

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

INTRODUCED

LLS NO. 01-0780.01 Jery Payne

HOUSE BILL 01-1245

HOUSE SPONSORSHIP

Kester

SENATE SPONSORSHIP

Arnold

House Committees

Business Affairs & Labor

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING AUTHORIZATION FOR A PERSON PROVIDING FINANCING**
102 **TO ENABLE THE PURCHASE OF A MOTOR VEHICLE TO RECOVER**
103 **DAMAGES AGAINST A MOTOR VEHICLE DEALER'S BOND.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Authorizes a person providing financing to enable the purchase of a vehicle to recover damages against a motor vehicle dealer's bond for fraud in the sale of a motor vehicle.

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

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.

1 **SECTION 1.** 12-6-111 (2) (a), Colorado Revised Statutes, is
2 amended to read:

3 **12-6-111. Bond of licensee.** (2) (a) The purpose of the bond
4 procured by the applicant pursuant to subsection (1) of this section and
5 sections 12-6-112 (1) and 12-6-112.2 (1) is to provide for the
6 reimbursement for any loss or damage suffered by any retail consumer OR
7 BY ANY PERSON FINANCING SUCH RETAIL CONSUMER'S PURCHASE caused
8 by violation of this part 1 by a motor vehicle dealer, used motor vehicle
9 dealer, wholesale motor vehicle auction dealer, or wholesaler. For a
10 wholesale transaction, the bond is available to each party to the
11 transaction, INCLUDING A PERSON THAT FINANCES THE TRANSACTION;
12 except that, if a retail consumer is involved, such consumer shall have
13 priority to recover from the bond. The amount of the bond shall be thirty
14 thousand dollars for a motor vehicle dealer applicant, used motor vehicle
15 dealer applicant, wholesale motor vehicle auction dealer applicant, or
16 wholesaler applicant except the amount of the bond shall be five thousand
17 dollars for those dealers who sell only small utility trailers which weigh
18 less than two thousand pounds. The aggregate liability of the surety for
19 all transactions shall not exceed the amount of the bond, regardless of the
20 number of claims or claimants.

21 **SECTION 2. Effective date.** This act shall take effect at 12:01
22 a.m. on the day following the expiration of the ninety-day period after
23 final adjournment of the general assembly that is allowed for submitting
24 a referendum petition pursuant to article V, section 1 (3) of the state
25 constitution; except that, if a referendum petition is filed against this act
26 or an item, section, or part of this act within such period, then the act,
27 item, section, or part, if approved by the people, shall take effect on the

- 1 date of the official declaration of the vote thereon by proclamation of the
- 2 governor.