

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

REVISED

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

LLS NO. 05-0366.01 Jery Payne

SENATE BILL 05-038

SENATE SPONSORSHIP

Takis,

HOUSE SPONSORSHIP

Cadman,

Senate Committees

Transportation

House Committees

Transportation & Energy

A BILL FOR AN ACT

101 **CONCERNING THE CLARIFICATION OF STATUTES ADDRESSING THE**
102 **TITLING OF MOTOR VEHICLES.**

Bill Summary

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

Clarifies, simplifies, and harmonizes the language in motor vehicle title statutes. Clarifies the use of the terms "mortgage", "lien", "secured interest", and "secured debt" in order to conform the use of these terms with the settled legal definitions of such terms. Deletes obsolete provisions.

Defines relevant terms.

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.

HOUSE
Amended 2nd Reading
March 22, 2005

SENATE
3rd Reading Unamended
February 14, 2005

SENATE
Amended 2nd Reading
February 11, 2005

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

2 **SECTION 1. 42-6-102, Colorado Revised Statutes, is amended**
3 **to read:**

4 **42-6-102. Definitions.** As used in this part 1, unless the context
5 otherwise requires:

6 (1) "Authorized agents" means the county clerk and recorder in
7 each of the counties of the state, including the city and county of
8 Broomfield, ~~except in the city and county of Denver, and therein~~ AND the
9 manager of revenue or such other official of the city and county of
10 Denver as may be appointed by the mayor to perform functions related
11 to the registration of motor vehicles. ~~is the authorized agent.~~

12 (2) "Dealer" means any person, firm, partnership, corporation, or
13 association licensed under the laws of this state to engage in the business
14 of buying, selling, exchanging, or otherwise trading in motor vehicles.

15 (3) "Department" means the department of revenue.

16 (4) "Director" means the executive director of the department of
17 revenue.

18 ~~(4.2) (5) (a) "Electronic record" has the same meaning as defined~~
19 ~~in section 24-71.1-103 (3), C.R.S., and shall have the same effect as set~~
20 ~~forth in section 24-71.1-105, C.R.S.~~ MEANS A RECORD GENERATED,
21 CREATED, COMMUNICATED, RECEIVED, SENT, OR STORED BY ELECTRONIC
22 MEANS.

23 (b) A RECORD COVERED BY THIS ARTICLE MAY NOT BE DENIED
24 LEGAL EFFECT, VALIDITY, OR ENFORCEABILITY SOLELY BECAUSE IT IS IN
25 THE FORM OF AN ELECTRONIC RECORD. EXCEPT AS OTHERWISE PROVIDED
26 IN THIS ARTICLE, IF A RULE OF LAW REQUIRES A RECORD TO BE IN WRITING
27 OR PROVIDES CONSEQUENCES IF IT IS NOT, AN ELECTRONIC RECORD

1 SATISFIES THAT RULE OF LAW.

2 (4.4) (6) "File" means the creation of or addition to an electronic
3 record maintained for a certificate of title by the director or an authorized
4 agent of the director, as defined in section 42-6-105.

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

7 (5) (8) "Manufacturer" means a person, firm, partnership,
8 corporation, or association engaged in the manufacture of new motor
9 vehicles, trailers, or semitrailers.

10 (6) (9) ~~"Mortgages" or "Mortgage" or "chattel mortgage" means~~
11 ~~chattel mortgages, conditional sales contracts, or any other like~~
12 ~~instrument intended to operate as a mortgage or to create a lien on a~~
13 ~~motor vehicle as security for an undertaking of the owner thereof or some~~
14 ~~other person~~ A SECURITY AGREEMENT AS DEFINED IN SECTION 4-9-102
15 (76), C.R.S.

16 (7) (10) "Motor vehicle" means any self-propelled vehicle ~~which~~
17 THAT is designed primarily for travel on the public highways and ~~which~~
18 is generally and commonly used to transport persons and property over
19 the public highways, INCLUDING trailers, semitrailers, and trailer coaches,
20 without motive power. ~~except:~~ "MOTOR VEHICLE" DOES NOT INCLUDE
21 motorized bicycles, as defined in section 42-1-102 (59) (b); vehicles
22 ~~which~~ THAT operate only upon rails or tracks laid in place on the ground
23 or that travel through the air or that derive their motive power from
24 overhead electric lines; farm tractors, farm trailers, and other machines
25 and tools used in the production, harvesting, and care of farm products;
26 and mobile machinery, self-propelled construction equipment, or
27 industrial machinery not designed primarily for highway transportation.

1 ~~(8)~~ (11) "New vehicle" means ~~any~~ A motor vehicle being
2 transferred for the first time from a manufacturer or importer, or dealer
3 or agent of a manufacturer or importer, ~~and which motor vehicle had~~
4 ~~previously not been used and is what is commonly known as a new motor~~
5 ~~vehicle~~ TO THE END USER OR CUSTOMER. A motor vehicle that has been
6 used by a dealer ~~solely~~ for the purpose of demonstration to prospective
7 customers shall be considered a "new vehicle" unless such demonstration
8 use has been for more than one thousand five hundred miles. Motor
9 vehicles having a gross vehicle weight rating of sixteen thousand pounds
10 or more shall be exempt from this definition.

11 ~~(9)~~ (12) "Owner" means ~~any~~ A person ~~association of persons, OR~~
12 firm ~~or corporation~~ in whose name the title to a motor vehicle is
13 registered.

14 ~~(10)~~ (13) "Person" means natural persons, associations of persons,
15 firms, LIMITED LIABILITY COMPANIES, partnerships, ~~and~~ OR corporations.

16 ~~(10.5)~~ (14) "Record" ~~has the same meaning as defined in section~~
17 ~~24-71.1-103 (9), C.R.S.~~ MEANS INFORMATION THAT IS INSCRIBED ON A
18 TANGIBLE MEDIUM OR THAT IS STORED IN AN ELECTRONIC OR OTHER
19 MEDIUM AND IS RETRIEVABLE IN A PERCEIVABLE FORM.

20 ~~(11)~~ (15) "Roadworthy" means a condition in which a motor
21 vehicle has sufficient power and is fit to operate on the roads and
22 highways of this state after visual inspection by appropriate law
23 enforcement authorities. In order to be roadworthy, such vehicle, in
24 accord with its design and use, shall have all major parts and systems
25 permanently attached and functioning and shall not ~~appear to have been~~
26 BE repaired in such a manner as to make the vehicle unsafe. For purposes
27 of this subsection ~~(11)~~ (15), "major parts and systems" shall include, but

1 not be limited to, the body of a motor vehicle with related component
2 parts, engine, transmission, tires, wheels, seats, exhaust, BRAKES, and all
3 other equipment required by Colorado law for the particular vehicle.

4 ~~(12)~~ (16) "Salvage certificate of title" means a document issued
5 under the authority of the director to indicate ownership of a salvage
6 vehicle.

7 ~~(13)~~ (17) (a) "Salvage vehicle" means a vehicle that is damaged
8 by collision, fire, flood, accident, trespass, or other occurrence, excluding
9 hail damage, to the extent that the cost of repairing the vehicle to a
10 roadworthy condition and for legal operation on the highways exceeds the
11 vehicle's retail fair market value immediately prior to such damage, as
12 determined by the person who owns the vehicle at the time of such
13 occurrence or by the insurer or other person acting on behalf of such
14 owner.

15 (b) In assessing whether a vehicle is a "salvage vehicle" under this
16 section, the retail fair market value shall be determined by reference to
17 sources generally accepted within the insurance industry including price
18 guide books, dealer quotations, computerized valuation services,
19 newspaper advertisements, and certified appraisals, taking into account
20 the condition of the vehicle prior to the damage. When assessing the
21 repairs, the assessor shall consider the actual retail cost of the needed
22 parts and the reasonable and customary labor rates for needed labor.

23 (c) ~~This section~~ SUBSECTION (17) shall not apply to a vehicle
24 whose model year of manufacture is six years or older at the time of
25 damage.

26 ~~(13.5)~~ (18) "Signature" means either a written signature or an
27 electronic signature. ~~as described in section 24-71.1-106, C.R.S.~~

1 ~~(14)~~ (19) "State" includes the territories and the federal districts
2 of the United States.

3 ~~(15)~~ (20) "Street rod vehicle" means a vehicle manufactured in
4 1948 or earlier with a body design ~~which~~ THAT has been modified for safe
5 road use, including, but not limited to, modifications of the drive train,
6 suspension, and brake systems, modifications to the body through the use
7 of materials such as steel or fiberglass, and MODIFICATIONS TO any other
8 safety or comfort features.

9 (21) "TRANSFER BY INHERITANCE" MEANS THE TRANSFER OF
10 OWNERSHIP AFTER THE DEATH OF AN OWNER BY MEANS OF A WILL, A
11 WRITTEN STATEMENT, A LIST AS DESCRIBED IN SECTION 15-11-513, C.R.S.,
12 OR UPON LAWFUL DESCENT AND DISTRIBUTION UPON THE DEATH
13 INTESTATE OF THE OWNER OF THE VEHICLE.

