

# An Act

SENATE BILL 16-140

BY SENATOR(S) Sonnenberg, Baumgardner, Cooke, Heath, Newell,  
Scott, Woods;  
also REPRESENTATIVE(S) Kraft-Tharp, Arndt, Lontine, Saine.

CONCERNING CERTIFICATES OF TITLE ISSUED FOR MOTOR VEHICLES  
PURCHASED FROM MOTOR VEHICLE DEALERS.

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

**SECTION 1.** In Colorado Revised Statutes, 12-6-118, add (8) as follows:

**12-6-118. Licenses - grounds for denial, suspension, or revocation.** (8) IN ANY DISCIPLINARY HEARING, ACTION, OR ORDER OF THE BOARD INVOLVING A VIOLATION OF SECTION 42-6-112 OR 42-6-119 (3), C.R.S., IT IS AN AFFIRMATIVE DEFENSE THAT THE DEALER HAS TAKEN EVERY REASONABLE ACTION NECESSARY TO DELIVER OR FACILITATE THE DELIVERY OF THE CERTIFICATE OF TITLE WITHIN THIRTY DAYS. TO QUALIFY AS HAVING TAKEN EVERY REASONABLE ACTION TO DELIVER OR FACILITATE THE DELIVERY OF THE CERTIFICATE OF TITLE, THE DEALER MUST HAVE, AT A MINIMUM:

(a) PROCESSED AND MAILED ANY REQUIRED LOAN PAYOFFS IN A

---

*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

REASONABLE AMOUNT OF TIME;

(b) CONTACTED THE PRIOR LENDER AND TAKEN ANY ACTIONS NECESSARY TO OBTAIN A CERTIFICATE OF TITLE OR DUPLICATE CERTIFICATE OF TITLE, EITHER OF WHICH MUST BE FREE OF LIENS;

(c) TAKEN ANY ACTION NECESSARY TO OBTAIN INFORMATION OR SIGNATURES FROM THE PRIOR OWNER NECESSARY TO HAVE A NEW CERTIFICATE OF TITLE ISSUED FOR THE MOTOR VEHICLE;

(d) SUBMITTED ALL PAPERWORK THAT THE DEALER HAS OBTAINED TO THE AUTHORIZED AGENT AND THAT IS NECESSARY TO HAVE A NEW CERTIFICATE OF TITLE ISSUED FOR THE MOTOR VEHICLE; AND

(e) CORRECTED ANY ERRORS IN ANY FILINGS WITH THE DEPARTMENT IN A REASONABLE AMOUNT OF TIME.

**SECTION 2.** In Colorado Revised Statutes, 42-3-203, add (3) (e) as follows:

**42-3-203. Standardized plates - notice of funding through gifts, grants, and donations - rules - repeal.** (3) (e) A DEALER MAY ISSUE A SECOND TEMPORARY REGISTRATION NUMBER PLATE IN ACCORDANCE WITH THIS SUBSECTION (3) IF THE DEALER:

(I) HAS ISSUED A TEMPORARY PLATE TO THE OWNER WHEN SELLING THE MOTOR VEHICLE TO THE OWNER;

(II) HAS NOT DELIVERED OR FACILITATED THE DELIVERY OF THE CERTIFICATE OF TITLE TO THE PURCHASER OR THE HOLDER OF A CHATTEL MORTGAGE AS REQUIRED IN SECTION 42-6-112 OR 42-6-119 (3) WITHIN SIXTY DAYS AFTER THE MOTOR VEHICLE WAS PURCHASED; AND

(III) HAS TAKEN EVERY REASONABLE ACTION NECESSARY TO DELIVER OR FACILITATE THE DELIVERY OF THE CERTIFICATE OF TITLE.

**SECTION 3. Act subject to petition - effective date - applicability.** (1) This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 10, 2016, if adjournment sine die is on May 11,

2016); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2016 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

(2) This act applies to purchases made, and to temporary certificates of registration issued, on or after the applicable effective date of this act.



Bill L. Cadman  
PRESIDENT OF  
THE SENATE



Dickey Lee Hullinghorst  
SPEAKER OF THE HOUSE  
OF REPRESENTATIVES



Effie Ameen  
SECRETARY OF  
THE SENATE



Marilyn Eddins  
CHIEF CLERK OF THE HOUSE  
OF REPRESENTATIVES

APPROVED 9:06 am 6/10/16



John W. Hickenlooper  
GOVERNOR OF THE STATE OF COLORADO