & Energy

Senate Committees
Transportation

A BILL FOR AN ACT

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

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.*

SENATE
Amended 2nd Reading
April 29, 2013

HOUSE
3rd Reading Unamended
April 17, 2013

HOUSE
Amended 2nd Reading
April 16, 2013

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.

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

SECTION 1. Legislative declaration. The general assembly finds, determines, and declares that it is not the intent of the general assembly to authorize any entity other than the existing county or local motor vehicle offices or agencies of the department of revenue to register motor vehicles.

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

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

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

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

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

1 ELECTRONICALLY.

2 (2) (a) THE DEPARTMENT IS AUTHORIZED TO SEEK AND ACCEPT
3 GIFTS, GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR
4 THE PURPOSES OF THIS SECTION; EXCEPT THAT THE DEPARTMENT MAY NOT
5 ACCEPT A GIFT, GRANT, OR DONATION THAT IS SUBJECT TO CONDITIONS
6 THAT ARE INCONSISTENT WITH THIS SECTION OR ANY OTHER LAW OF THE
7 STATE. THE DEPARTMENT SHALL ENSURE THAT ANY FUNDS CONTRIBUTED
8 TO THE DEPARTMENT FOR THE IMPLEMENTATION OF THE SYSTEM FOR THE
9 ELECTRONIC TRANSMISSION OF REGISTRATION, LIEN, AND TITLING
10 INFORMATION FOR MOTOR VEHICLES ARE TRACKED SEPARATELY AND USED
11 ONLY FOR THE IMPLEMENTATION OF THE SYSTEM. ___

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 (c) NO VENDOR WHO RESPONDS TO A REQUEST FOR PROPOSAL
20 FROM THE DEPARTMENT CONCERNING A SYSTEM FOR THE ELECTRONIC
21 TRANSMISSION OF REGISTRATION, LIEN, AND TITLING INFORMATION FOR
22 MOTOR VEHICLES MAY CONTRIBUTE A GIFT, GRANT, OR DONATION TO THE
23 ELECTRONIC MOTOR VEHICLE REGISTRATION AND TITLING CASH FUND.

24 **SECTION 4.** In Colorado Revised Statutes, 42-6-122, **amend** (2)
25 as follows:

26 **42-6-122. Disposition of mortgages by agent.** (2) All records of
27 mortgages affecting motor vehicles ~~shall be~~ ARE public and may be

1 inspected and ~~copies thereof made~~ COPIED, as is provided by law
2 respecting public records affecting real property. A DULY CERTIFIED COPY
3 OF THE DEPARTMENT'S ELECTRONIC RECORD OF THE MORTGAGE OR LIEN
4 IS ADMISSIBLE IN ANY CIVIL, CRIMINAL, OR ADMINISTRATIVE PROCEEDING
5 IN THIS STATE AS EVIDENCE OF THE EXISTENCE OF THE MORTGAGE OR LIEN.

6 **SECTION 5.** In Colorado Revised Statutes, **amend** 42-6-123 as
7 follows:

8 **42-6-123. Disposition after mortgaging.** After a mortgage on a
9 motor vehicle has been filed in the authorized agent's office, the
10 authorized agent shall mail or electronically transfer to the director the
11 certificate of title or ~~bill of sale which~~ OTHER EVIDENCE OF OWNERSHIP
12 SATISFACTORY TO THE DIRECTOR AS SPECIFIED IN RULES ADOPTED UNDER
13 SECTION 42-6-104, C.R.S., THAT the authorized agent has filed in the
14 record. Upon the receipt ~~thereof~~ OF THE CERTIFICATE OF TITLE OR OTHER
15 EVIDENCE OF OWNERSHIP SATISFACTORY TO THE DIRECTOR AS SPECIFIED
16 IN RULES ADOPTED UNDER SECTION 42-6-104, C.R.S., the director shall
17 maintain completed electronic records transferred by the authorized agent.
18 The director shall issue a new certificate of title containing, in addition to
19 the other matters and things required to be set forth in certificates of title,
20 a description of the mortgage and all information respecting ~~said~~ THE
21 mortgage and the filing ~~thereof~~ OF THE MORTGAGE as may appear in the
22 certificate of the authorized agent, and the director or the director's
23 authorized agent shall thereafter dispose of ~~said~~ THE new certificate of
24 title containing ~~said~~ THE notation as provided in section 42-6-124. WHEN
25 A MOTOR VEHICLE IS SUBJECT TO AN ELECTRONIC MORTGAGE OR LIEN, THE
26 CERTIFICATE OF TITLE FOR THE MOTOR VEHICLE IS CONSIDERED TO BE
27 PHYSICALLY HELD BY THE MORTGAGEE OR LIEN HOLDER FOR ALL LEGAL

1 PURPOSES, INCLUDING COMPLIANCE WITH STATE OR FEDERAL ODOMETER
2 DISCLOSURE REQUIREMENTS.

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

5 **42-6-125. Release of mortgages.** (3) MORTGAGE OR LIEN
6 SATISFACTIONS MAY BE ELECTRONICALLY TRANSMITTED TO THE
7 DEPARTMENT'S AUTHORIZED AGENT AS AUTHORIZED BY RULES OF THE
8 DIRECTOR. WHEN ELECTRONIC TRANSMISSION OF MORTGAGES OR LIENS OR
9 MORTGAGE OR LIEN SATISFACTIONS IS USED, A CERTIFICATE OF TITLE NEED
10 NOT BE ISSUED UNTIL THE LAST MORTGAGE OR LIEN IS SATISFIED AND A
11 CLEAR CERTIFICATE OF TITLE IS ISSUED TO THE OWNER OF THE MOTOR
12 VEHICLE UNDER SECTION 42-6-126.

13 **SECTION 7.** In Colorado Revised Statutes, 42-6-129, **amend** (2)
14 as follows:

15 **42-6-129. Second or other junior mortgages.** (2) ~~Such A~~
16 ~~second or junior mortgagee or the holder thereof~~ OF A SECOND OR JUNIOR
17 MORTGAGE shall file ~~said~~ THE mortgage pursuant to ~~the requirements of~~
18 section 42-6-121 with the director's authorized agent of the county
19 wherein the mortgagor of ~~said~~ THE motor vehicle resides or where the
20 motor vehicle is located and shall accompany ~~said~~ THE mortgage with a
21 written request to have the existence ~~thereof~~ OF THE SECOND OR JUNIOR
22 MORTGAGE noted or filed on the certificate of title records of the director's
23 authorized agent pertaining to the motor vehicle covered by the junior or
24 second mortgage. Upon the filing of ~~such~~ the mortgage, the director's
25 authorized agent shall note in the record of the subject vehicle the day and
26 hour on which ~~such~~ THE mortgage was received by the agent and shall
27 make and deliver a receipt for the mortgage to the person filing the

1 mortgage, and shall file the second or junior mortgage as required under
2 section 42-6-122. IF THERE IS MORE THAN ONE MORTGAGE OR LIEN ON THE
3 MOTOR VEHICLE, THE DEPARTMENT'S AUTHORIZED AGENT MAY
4 ELECTRONICALLY TRANSMIT THE MORTGAGE OR LIEN TO THE FIRST
5 MORTGAGE OR LIEN HOLDER AND NOTIFY THE FIRST MORTGAGE OR LIEN
6 HOLDER OF ANY ADDITIONAL MORTGAGES OR LIENS.

7 **SECTION 8. Safety clause.** The general assembly hereby finds,
8 determines, and declares that this act is necessary for the immediate
9 preservation of the public peace, health, and safety.