14 ~~(16)~~ (22) "Used vehicle" means ~~any~~ A motor vehicle that has been
15 sold, bargained, exchanged, or given away, or HAS HAD the title ~~thereto~~
16 transferred from the person who first took title ~~thereto~~ from the
17 manufacturer or importer, dealer, or agent of the manufacturer or
18 importer, or HAS BEEN so used as to have become what is commonly
19 known as a secondhand motor vehicle. A motor vehicle that has been
20 used by a dealer for the purpose of demonstration to prospective
21 customers shall be considered a "used vehicle" if such demonstration use
22 has been for more than one thousand five hundred miles.

23 ~~(17)~~ (23) "Vehicle" means any motor vehicle as defined in
24 subsection ~~(7)~~ (10) of this section.

25 **SECTION 2. 42-6-104, Colorado Revised Statutes, is amended**
26 **to read:**

27 **42-6-104. Administration.** The director is charged with the duty

1 of administering this part 1. For that purpose the director is vested with
2 the power to make such reasonable rules ~~and regulations, prepare,~~
3 ~~prescribe,~~ and require the use of such forms and ~~provide such~~ procedures
4 as ~~may be~~ ARE reasonably necessary ~~or essential to~~ FOR the efficient
5 administration of this part 1.

6 **SECTION 3. 42-6-105, Colorado Revised Statutes, is amended**
7 to read:

8 **42-6-105. Authorized agents.** The county clerk and recorder in
9 each of the counties of the state, including the city and county of
10 Broomfield ~~except in the city and county of Denver~~ AND the manager of
11 revenue or such other official of the city and county of Denver as may be
12 appointed by the mayor to perform functions related to the registration of
13 motor vehicles, is designated to be the authorized agent of the director
14 and, under the direction of the director, is charged with the administration
15 ~~of the terms and provisions~~ of this part 1 and the rules that may ~~from time~~
16 ~~to time~~ be adopted for the administration ~~thereof~~ OF THIS PART 1 in the
17 county ~~or city and county in which such~~ WHERE THE authorized agent
18 holds office.

19 **SECTION 4. 42-6-106, Colorado Revised Statutes, is amended**
20 to read:

21 **42-6-106. Certificates of registration - plates.** (1) No certificate
22 of the registration of ~~any~~ OR LICENSE PLATES SHALL BE ISSUED FOR A
23 motor vehicle ~~required by law or license plates therefor shall be issued by~~
24 the director or ~~any of the director's~~ AN authorized agents AGENT except in
25 the following cases:

26 (a) The applicant ~~therefor has procured and~~ exhibits to the
27 director or the ~~director's~~ authorized agent, or the director or the ~~director's~~

1 authorized agent has on file, an official Colorado certificate of title for
2 such vehicle ~~issued pursuant to the provisions of this part 1, or to a law~~
3 ~~in force and effect in this state prior to August 1, 1949,~~ in which it
4 appears that the applicant is the owner of the vehicle sought to be
5 registered and licensed.

6 (b) The applicant submits SATISFACTORY evidence to the director
7 or the ~~director's~~ authorized agent ~~that satisfies such officer or agent~~ that
8 an official Colorado certificate of title to such motor vehicle has been
9 issued or is on file ~~pursuant to the provisions of this part 1 or to a law in~~
10 ~~force and effect prior to August 1, 1949,~~ OR from which it OTHERWISE
11 appears that the applicant is the owner of the vehicle sought to be
12 registered and licensed. Any evidence submitted to the director or the
13 ~~director's~~ authorized agent may be maintained in a paper or electronic
14 version.

15 (c) The applicant applies for an official certificate of title for such
16 motor vehicle ~~in the manner provided in~~ PURSUANT TO section 42-6-116.

17 (d) A member of the armed forces of the United States has
18 purchased a vehicle in a foreign country and registered such vehicle in
19 accordance with ~~applicable~~ THE directives of the department of defense
20 of the United States government and is unable to supply proof of
21 ownership in the form customarily required by this state and evidence of
22 ownership is supplied by submitting an executed document prescribed by
23 the secretary of defense concerning the vehicle and authenticated by an
24 officer of the armed forces who has authority to administer oaths under
25 10 U.S.C. sec. 936.

26 (e) (I) The vehicle is a commercial vehicle that is registered as
27 part of a fleet based in Colorado and is leased from the owner of such

1 vehicle;

2 (II) The owner of the commercial vehicle is not a resident of
3 Colorado; and

4 (III) The applicant applies for apportioned registration pursuant
5 to article 3 of this title and provides the following to the director or
6 authorized agent:

7 (A) A copy of a current registration or a copy of a current title for
8 such vehicle from a foreign jurisdiction; and

9 (B) A copy of a lease agreement between the owner and the
10 applicant.

11 **SECTION 5. 42-6-107, Colorado Revised Statutes, is amended**
12 **to read:**

13 **42-6-107. Certificates of title - contents.** (1) (a) All certificates
14 of title to motor vehicles issued under ~~the provisions of this part 1~~ shall
15 be mailed to the applicant, except as provided in section 42-6-124, and
16 information ~~of the facts therein~~ appearing and concerning the issuance
17 thereof shall be retained by the director and appropriately indexed and
18 filed in the director's office. Such certificates may be electronic records
19 pursuant to rules adopted by the director and, in addition to other
20 information that the director may by rule ~~from time to time~~ require, shall
21 contain the make and model of the motor vehicle for which the certificate
22 is issued, or the record is created, where such information is available,
23 together with the motor and ANY serial number of the vehicle ~~if any~~, and
24 a description of such other marks or symbols as may be placed upon the
25 vehicle by the vehicle manufacturer for identification purposes.

26 (b) The department may require those vehicle-related entities
27 specified by regulation to verify information concerning ~~any~~ A vehicle

1 through the physical inspection of such vehicle. The information
2 required to be verified by such a physical inspection shall include ~~but~~
3 ~~shall not be limited to,~~ the vehicle identification number or numbers, the
4 make of vehicle, the vehicle model, the type of vehicle, the year of
5 manufacture of such vehicle, the type of fuel used by such vehicle, the
6 odometer reading of such vehicle, and such other information as may be
7 required by the department. For the purposes of this paragraph (b),
8 "vehicle-related entity" means ~~any county clerk and recorder~~ AN
9 AUTHORIZED AGENT or designated employee of such ~~county clerk and~~
10 ~~recorder, any~~ AGENT, A Colorado law enforcement officer, ~~any~~ A licensed
11 Colorado dealer, ~~any~~ A licensed inspection and readjustment station, or
12 ~~any~~ A licensed diesel inspection station.

13 (2) The electronic record of the certificate or the paper version of
14 the certificate shall ~~also have noted, in a place to be provided therefor,~~
15 CONTAIN a description of every lien ~~and encumbrance~~ to which the motor
16 vehicle is subject, as appears in the application for the certificate of title
17 or as is noted and shown to be unreleased upon ~~any~~ A certificate of title
18 issued after August 1, 1949, for such vehicle, including the date of such
19 lien, ~~or encumbrance,~~ the original amount secured by the vehicle, the
20 ~~person named as lienee, or encumbrancee in the lien or encumbrance,~~ and
21 the county in which the lien ~~or encumbrance~~ appears of record if it is of
22 public record. The certificates and electronic records shall be numbered
23 consecutively by counties, beginning with number one. The certificate
24 of title filed with the ~~director's~~ authorized agent shall be prima facie
25 evidence of ~~all of the matters contained in~~ OF THE CONTENTS OF the record
26 and that the person in whose name ~~said~~ THE certificate is registered is the
27 lawful owner of the vehicle. ~~described in the record.~~ Except as provided

1 in section 42-6-118, said certificate shall ~~remain in force and effect from~~
2 ~~and~~ BE EFFECTIVE after ~~the filing thereof until such time as~~ the vehicle
3 described in the record is sold or ~~the title to the vehicle~~ OWNERSHIP is
4 otherwise transferred.

5 **SECTION 6. 42-6-108, Colorado Revised Statutes, is amended**
6 **to read:**

7 **42-6-108. Identification number - title - street rod vehicles.**

8 (1) When ~~application is made to the state~~ A PERSON APPLIES for a
9 certificate of title for a street rod vehicle, the department shall accept the
10 serial number of such street rod vehicle as its vehicle identification
11 number or the special vehicle identification number assigned to such
12 vehicle by the department pursuant to section 42-5-205.

