

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

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

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

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.*

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.

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 CASH 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~~ OTHER EVIDENCE OF OWNERSHIP
7 SATISFACTORY TO THE DIRECTOR AS SPECIFIED IN RULES ADOPTED UNDER
8 SECTION 42-6-104, C.R.S., THAT the authorized agent has filed in the
9 record. Upon the receipt ~~thereof~~ OF THE CERTIFICATE OF TITLE OR OTHER
10 EVIDENCE OF OWNERSHIP SATISFACTORY TO THE DIRECTOR AS SPECIFIED
11 IN RULES ADOPTED UNDER SECTION 42-6-104, C.R.S., the director shall
12 maintain completed electronic records transferred by the authorized agent.
13 The director shall issue a new certificate of title containing, in addition to
14 the other matters and things required to be set forth in certificates of title,
15 a description of the mortgage and all information respecting ~~said~~ THE
16 mortgage and the filing ~~thereof~~ OF THE MORTGAGE as may appear in the
17 certificate of the authorized agent, and the director or the director's
18 authorized agent shall thereafter dispose of ~~said~~ THE new certificate of
19 title containing ~~said~~ THE notation as provided in section 42-6-124. WHEN
20 A MOTOR VEHICLE IS SUBJECT TO AN ELECTRONIC MORTGAGE OR LIEN, THE
21 CERTIFICATE OF TITLE FOR THE MOTOR VEHICLE IS CONSIDERED TO BE
22 PHYSICALLY HELD BY THE MORTGAGEE OR LIEN HOLDER FOR ALL LEGAL
23 PURPOSES, INCLUDING COMPLIANCE WITH STATE OR FEDERAL ODOMETER
24 DISCLOSURE REQUIREMENTS.

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

27 **42-6-125. Release of mortgages.** (3) MORTGAGE OR LIEN

1 SATISFACTIONS MAY BE ELECTRONICALLY TRANSMITTED TO THE
2 DEPARTMENT'S AUTHORIZED AGENT AS AUTHORIZED BY RULES OF THE
3 DIRECTOR. WHEN ELECTRONIC TRANSMISSION OF MORTGAGES OR LIENS OR
4 MORTGAGE OR LIEN SATISFACTIONS IS USED, A CERTIFICATE OF TITLE NEED
5 NOT BE ISSUED UNTIL THE LAST MORTGAGE OR LIEN IS SATISFIED AND A
6 CLEAR CERTIFICATE OF TITLE IS ISSUED TO THE OWNER OF THE MOTOR
7 VEHICLE UNDER SECTION 42-6-126.

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

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

1 HOLDER OF ANY ADDITIONAL MORTGAGES OR LIENS.

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