13 (2) ~~Any applicant~~ A PERSON who applies for a certificate of title
14 for a street rod vehicle having frame and body identification numbers that
15 do not match the manufacturer's numbering system as being originally
16 mated or that is reconstructed from salvage parts or other motor vehicles
17 or reproduction parts ~~must~~ SHALL furnish evidence of ownership,
18 acceptable to the director, of such salvage parts, other motor vehicles, or
19 reproduction components used in the reconstruction of such vehicle. In
20 addition, the applicant ~~must~~ SHALL also furnish an affidavit stating the
21 facts concerning the reconstruction and an affidavit of physical inspection
22 that includes a computer check of the state and national compilations of
23 wanted and stolen vehicles. Such vehicle reconstructed from salvage
24 parts, other motor vehicles, or reproduction parts may then be issued a
25 special vehicle identification number from the department. The street rod
26 vehicle will then be titled as a rebuilt vehicle. The model year and the
27 year of manufacture that are listed on the certificate of title of a street rod

1 vehicle shall be the model year and the year of manufacture that the body
2 of such vehicle resembles.

3 **SECTION 7. 42-6-109, Colorado Revised Statutes, is amended**
4 **to read:**

5 **42-6-109. Sale or transfer of vehicle.** (1) Except as provided in
6 section 42-6-113, no person shall sell or otherwise transfer a motor
7 vehicle to a purchaser or transferee without delivering to such purchaser
8 or transferee a certificate of title, WHICH MAY BE ELECTRONIC, to such
9 vehicle ~~which certificate may be electronic~~, duly transferred in the
10 manner prescribed in section 42-6-110. ~~and~~ No purchaser or transferee
11 shall acquire any right, title, or interest in and to a motor vehicle
12 purchased by such purchaser or transferee unless and until he or she
13 obtains from the transferor the certificate of title ~~thereto~~, duly transferred
14 ~~to him or to her~~ in accordance with ~~the provisions of~~ this part 1. A
15 lienholder may request either a paper or electronic version of a certificate
16 of title.

17 (2) A paper copy of a certificate of title shall be necessary for any
18 transaction in which:

19 (a) Either party to the transaction is located outside Colorado; or

20 (b) The purchaser pays for ~~any~~ A motor vehicle ENTIRELY with
21 cash. ~~only~~.

22 **SECTION 8. 42-6-110, Colorado Revised Statutes, is amended**
23 **to read:**

24 **42-6-110. Certificate of title - transfer.** (1) Upon the sale or
25 transfer of a motor vehicle for which a certificate of title has been issued
26 or filed, the person in whose name ~~said~~ THE certificate of title is
27 registered, if such person is other than a dealer, shall ~~in person or by such~~

1 ~~person's authorized agent or attorney~~, execute a formal transfer of the
2 vehicle described in the certificate. ~~which~~ SUCH transfer shall be affirmed
3 by a statement signed by the person in whose name ~~said~~ THE certificate
4 of title is registered or by such person's authorized agent or attorney and
5 shall contain or be accompanied by a written declaration that it is made
6 under the penalties of perjury in the second degree, as defined in section
7 18-8-503, C.R.S. The purchaser or transferee, within forty-five SIXTY
8 days thereafter, shall present such certificate, together with an application
9 for a new certificate of title, to the director or one of the ~~director's~~
10 authorized agents, accompanied by the fee required in section 42-6-137
11 to be paid for the filing of a new certificate of title. ~~whereupon, a new~~
12 ~~certificate of title shall be filed and disposition thereof made as required~~
13 ~~in this part 1.~~

14 (2) ~~Any~~ A person who violates ~~any of the provisions of~~ subsection
15 (1) of this section is guilty of a misdemeanor and, upon conviction,
16 ~~thereof~~, shall be punished by a fine of not less than ten dollars nor more
17 than five hundred dollars, or by imprisonment in the county jail for not
18 less than ten days nor more than six months, or by both such fine and
19 imprisonment.

20 **SECTION 9. 42-6-111, Colorado Revised Statutes, is amended**
21 **to read:**

22 **42-6-111. Sale to dealers - certificate need not issue.** (1) Upon
23 the sale or transfer to a dealer of a motor vehicle for which a Colorado
24 certificate of title has been issued, ~~formal transfer and filing of the~~
25 certificate of title to the motor vehicle shall be ~~made as in other cases~~
26 TRANSFERRED AND FILED; except that, so long as the vehicle ~~so sold or~~
27 ~~transferred~~ remains in the dealer's possession and at the dealer's place of

1 business for sale and for no other purpose, such dealer shall not be
2 required to procure ~~the issuance or filing of~~ OR FILE a new certificate of
3 title ~~thereto~~ as is otherwise required in this part 1.

4 (2) ~~In the event~~ IF a motor vehicle dealer wishes to obtain a new
5 certificate of title to a motor vehicle, such dealer may present the old
6 certificate of title to the director with a THE fee as ~~prescribed in~~
7 ~~accordance with~~ IMPOSED BY section 42-6-137 (6) whereupon, ~~said~~ THE
8 director shall issue a new certificate of title to such dealer within one
9 working day ~~of~~ AFTER application. This subsection (2) shall not apply to
10 ~~any~~ A motor vehicle subject to ~~any~~ A lien.

11 (3) (a) A wholesale motor vehicle auction dealer who does not
12 buy, sell, or own the motor vehicles transferred at auction shall disclose
13 the identity of the wholesale motor vehicle auction dealer, the date of the
14 auction, and the license number of the auction on a form and in a manner
15 ~~provided~~ PRESCRIBED by the executive director. A wholesale motor
16 vehicle auction dealer does not become an owner by reason of such
17 disclosure nor as a result solely of the guarantee of title, guarantee of
18 payment, or reservation of a security interest.

19 (b) A wholesale motor vehicle auction dealer ~~is not prohibited~~
20 ~~from buying or selling~~ MAY BUY OR SELL motor vehicles at wholesale in
21 such dealer's own name and in such instances shall ~~be required to~~ comply
22 with the provisions of this part 1 applicable to dealers, including
23 licensing.

24 **SECTION 10. 42-6-112, Colorado Revised Statutes, is amended**
25 **to read:**

26 **42-6-112. Initial registration of a motor vehicle - dealer**
27 **responsibility to timely forward certificate of title to purchaser or**

1 **holder of a chattel mortgage.** In order to facilitate initial registration of
2 a vehicle, ~~any~~ A dealer of motor vehicles shall have not more than thirty
3 days ~~from~~ AFTER the date of sale of such vehicle to deliver or facilitate
4 the delivery of the certificate of title to a purchaser or the holder of a
5 chattel mortgage on such motor vehicle, subject to ~~the provisions of~~
6 section 42-6-109.

7 **SECTION 11.** 42-6-113, Colorado Revised Statutes, is amended
8 to read:

9 **42-6-113. New vehicles - bill of sale - certificate of title.** Upon
10 the sale or transfer by a dealer of a new motor vehicle, such dealer shall,
11 upon ~~the delivery, thereof,~~ make, execute, and deliver to the purchaser or
12 transferee a ~~good and~~ sufficient bill of sale ~~therefor, together with~~ AND
13 the manufacturer's certificate of origin. ~~Said~~ THE bill of sale shall be
14 affirmed by a statement signed by such dealer, shall contain or be
15 accompanied by a written declaration that it is made under the penalties
16 of perjury in the second degree, as defined in section 18-8-503, C.R.S.,
17 shall be in such form as the director may ~~prescribe~~ REQUIRE, and shall
18 contain, in addition to other information that the director may by rule
19 ~~from time to time~~ require, the make and model of the motor vehicle so
20 sold or transferred, the identification number placed upon the vehicle by
21 the manufacturer for identification purposes, the manufacturer's suggested
22 retail price, and the date of the sale or transfer, ~~thereof,~~ together with a
23 description of any mortgage OR LIEN on the vehicle ~~given to secure~~ THAT
24 SECURES ANY PART OF the purchase price. ~~or any part thereof.~~ Upon
25 presentation of such a bill of sale to the director or ~~one of the director's~~
26 ~~authorized agents~~ AN AUTHORIZED AGENT, a new certificate of title for the
27 vehicle described in the bill of sale shall be filed. ~~and disposition thereof~~

1 ~~made as in other cases. The transfer of~~ A NEW motor vehicle that has
2 ~~been~~ IS used by a dealer for the purpose of demonstration to prospective
3 ~~customers, if such motor vehicle is a new vehicle, as defined in section~~
4 ~~42-6-102 (8), shall be made~~ TRANSFERRED in accordance with the
5 ~~provisions of this section.~~

6 **SECTION 12.** 42-6-114, Colorado Revised Statutes, is amended
7 to read:

8 **42-6-114. Transfers by bequest, descent, law.** Upon the transfer
9 of ownership of a motor vehicle by ~~a bequest contained in the will or a~~
10 ~~written statement, or a list as described in section 15-11-513, C.R.S., of~~
11 ~~the person in whose name the certificate of title is registered, or upon the~~
12 ~~descent and distribution upon the death intestate of the owner of such~~
13 ~~vehicle, or upon the transfer~~ INHERITANCE OR by operation of law, as in
14 proceedings in bankruptcy, insolvency, replevin, attachment, execution,
15 or other judicial sale, or whenever such vehicle is sold to satisfy storage
16 or repair charges or ~~repossession is had upon default in the performance~~
17 ~~of the terms of any mortgage~~ REPOSSESSED TO SATISFY A SECURED DEBT,
18 the director or the ~~director's~~ authorized agent, upon the surrender of the
19 ANY AVAILABLE certificate of title ~~if the same is available, upon~~ AND
20 presentation of such proof of ownership ~~of such vehicle~~ as the director
21 may reasonably require or ~~upon presentation of an applicable~~ A court
22 order, ~~and upon presentation of an application for a certificate of title,~~ as
23 required in section 42-6-116, a new certificate of title may be filed on
24 behalf of the ~~person shown by such evidence to be entitled thereto~~ NEW
25 OWNER, and disposition shall be made as in other cases.

26 **SECTION 13.** 42-6-115, Colorado Revised Statutes, is amended
27 to read:

1 **42-6-115. Furnishing bond for certificates.** (1) ~~In cases where~~
2 If the applicant for a certificate of title to a motor vehicle is unable to
3 provide the director or the ~~director's~~ authorized agent with a certificate of
4 title ~~thereto~~, duly transferred to such applicant, a bill of sale, ~~therefor~~, or
5 other evidence of ~~the~~ ownership ~~thereof~~ that satisfies the director ~~of the~~
6 ~~right of the applicant to have a certificate of title filed on behalf of the~~
7 ~~applicant, as provided in section 42-6-107~~ THAT THE APPLICANT OWNS
8 THE VEHICLE, a certificate of title for such vehicle may ~~nevertheless~~ be
9 filed by the director or the ~~director's~~ authorized agent upon the applicant
10 ~~for the certificate of title~~ furnishing the director or the ~~director's~~
11 authorized agent with a statement, in such form as REQUIRED BY the
12 director. ~~may prescribe. There shall appear~~ THE STATEMENT SHALL
13 CONTAIN a recital of the facts and circumstances by which the applicant
14 acquired the ownership and possession of such vehicle, the source of the
15 title to the vehicle, and such other information as the director may require
16 to ~~enable the director or the director's authorized agent to determine what~~
17 WHETHER ANY liens ~~or encumbrances~~ are outstanding against ATTACHED
18 TO such motor vehicle, ~~if any~~, the date of the liens, ~~or encumbrances~~, the
19 amount secured by the vehicle, where ~~said~~ SUCH liens ~~or encumbrances~~
20 are of public record, ~~if they are of public record~~, and the right of the
21 applicant to have a certificate of title filed on behalf of the applicant. The
22 statement shall contain or be accompanied by a written declaration that
23 it is made under the penalties of perjury in the second degree, as defined
24 in section 18-8-503, C.R.S., and shall accompany the ~~formal~~ application
25 for the certificate as required in section 42-6-116. Any evidence
26 submitted to and maintained by the director or the ~~director's~~ authorized
27 agent may be maintained in a paper or electronic version.

1 (2) ~~If from the affidavit of the applicant and such other evidence~~
2 ~~as may be submitted to the director or the director's authorized agent he~~
3 ~~or she finds that the applicant is the same person to whom a certificate of~~
4 ~~title for said THE vehicle has previously been issued or filed and to whom~~
5 ~~a license was issued for the year during which the application for such~~
6 ~~certificate of title is made and that a certificate of title should be filed on~~
7 ~~behalf of the applicant, such certificate may be filed in which event AND~~
8 ~~disposition of such certificate shall be made as in other cases.~~

9 (3) (a) EXCEPT AS PROVIDED BY PARAGRAPH (b) OF THIS
10 SUBSECTION (3), no certificate of title shall be filed ~~as provided in~~ UNDER
11 this section ~~unless and~~ until the applicant furnishes evidence of a savings
12 account, deposit, or certificate of deposit meeting the requirements of
13 section 11-35-101, C.R.S., or a good and sufficient bond with a corporate
14 surety, ~~to the people of the state, in an amount to be fixed by the director,~~
15 ~~not less than twice the reasonable value of the vehicle for which the~~
16 ~~certificate is filed, determined as of the time OF application. for the~~
17 ~~certificate is made, conditioned that~~ The applicant and the applicant's
18 surety shall hold harmless any person who suffers ~~any~~ loss or damage by
19 reason of the filing ~~thereof, except that,~~ OF A CERTIFICATE UNDER THIS
20 SECTION.

21 (b) If the vehicle for which the certificate is filed is twenty-five
22 years old or older, the applicant has had a certified vehicle identification
23 number inspection performed on the vehicle, and the applicant presents
24 a notarized bill of sale within forty-five days ~~of~~ AFTER such sale with the
25 title application, then the applicant shall not be required to furnish ~~such~~
26 ~~savings account, deposit, certificate of deposit, or bond. In order~~ SURETY
27 PURSUANT TO THIS SUBSECTION (3). To be excepted from the ~~savings~~

1 ~~account, deposit, certificate of deposit, or bond~~ SURETY requirement, an
2 applicant shall submit an affidavit to the department that is sworn to
3 under penalty of perjury that states such required documents submitted
4 are true and correct.

5 (4) If any person suffers ~~any~~ loss or damage by reason of the
6 filing of the certificate of title as provided in this section, such person
7 shall have a right of action against the applicant and the surety on the
8 applicant's bond against either of whom the person damaged may proceed
9 independently of the other.

10 **SECTION 14. 42-6-116, Colorado Revised Statutes, is amended**
11 **to read:**

12 **42-6-116. Applications for filing of certificates of title.** ~~In any~~
13 ~~case under the provisions of this part 1 wherein~~ IF a person who desires
14 or who is entitled to a filing of a certificate of title to a motor vehicle is
15 required to ~~make formal application~~ APPLY to the director or the director's
16 authorized agent, ~~therefor,~~ such applicant shall ~~make application~~ APPLY
17 upon a form provided by the director in which appears a description of
18 the motor vehicle including the make and model, the manufacturer's
19 number, the date ~~on which said~~ THAT THE motor vehicle was first sold by
20 the dealer or manufacturer ~~of the motor vehicle~~ to the initial user of the
21 motor vehicle, and a description of any other distinguishing mark,
22 number, or symbol placed on said vehicle by the vehicle manufacturer for
23 identification purposes, as may by rule be required by the director. Such
24 application shall also show the name and correct address of the owner
25 determined pursuant to section 42-6-139 and the applicant's source of title
26 and shall include a description of all known mortgages and liens upon
27 ~~said~~ THE motor vehicle, ~~each including the name of the legal holder~~

1 ~~thereof~~ OF THE LIEN, the amount originally secured, the amount
2 outstanding on the obligation secured ~~at the time such~~ WHEN THE
3 application is made, and the name of the county ~~city and county~~, and state
4 in which such mortgage or lien ~~instrument~~ is recorded or filed. Such
5 application shall be verified by a statement signed by the applicant and
6 shall contain or be accompanied by a written declaration that it is made
7 under the penalties of perjury in the second degree, as defined in section
8 18-8-503, C.R.S.

9 **SECTION 15. 42-6-117, Colorado Revised Statutes, is amended**
10 **to read:**

11 **42-6-117. Filing of certificate.** (1) The director or the ~~director's~~
12 authorized agent shall use reasonable diligence ~~in ascertaining~~ TO
13 ASCERTAIN whether the facts stated in ~~any~~ AN application and ~~the facts~~
14 ~~contained in~~ other documents submitted to the director or the ~~director's~~
15 authorized agent ~~with said application~~ are true. ~~and~~, In appropriate cases,
16 THE DIRECTOR OR AUTHORIZED AGENT may require the applicant to
17 furnish ~~other and~~ additional information regarding ownership of the
18 vehicle and the right to ~~have filed~~ FILE on behalf of the applicant a
19 certificate of title for the vehicle. The director or the ~~director's~~ authorized
20 agent may refuse to file a certificate of title to such vehicle if ~~from an~~
21 ~~investigation~~ the director or the ~~director's~~ authorized agent determines
22 that the applicant is not entitled ~~thereto~~ TO SUCH CERTIFICATE.

23 (2) No certificate of title may be filed for a vehicle required to
24 have its vehicle identification number inspected pursuant to section
25 42-5-202 unless a vehicle identification number inspection form has been
26 transmitted to the director or the ~~director's~~ authorized agent showing the
27 number recorded from the vehicle or the number assigned to the vehicle

1 pursuant to section 42-5-205.

2 (3) At the request of the title owner, lienholder, or mortgagee, a
3 paper copy of a filed certificate of title may be issued by the director or
4 the ~~director's~~ authorized agent.

5 **SECTION 16. 42-6-118, Colorado Revised Statutes, is amended**
6 **to read:**

7 **42-6-118. Amended certificate.** If the owner of ~~any~~ A motor
8 vehicle for which a Colorado certificate of title has been issued or filed
9 replaces any part of ~~said~~ THE motor vehicle on which appears the
10 identification number or symbol described in the certificate of title and
11 ~~by which said vehicle is known and identified, by reason whereof~~ such
12 identification number or symbol no longer appears on the motor vehicle,
13 or incorporates the part containing the identification number or symbol
14 into a ANOTHER motor vehicle, ~~other than the motor vehicle for which the~~
15 ~~original certificate of title was issued or filed, immediately thereafter,~~
16 such owner shall ~~make application~~ IMMEDIATELY APPLY to the director or
17 ~~one of the director's~~ AN authorized ~~agents~~ AGENT for an assigned
18 identification number and an amended filing of a certificate of title to
19 such vehicle.

20 **SECTION 17. 42-6-119, Colorado Revised Statutes, is amended**
21 **to read:**

22 **42-6-119. Certificates for vehicles registered in other states.**

23 (1) ~~Whenever any~~ WHEN A resident of the state acquires the ownership
24 of ~~any~~ A motor vehicle ~~by purchase, gift, or otherwise,~~ for which a
25 certificate of title has been issued ~~under the laws of~~ BY a state other than
26 ~~the state of Colorado,~~ the person ~~so~~ acquiring such vehicle ~~upon acquiring~~
27 ~~the same shall make application~~ SHALL APPLY to the director or ~~the~~

1 ~~director's~~ AN authorized agent for the filing of a certificate of title as in
2 other cases.

3 (2) If ~~any~~ A dealer acquires the ownership OF A MOTOR VEHICLE
4 by ~~any~~ lawful means ~~whatsoever of a motor vehicle, the title to which~~
5 AND THE MOTOR VEHICLE is ~~registered~~ TITLED under the laws of ~~and in~~ a
6 state other than ~~the state of~~ Colorado, such dealer shall not be required to
7 file a Colorado certificate of title ~~therefor~~ FOR THE VEHICLE so long as
8 such vehicle remains in the dealer's possession and at the dealer's place
9 of business SOLELY for THE PURPOSE OF sale. ~~and for no other purpose.~~

10 (3) Upon the sale by a dealer of ~~any~~ A motor vehicle, the
11 certificate of title to which was issued in a state other than Colorado, the
12 dealer shall, within thirty days after the date of sale, ~~of the vehicle,~~
13 deliver or facilitate the delivery to the purchaser ~~or transferee~~ such
14 certificate of title from a state other than Colorado duly and properly
15 endorsed or assigned to the purchaser ~~or transferee, together~~ with a
16 statement by the dealer ~~which~~ THAT shall contain or be accompanied by
17 a written declaration that it is made under the penalties of perjury in the
18 second degree, as defined in section 18-8-503, C.R.S., and ~~which~~ THAT
19 shall set forth the following:

20 (a) That such dealer has warranted and, by the execution of such
21 affidavit, does warrant to the purchaser ~~or transferee~~ and all persons
22 ~~claiming or~~ who shall claim ~~under, by, or~~ through the purchaser ~~or~~
23 ~~transferee~~ named that, at the time of the sale, transfer, and delivery
24 ~~thereof~~ by the dealer, the vehicle ~~therein~~ described was free and clear of
25 all liens and mortgages ~~whatsoever, save and~~ except as might therein
26 ~~otherwise~~ appear;

27 (b) That the vehicle ~~therein described~~ is not a stolen vehicle; and

1 (c) That such dealer had good, sure, and adequate title ~~thereto~~ TO,
2 and full right and authority to sell and transfer, the ~~same~~ VEHICLE.

3 (4) If the purchaser ~~or transferee~~ of ~~said~~ THE vehicle completes
4 and includes the vehicle identification number inspection form as part of
5 the application for filing of a Colorado certificate of title to such vehicle
6 and accompanies the application with the affidavit required by subsection
7 (3) of this section and the duly endorsed or assigned certificate of title
8 from a state other than Colorado, a Colorado certificate of title ~~therefor~~
9 may be filed in the same manner as upon the sale or transfer of a motor
10 vehicle for which a Colorado certificate of title has been issued or filed.
11 Upon the filing by the director or the ~~director's~~ authorized agent of such
12 certificate of title, the director or the ~~director's~~ authorized agent may
13 dispose of such certificate of title and ~~said~~ SHALL RECORD SUCH
14 certificate of title ~~shall be recorded~~ as provided in section 42-6-124.

15 (5) ~~(Deleted by amendment, L. 95, p. 158, § 1, effective July 1,~~
16 ~~1995.)~~

17 **SECTION 18.** 42-6-120 (1), Colorado Revised Statutes, is
18 amended to read:

19 **42-6-120. Security interests upon motor vehicles.** (1) Except
20 as provided in this section, the provisions of the "Uniform Commercial
21 Code", title 4, C.R.S., relating to the filing, recording, releasing, renewal,
22 and extension of chattel mortgages, as the term is defined in section
23 42-6-102 (6), shall not ~~be applicable~~ APPLY to motor vehicles. Any
24 mortgage or refinancing of a mortgage intended by the parties to the
25 mortgage or refinancing to encumber or create a lien on a motor vehicle,
26 OR to be effective as a valid lien against the rights of third persons,
27 purchasers for value without notice, mortgagees, or creditors of the

owner, shall be filed for public record and DEEMED PERFECTED FOR ALL PURPOSES AS OF THE DATE OF SUCH FILING. The fact of filing SHALL BE noted on the owner's certificate of title or bill of sale substantially in the manner provided in section 42-6-121. ~~and~~ The filing of ~~such~~ A mortgage with ~~the director's~~ AN authorized agent ~~and the notation by the agent of that fact in the filing of the certificate of title or bill of sale~~ substantially in the manner provided in section 42-6-121 shall constitute notice to the world of each and every right of the person secured by such mortgage.

SECTION 19. 42-6-130, Colorado Revised Statutes, is amended to read:

42-6-130. Priority of secured interests. The liens ~~of~~ OR mortgages filed for record or noted on a certificate of title to a motor vehicle, as provided in section 42-6-121, shall take priority in the same order that ~~the mortgages creating such liens~~ THEY were filed in the office of the ~~director's~~ authorized agent.

SECTION 20. 42-6-131, Colorado Revised Statutes, is amended to read:

42-6-131. Mechanics', warehouse, and other liens. Nothing in this part 1 shall be construed to impair the rights of lien claimants arising under any mechanics' lien law ~~in force and effect in this state~~ or the lien of ~~any warehouseman~~ A WAREHOUSE or ~~any~~ other person claimed for repairs on or storage of any motor vehicle, when a mechanic's lien or storage lien ~~has~~ originated prior to ~~the time any~~ A mortgage OR LIEN on ~~said~~ THE motor vehicle ~~has been~~ BEING filed for record ~~as provided in section 42-6-120;~~ and such motor vehicle has remained continuously in the possession of the person claiming such mechanic's lien or lien for

1 storage. ~~notwithstanding that no notation of such lien is made upon the~~
2 ~~certificate of title to the vehicle in respect of which it is claimed.~~

3 **SECTION 21.** 42-6-132, Colorado Revised Statutes, is amended
4 to read:

5 **42-6-132. Existing mortgages not affected.** Nothing in this part
6 1 shall be construed to impair the rights of the holder of any lien on a
7 motor vehicle created by mortgage or otherwise prior to August 1, 1949,
8 which remains unreleased and the undertaking ~~which~~ THAT the lien
9 ~~thereof~~ secures remains undischarged. Nothing in this part 1 shall be
10 construed to relieve the holders of such liens of the duty to file such
11 instruments respecting the undertakings secured thereby as may be
12 required by law to preserve the liens of such mortgages unimpaired.

13 **SECTION 22.** 42-6-133, Colorado Revised Statutes, is amended
14 to read:

15 **42-6-133. Foreign mortgages and liens.** No mortgage OR LIEN
16 on a motor vehicle filed for record in ~~any~~ A state other than ~~the state of~~
17 Colorado shall be valid and enforceable against the rights of subsequent
18 purchasers for value, creditors, LIEN HOLDERS, or mortgagees having no
19 actual notice of the existence of ~~said~~ SUCH mortgage OR LIEN. If the
20 certificate of title for such vehicle ~~whether issued under the laws of this~~
21 ~~state or any other state,~~ bears any notation adequate to apprise a
22 purchaser, creditor, LIEN HOLDER, or mortgagee of the existence of ~~such~~
23 ~~mortgage~~ A MORTGAGE OR LIEN at the time ~~any~~ A third party acquires a
24 right in the motor vehicle, ~~covered by such mortgage,~~ such mortgage OR
25 LIEN and the rights of the holder of the mortgage OR LIEN shall be
26 enforceable in this state ~~the same and with like effect~~ as though such
27 mortgage were filed in ~~the state of~~ Colorado and noted on the certificate

1 of title or noted in the record of the ~~director's~~ authorized agent pertaining
2 to that vehicle ~~in the manner prescribed in~~ PURSUANT TO section
3 42-6-121.

4 **SECTION 23.** 42-6-134, Colorado Revised Statutes, is amended
5 to read:

6 **42-6-134. Where application for certificates of title made.**

7 Except as otherwise provided in this part 1, all applications for recording
8 of certificates of title upon the sale or transfer of ~~any~~ A motor vehicle
9 described in the certificate of title shall be directed to and filed with the
10 ~~director's~~ authorized agent of the county ~~or city and county in which~~
11 WHERE such vehicle will be registered and licensed for operation. ~~upon~~
12 ~~the highways of this state.~~

13 **SECTION 24.** 42-6-135, Colorado Revised Statutes, is amended
14 to read:

15 **42-6-135. Lost certificates of title.** (1) ~~In the event of any loss~~
16 ~~of data transmission of any~~ IF DATA IS LOST TRANSMITTING AN application
17 for a certificate of title ~~to a motor vehicle~~ and accompanying papers or
18 ~~files that~~ DOCUMENTATION, WHICH may be ~~sent or~~ transmitted by the
19 ~~director's~~ authorized agent to the director and upon an appropriate
20 application of the owner or other person entitled to such certificate of
21 title, ~~directed to the director's authorized agent therefor,~~ such certificate
22 of title may be reissued or recorded bearing such notations respecting
23 existing UNRELEASED mortgages OR LIENS on the vehicle ~~therein~~
24 ~~described as the records of the director's authorized agent and of the~~
25 ~~director may indicate are unreleased and constitute an encumbrance upon~~
26 ~~the vehicle which~~ AS INDICATED BY THE DIRECTOR'S OR AUTHORIZED
27 AGENT'S RECORDS. SUCH certificate of title shall be issued without

1 charge.

2 (2) If the title owner, lienholder, or mortgagee of ~~any~~ A certificate
3 of title loses, misplaces, or accidentally destroys ~~any~~ A certificate of title
4 to a motor vehicle ~~which~~ THAT such person holds ~~whether as the holder~~
5 ~~of a mortgage or as the owner of the vehicle~~ AS described in the
6 certificate of title, upon application, ~~therefor to the director or the~~
7 ~~director's authorized agent,~~ the director or the director's authorized agent
8 may issue a duplicate copy of the recorded certificate of title as in other
9 cases.

10 (3) Upon the issuance of ~~any~~ A copy of the recorded certificate of
11 title as provided in this section, the director or the ~~director's~~ authorized
12 agent shall note on the copy every mortgage shown to be unreleased and
13 the lien ~~of which~~ THAT is in force and effect as ~~may be~~ disclosed by the
14 records ~~in~~ OF the ~~director's or the director's authorized agent's~~ office
15 DIRECTOR OR AUTHORIZED AGENT and shall dispose of such certificate as
16 in other cases.

17 **SECTION 25.** 42-6-136, Colorado Revised Statutes, is amended
18 to read:

19 **42-6-136. Surrender and cancellation of certificate - penalty**
20 **for violation.** (1) The owner of ~~any~~ A motor vehicle for which a
21 Colorado certificate of title has been issued, upon the destruction or
22 dismantling of said motor vehicle, upon its being changed ~~in such manner~~
23 SO that it is no longer a motor vehicle, or upon its being sold or otherwise
24 disposed of as salvage, shall surrender the certificate of title to the motor
25 vehicle to the director or the ~~director's~~ authorized agent to be canceled or
26 notify the director or the ~~director's~~ authorized agent on director-approved
27 forms indicating the loss, destruction or dismantling, or sale for salvage.

1 ~~and, Upon said~~ THE owner's procuring the consent of the holders of any
2 ~~mortgages~~ UNRELEASED MORTGAGES OR LIENS noted on or recorded as
3 part of the certificate of title, ~~and shown to be unreleased in the office of~~
4 ~~the director~~, such certificate shall be canceled. ~~Any~~ A person who
5 violates ~~any of the provisions of~~ this section commits a class 1 petty
6 offense and shall be punished as provided in section 18-1.3-503, C.R.S.

7 (2) Upon the sale or transfer of ~~any~~ A motor vehicle for which a
8 current Colorado certificate of title has been issued or filed ~~which motor~~
9 ~~vehicle~~ AND THAT has become a salvage vehicle, as defined in section
10 42-6-102 (13), the purchaser or transferee shall ~~make application~~ APPLY
11 for a salvage certificate of title. The owner of ~~any~~ such A motor vehicle
12 may ~~make application~~ APPLY for a salvage certificate of title before the
13 sale or transfer of such vehicle. ~~Any~~ AN owner ~~making application~~
14 APPLYING for a salvage certificate of title shall provide the director
15 evidence of ownership that satisfies the director of the right of the
16 applicant to have a salvage certificate of title filed in favor of the owner.

17 (3) (a) An owner of a salvage motor vehicle that has been made
18 roadworthy who applies for a certificate of title as provided in section
19 42-6-116 shall include such information regarding the vehicle as the
20 director may require by rule. The owner shall provide to the director
21 evidence of ownership that satisfies the director that the applicant is
22 entitled to filing of a certificate of title. The director or the authorized
23 agent shall designate in a conspicuous place in the record for a vehicle
24 that it is a salvage vehicle that has been made roadworthy. Such
25 designation shall include the words "REBUILT FROM SALVAGE" and
26 shall become a permanent part of the certificate of title for such vehicle
27 and shall appear on all subsequent certificates of title for such vehicle.

1 (b) (I) An owner of a salvage motor vehicle that has been made
2 roadworthy who applies for a certificate of title as provided in section
3 42-6-116 shall include a certified VIN inspection, DR2704, performed by
4 a law enforcement officer certified as a VIN inspector.

5 (II) Prior to the inspection, the applicant shall stamp into the
6 motor vehicle the words "REBUILT FROM SALVAGE" with each letter
7 being not less than one-fourth inch in size. Such words shall be a salvage
8 brand and be stamped in the following locations:

9 (A) In a motorcycle, on the frame in a visible location;

10 (B) In a class A manufactured motor home, on the main entrance
11 door jamb;

12 (C) In a trailer, adjacent to the public vehicle identification
13 number;

14 (D) In all other motor vehicles, on the body post to which the
15 driver's door latches, also known as the driver's door B pillar.

16 (III) The law enforcement officer shall not complete the
17 inspection required by this paragraph (b) unless the salvage brand
18 complies with this paragraph (b).

19 (c) (I) Except as provided in subparagraph (II) of this paragraph
20 (c), a person commits a class 1 misdemeanor and, upon conviction, shall
21 be punished as provided in section 18-1.3-501, C.R.S., if such person:

22 (A) Intentionally removes or alters a salvage brand; or

23 (B) Possesses a motor vehicle without retitling the vehicle with a
24 salvage brand for forty-five days after learning that the motor vehicle's
25 salvage brand may have been removed or altered.

26 (II) A person may remove or alter a salvage brand if necessary to
27 legitimately repair a motor vehicle. Such person shall provide evidence

1 of such repair to the investigating law enforcement authority, including
2 pre-repair and post-repair photographs of the affected motor vehicle part
3 and the salvage brand and a signed affidavit describing the repairs. Upon
4 repair, or subsequent repair, the vehicle shall be restamped.

5 **SECTION 26.** 42-6-137, Colorado Revised Statutes, is amended
6 to read:

7 **42-6-137. Fees - repeal.** (1) (a) Upon filing with the authorized
8 agent ~~any~~ AN application for a certificate of title, the applicant shall pay
9 to the agent a fee of seven dollars and twenty cents, which ~~charge~~ shall
10 be in addition to the fees ~~provided by law~~ for the registration of such
11 motor vehicle.

12 (b) (I) In addition to the fee ~~provided~~ IMPOSED in paragraph (a) of
13 this subsection (1), ~~effective July 1, 2001~~, upon filing with the authorized
14 agent any application for a certificate of title, the applicant shall pay to
15 the authorized agent an additional fee of two dollars and thirty cents.

16 (II) Fees collected pursuant to this paragraph (b) shall be used to
17 administer the Colorado state titling and registration system, including,
18 but not limited to, upgrading such system.

19 (III) This paragraph (b) is repealed, effective September 1, 2006.

20 (2) Upon the receipt by ~~the director's~~ AN authorized agent of ~~any~~
21 A mortgage for filing under ~~the provisions of~~ section 42-6-121, 42-6-125,
22 or 42-6-129, the authorized agent shall be paid such fees as are ~~prescribed~~
23 IMPOSED by law for the filing of like instruments in the office of the
24 county clerk and recorder in the county ~~or city and county wherein~~
25 WHERE such mortgage is filed and shall ALSO receive ~~in addition thereto~~,
26 a fee of seven dollars and twenty cents for the issuance or recording of
27 the certificate of title and the notation in the record of the director or the

1 authorized agent of the existence of ~~said~~ THE mortgage.

2 (3) Upon application to the ~~director's~~ authorized agent to have
3 noted or recorded on a certificate of title the extension of ~~any~~ A mortgage
4 described in the certificate of title and noted or recorded on ~~said~~ THE
5 certificate, such authorized agent shall receive a fee of one dollar and
6 fifty cents.

7 (4) Upon the release and satisfaction of a mortgage and upon
8 application to the authorized agent for the notation on the certificate of
9 title ~~in the manner prescribed in~~ PURSUANT TO section 42-6-125, such
10 authorized agent shall be paid a fee of seven dollars and twenty cents.

11 (5) For the issuance of ~~any~~ A copy of a recorded certificate of
12 title, except as may be otherwise provided in this part 1, the ~~director's~~
13 authorized agent shall be paid a fee of eight dollars and twenty cents. ~~and,~~
14 ~~in all cases wherein~~ IF the department assigns a new identifying number
15 to any motor vehicle, the fee charged for such assignment shall be three
16 dollars and fifty cents.

17 (6) Upon filing with the director ~~any~~ AN application for a
18 certificate of title, a motor vehicle dealer who applies to receive a
19 certificate of title within one working day ~~of~~ AFTER application shall pay
20 to ~~said~~ SUCH director a fee of twenty-five dollars.

21 (7) ~~Using the increases in title issuance fees that became effective~~
22 ~~on July 1, 1998, a director's~~ AN authorized agent shall, if possible,
23 provide the following recording of titles on the same day as the date of
24 request by an applicant:

25 (a) ~~On and after July 1, 1998, any~~ A title issued pursuant to a
26 transfer of a motor vehicle currently titled in Colorado;

27 (b) ~~On and after January 1, 1999, any~~ A title issued for a new

1 motor vehicle upon filing of a manufacturer's statement of origin without
2 any liens; and

3 (c) ~~After the department of revenue and the county clerks have~~
4 ~~reviewed and agreed upon a plan for the issuance or recording of other~~
5 ~~titles, but no later than July 1, 2001,~~ Any other title issued or recorded by
6 the director or the director's authorized agent. The ~~plan~~ DIRECTOR AND
7 AUTHORIZED AGENTS shall take into account ~~the provision of~~ the best
8 service for citizens in the most cost-effective manner, the use of
9 electronic issuance of titles, and consideration of the business plan for
10 issuing titles at county offices.

11 (8) Notwithstanding the amount specified for any fee in this
12 section, the director by rule or as otherwise provided by law may reduce
13 the amount of one or more of the fees if necessary pursuant to section
14 24-75-402 (3), C.R.S., to reduce the uncommitted reserves of the fund to
15 which all or any portion of one or more of the fees is credited. After the
16 uncommitted reserves of the fund are sufficiently reduced, the director by
17 rule or as otherwise provided by law may increase the amount of one or
18 more of the fees as provided in section 24-75-402 (4), C.R.S.

19 **SECTION 27.** 42-6-138, Colorado Revised Statutes, is amended
20 to read:

21 **42-6-138. Disposition of fees - repeal.** (1) (a) All fees received
22 by the authorized agent under ~~the provisions of~~ section 42-6-137 (1) (a),
23 (2), or (4) or 38-29-138 (1) (a), (2), or (4), C.R.S., upon application ~~being~~
24 ~~made~~ for a certificate of title, shall be disposed of as follows: Four
25 dollars shall be retained by the authorized agent and disposition made as
26 provided by law; three dollars and twenty cents shall be credited to the
27 special purpose account established by section 42-1-211.

1 (b) (I) Notwithstanding paragraph (a) of this subsection (1), the
2 fees received by the authorized agent under ~~the provisions of~~ section
3 42-6-137 (1) (b), upon application ~~being made~~ for a certificate of title,
4 shall be credited to the special purpose account established by section
5 42-1-211.

6 (II) This paragraph (b) is repealed, effective September 1, 2006.

7 (2) All fees collected by the ~~director's~~ authorized agent under ~~the~~
8 ~~provisions of~~ section 42-6-137 (5) or 38-29-138 (5), C.R.S., shall be
9 disposed of as follows:

10 (a) For a copy of a recorded certificate of title, six dollars and
11 fifty cents shall be retained by the authorized agent and disposition made
12 as provided by law; and one dollar and seventy cents shall be credited to
13 the special purpose account established by section 42-1-211; and

14 (b) For assignment of a new identifying number to a motor vehicle
15 or manufactured home, two dollars and fifty cents shall be retained by the
16 authorized agent and disposition made as provided by law; and one dollar
17 shall be credited to the special purpose account established by section
18 42-1-211. All fees collected by the department under the provisions of
19 section 42-6-137 (1) (a), (4), or (5) or 38-29-138 (1) (a), (4), or (5),
20 C.R.S., shall be credited to such special purpose account.

21 (3) All fees paid to the ~~director's~~ authorized agent under section
22 42-6-137 (3) for the extension of ~~any~~ A mortgage OR LIEN on a motor
23 vehicle filed in the authorized agent's office shall be ~~kept and~~ retained by
24 ~~said~~ THE authorized agent to defray the cost of such extension or release
25 and shall be disposed of by the authorized agent as provided by law;
26 except that fees for this service ~~which may be~~ THAT ARE paid to the
27 authorized agent in the city and county of Denver shall, by such agent, be

1 disposed of in the same manner as fees retained by the agent ~~which~~ THAT
2 were paid upon application being made for a certificate of title.

3 (4) The fee paid by a motor vehicle dealer to the director pursuant
4 to section 42-6-137 (6) for a certificate of title issued within one working
5 day of application shall be credited to the special purpose account
6 established by section 42-1-211 (2). ~~and shall be appropriated in~~
7 ~~accordance therewith.~~

8 **SECTION 28.** 42-6-139, Colorado Revised Statutes, is amended
9 to read:

10 **42-6-139. Registration - where made.** (1) For purposes of this
11 section, a person's residence shall be the person's principal or primary
12 home or place of abode, to be determined in the same manner as
13 residency for voter registration purposes as provided in sections 1-2-102
14 and 31-10-201, C.R.S.; except that "voter registration" shall be
15 substituted for "motor vehicle registration" as a circumstance to be taken
16 into account in determining such principal or primary home or place of
17 abode.

18 (2) Except as may be otherwise provided by rule ~~or regulation~~ of
19 the director, it is unlawful for any person who is a resident of the state to
20 register, ~~any motor vehicle owned by that person or to obtain a license~~
21 ~~therefor~~ FOR, or to procure a certificate of title ~~thereto~~ TO, A MOTOR
22 VEHICLE at any address other than:

23 (a) For a motor vehicle ~~which~~ THAT is owned by a business and
24 operated primarily for business purposes, the address ~~from which~~ WHERE
25 such vehicle is principally operated and maintained; or

26 (b) For any motor vehicle for which the provisions of paragraph
27 (a) of this subsection (2) do not apply, the address of the owner's

1 residence; except that, if a motor vehicle is permanently ~~operated and~~
2 maintained at an address other than the address of the owner's residence,
3 such motor vehicle shall be registered at the address ~~from which~~ WHERE
4 such motor vehicle is permanently ~~operated and~~ maintained.

5 (3) ~~Any~~ A person who knowingly violates any of the provisions
6 of subsection (2) of this section, section 42-3-103 (4) (a), ~~section~~
7 ~~42-3-105 (1) (c) (H)~~, section 42-6-140, or any rule ~~or regulation~~ of the
8 director ~~relating thereto made pursuant to the authority conferred upon~~
9 ~~the director in~~ PROMULGATED PURSUANT TO this part 1 is guilty of a
10 misdemeanor and, upon conviction, ~~thereof~~, shall be punished by a fine
11 of five hundred dollars.

12 (4) In addition to any other applicable penalty, a person who
13 registers a motor vehicle in violation of the provisions of subsection (2)
14 of this section, section 42-3-103 (4) (a), ~~section 42-3-105 (1) (c) (H)~~, or
15 section 42-6-140 shall be subject to a civil penalty of five hundred
16 dollars. Such violation shall be determined by, ~~and such penalty shall be~~
17 assessed by, and paid to the municipality or county ~~in which such~~ WHERE
18 THE motor vehicle is or should have been registered, subject to judicial
19 review pursuant to rule 106 (a) (4) of the Colorado rules of civil
20 procedure.

21 (5) ~~Any~~ A person subject to the penalties ~~provided~~ IMPOSED by
22 this section continues to be liable for ~~any~~ unpaid registration fees,
23 specific ownership taxes, or other taxes and fees ~~connected with~~
24 CONCERNING the registration of a vehicle ~~that are~~ owed by such person.

25 **SECTION 29.** 42-6-140, Colorado Revised Statutes, is amended
26 to read:

27 **42-6-140. Registration upon becoming resident.** If any person

1 ~~who is a resident of a state other than Colorado is the owner of a motor~~
2 ~~vehicle for which a certificate of title has been issued by a state other than~~
3 ~~Colorado or if such vehicle is registered under the laws of and licensed~~
4 ~~for operation in a state other than Colorado, such person upon changing~~
5 ~~his or her place of residence to Colorado, within thirty days thereafter,~~
6 ~~shall make application~~ WITHIN THIRTY DAYS AFTER BECOMING A
7 RESIDENT OF COLORADO, THE OWNER OF A MOTOR VEHICLE SHALL APPLY
8 for a Colorado certificate of title, ~~to such~~ A LICENSE, AND REGISTRATION
9 FOR THE vehicle ~~in the manner prescribed in this article and shall register~~
10 ~~the same and procure a Colorado license therefor as is provided by law~~
11 THAT IS REGISTERED, THAT IS LICENSED, OR FOR WHICH A CERTIFICATE OF
12 TITLE IS ISSUED IN ANOTHER STATE. Any person who violates the
13 provisions of this section is subject to the penalties provided in section
14 42-6-139.

15 **SECTION 30.** 42-6-141, Colorado Revised Statutes, is amended
16 to read:

17 **42-6-141. Director's records to be public.** All records in the
18 director's office pertaining to the title to ~~any~~ A motor vehicle shall be
19 public records and shall be subject to the provisions of section 42-1-206.
20 This shall include any records regarding ownership of and mortgages OR
21 LIENS on ~~any~~ A vehicle for which a Colorado certificate of title has been
22 issued.

23 **SECTION 31.** 42-6-142, Colorado Revised Statutes, is amended
24 to read:

25 **42-6-142. Penalties.** (1) No person may sell, transfer, or in any
26 manner dispose of a motor vehicle in this state without complying with
27 ~~the requirements of this part 1.~~

1 (2) ~~Any~~ A person who violates ~~any of the provisions of~~ subsection
2 (1) of this section for which no other penalty is expressly provided is
3 guilty of a misdemeanor and, upon conviction, ~~thereof~~, shall be punished
4 by a fine of not less than one hundred dollars nor more than five hundred
5 dollars, or by imprisonment in the county jail for not less than ten days
6 nor more than six months, or by both such fine and imprisonment.

7 **SECTION 32.** 42-6-143, Colorado Revised Statutes, is amended
8 to read:

9 **42-6-143. Altering or using altered certificate.** ~~Any~~ A person
10 who ~~alters or forges or~~ causes to be altered or forged ~~any~~ A certificate of
11 title issued by the director pursuant to ~~the provisions of~~ this part 1, or ~~any~~
12 A written transfer ~~thereof~~ OF A TITLE, or any other notation placed ~~thereon~~
13 ON THE TITLE by the director or under the director's authority ~~respecting~~
14 ~~the mortgaging of the motor vehicle therein described~~ CONCERNING A
15 MORTGAGE OR LIEN or who uses or attempts to use any such certificate ~~for~~
16 ~~the~~ TO transfer ~~thereof~~ THE VEHICLE, knowing ~~the same~~ IT to ~~have been~~
17 BE altered or forged, commits a class 6 felony and shall be punished as
18 provided in section 18-1.3-401, C.R.S.

19 **SECTION 33.** 42-6-144, Colorado Revised Statutes, is amended
20 to read:

21 **42-6-144. False oath.** ~~Any~~ A person who ~~makes any application~~
22 APPLIES for a certificate of title, written transfer ~~thereof~~ OF A TITLE,
23 satisfaction and release, oath, affirmation, affidavit, statement, report, or
24 deposition required to be made or taken under any of the provisions of
25 this article, and who, upon such application, transfer, satisfaction and
26 release, oath, affirmation, affidavit, statement, report, or deposition,
27 swears or affirms willfully and falsely in a matter material to any issue,

1 point, or subject matter in question, in addition to any other penalties
2 provided in this article, is guilty of perjury in the second degree, as
3 defined in section 18-8-503, C.R.S.

4 **SECTION 34.** 42-6-145, Colorado Revised Statutes, is amended
5 to read:

6 **42-6-145. Use of vehicle identification numbers in applications.**

7 (1) ~~Any~~ A person required to ~~make an application~~ APPLY for a certificate
8 of title or registration of ~~any~~ A motor vehicle shall use the identification
9 number placed upon the motor vehicle by the manufacturer ~~thereof~~ or the
10 special vehicle identification number assigned to the motor vehicle by the
11 department pursuant to section 42-5-205. The certificate of title and
12 registration card issued by the department shall use the identification
13 number of the motor vehicle.

14 (2) ~~On and after February 25, 1954,~~ The identification number
15 provided for in this section shall be accepted in lieu of any motor number
16 or serial number provided for in this title. ~~prior to said date.~~

17 **SECTION 35.** 42-6-146, Colorado Revised Statutes, is amended
18 to read:

19 **42-6-146. Repossession of motor vehicle - owner must notify**

20 **law enforcement agency - penalty.** (1) If ~~any~~ A mortgagee, LIEN
21 HOLDER, or the mortgagee's OR LIEN HOLDER'S assignee or the agent of
22 either repossesses a motor vehicle because of default in the terms of a
23 ~~mortgage~~ SECURED DEBT, the reposessor shall notify, either verbally or
24 in writing, a law enforcement agency, as provided in this section, of the
25 fact of such repossession, the name of the owner, the name of the
26 reposessor, and the name of the mortgagee, LIEN HOLDER, or assignee.
27 Such notification shall be made at least one hour before or no later than

1 one hour after the repossession occurs. If such repossession takes place
2 in an incorporated city or town, the ~~notification~~ REPOSSESSOR shall ~~be~~
3 ~~made to~~ NOTIFY the police department, town marshal, or other local law
4 enforcement agency of such city or town. ~~and~~; If such repossession takes
5 place in the unincorporated area of a county, the ~~notification~~
6 REPOSSESSOR shall ~~be made to the~~ NOTIFY THE county sheriff.

7 (2) A reposessor who violates subsection (1) of this section is
8 guilty of a class 2 misdemeanor and, upon conviction, ~~thereof~~, shall be
9 punished as provided in section 18-1.3-501, C.R.S.

10 (3) If ~~any such~~ A motor vehicle being repossessed is subject to the
11 "Uniform Commercial Code - Secured Transactions", article 9 of title 4,
12 C.R.S., ~~such~~ THE repossession shall be governed by the provisions of
13 section 4-9-629, C.R.S.

14 (4) As used in this section, the term "reposessor" means the party
15 who physically takes possession of the motor vehicle and drives, tows, or
16 transports the motor vehicle for delivery to the mortgagee, LIEN HOLDER,
17 or assignee or the agent of ~~either~~ SUCH MORTGAGEE, LIEN HOLDER, OR
18 ASSIGNEE.

19 **SECTION 36.** 42-6-147, Colorado Revised Statutes, is amended
20 to read:

21 **42-6-147. Central registry - rules.** (1) The director shall
22 maintain a central registry of electronic files for all certificates of title,
23 mortgages, liens, releases of liens or mortgages, and extensions. ~~thereto.~~
24 The ~~director's~~ authorized agents shall transmit all electronic filing
25 information to the director for maintenance of ~~such~~ THE registry. The
26 director shall promulgate rules:

27 (a) To determine when an electronic signature is acceptable for

1 the purposes of filing certificate of title documents; and

2 (b) As may be necessary for the administration of electronic filing
3 of certificates of title and all related documents.

4 (2) The director shall develop a plan to implement electronic
5 filing on a statewide basis. The director shall encourage participation by
6 the counties in an electronic filing system. The director shall begin the
7 implementation of the electronic filing system no later than July 1, 2001,
8 and shall complete the statewide implementation of electronic filing no
9 later than July 1, 2006. The director may grant an exclusion from
10 participation in the electronic filing system upon application by an
11 individual county that demonstrates reasonable cause why electronic
12 filing would be burdensome to the county.

13 **SECTION 37.** 42-6-202 (5), Colorado Revised Statutes, is
14 amended to read:

15 **42-6-202. Prohibited acts.** (5) It is unlawful for any transferor
16 to fail to comply with ~~15 U.S.C. sec. 1988~~ 49 U.S.C. SEC. 32705 and any
17 rule ~~prescribed with respect thereto regarding~~ CONCERNING odometer
18 disclosure requirements or to knowingly give a false statement to a
19 transferee in making any disclosure required by such ~~public~~ law.

20 **SECTION 38. Effective date.** This act shall take effect at 12:01
21 a.m. on the day following the expiration of the ninety-day period after
22 final adjournment of the general assembly that is allowed for submitting
23 a referendum petition pursuant to article V, section 1 (3) of the state
24 constitution (August 10, 2005, if adjournment sine die is on May 11,
25 2005); except that, if a referendum petition is filed against this act or an
26 item, section, or part of this act within such period, then the act, item,
27 section, or part, if approved by the people, shall take effect on the date of

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