

Second Regular Session
Seventieth General Assembly
STATE OF COLORADO

PREAMENDED

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

LLS NO. 16-0853.01 Jery Payne x2157

HOUSE BILL 16-1293

HOUSE SPONSORSHIP

Melton,

SENATE SPONSORSHIP

Holbert,

House Committees

Transportation & Energy
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE ADDITION OF A BRAND TO DESIGNATE A**
102 **CERTIFICATE OF TITLE TO A MOTOR VEHICLE THAT HAS BEEN**
103 **THE SUBJECT OF AN INSURANCE CLAIM, AND, IN CONNECTION**
104 **THEREWITH, MAKING AN APPROPRIATION.**

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>.)

Currently, a motor vehicle title is branded when certain events that negatively affect the vehicle's title occur. The bill adds a total loss brand when the motor vehicle has been:

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.

- ! Reported stolen to law enforcement, and an insurer paid a claim;
- ! Found to need repairs whose cost exceeds the value of the vehicle; or
- ! Designated as a total loss by an insurer under the terms of its policy as a result of the vehicle being damaged.

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

2 **SECTION 1.** In Colorado Revised Statutes, 42-6-102, **amend**
3 (1.7) (e) and (1.7) (f); and **add** (1.7) (g), (6.3), and (20.5) as follows:

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

6 (1.7) "Brand" means a permanent designation or marking on a
7 motor vehicle's title, associated with the vehicle identification number,
8 that conveys information about the value of the vehicle or indicates that
9 the vehicle:

10 (e) Has had its odometer tampered with; ~~or~~

11 (f) Has a designation placed on the title by another jurisdiction; OR

12 (g) HAS SUFFERED DAMAGE THAT COSTS MORE TO REPAIR THAN
13 THE VALUE OF THE VEHICLE, HAS BEEN RECOVERED AFTER BEING
14 REPORTED AS STOLEN AND AN INSURER HAS PAID A CLAIM MADE BY THE
15 OWNER AS A RESULT OF THE THEFT, OR HAS BEEN DESIGNATED BY THE
16 INSURER AS A TOTAL LOSS.

17 (6.3) "INSURER" HAS THE SAME MEANING AS SET FORTH IN SECTION
18 10-1-102 (13), C.R.S.

19 (20.5) "TOTAL LOSS" MEANS AN INSURER'S DETERMINATION THAT
20 REPAIRING A DAMAGED MOTOR VEHICLE DOES NOT MAKE ECONOMIC
21 SENSE.

22 **SECTION 2.** In Colorado Revised Statutes, **add** 42-6-136.6 as

1 follows:

2 **42-6-136.6. Insurance loss - branding of titles.** (1) THE INSURER
3 SHALL SUBMIT A STATEMENT NOTIFYING THE DEPARTMENT THAT ONE OF
4 THE FOLLOWING EVENTS OCCURRED:

5
6 (a) AFTER AN EVENT THAT CAUSED DAMAGE, AN INSURER
7 DETERMINED THAT THE COST TO REPAIR A MOTOR VEHICLE EXCEEDS THE
8 FAIR MARKET VALUE OF THE MOTOR VEHICLE; OR

9 (b) A MOTOR VEHICLE HAS BEEN DESIGNATED AS A TOTAL LOSS BY
10 AN INSURER UNDER THE TERMS OF ITS POLICY AS A RESULT OF THE
11 VEHICLE BEING DAMAGED, REGARDLESS OF WHETHER THE OWNERSHIP OF
12 THE MOTOR VEHICLE IS TRANSFERRED TO THE INSURER, RETAINED BY THE
13 OWNER, OR TRANSFERRED TO A THIRD PARTY.

14 (2) IF THE DEPARTMENT RECEIVES A STATEMENT UNDER
15 SUBSECTION (1) OF THIS SECTION CONCERNING A MOTOR VEHICLE, THE
16 DEPARTMENT SHALL:

17 (a) NOTIFY THE OWNER AND ALL LIENHOLDERS OF RECORD AND
18 PROVIDE THEM A COPY OF THE STATEMENT; AND

19 (b) ISSUE THE MOTOR VEHICLE A NEW TITLE BRANDED "INSURANCE
20 LOSS" UNLESS THE STATEMENT INCLUDES FACTS THAT QUALIFY THE
21 VEHICLE AS A SALVAGE VEHICLE. IF THE VEHICLE IS SALVAGE, THE
22 DEPARTMENT SHALL ISSUE THE MOTOR VEHICLE A NEW SALVAGE
23 CERTIFICATE OF TITLE IN ACCORDANCE WITH SECTION 42-6-136.5.

24 (3) IF A NEW TITLE IS ISSUED UNDER SUBSECTION (2) OF THIS
25 SECTION, THE DEPARTMENT SHALL NOTE ON THE TITLE ANY UNRELEASED
26 LIENS AND DELIVER THE TITLE TO THE HOLDER OF THE MOST SENIOR LIEN
27 OR, IF NONE, TO THE OWNER, TOGETHER WITH A DEMAND THAT THE

1 ORIGINAL TITLE BE SURRENDERED TO THE DEPARTMENT.

2 (4) THIS SECTION DOES NOT APPLY TO A COLLECTOR'S ITEM OR
3 STREET-ROD VEHICLE AS BOTH TYPES OF MOTOR VEHICLES ARE DEFINED
4 IN SECTION 42-12-101.

5 **SECTION 3. Appropriation.** (1) For the 2016-17 state fiscal
6 year, \$97,142 is appropriated to the department of revenue. This
7 appropriation is from the Colorado state titling and registration account
8 of the highway users tax fund created in section 42-1-211 (2), C.R.S. To
9 implement this act, the department may use this appropriation as follows:

10 (a) \$16,389 for use by division of motor vehicles for personal
11 services related to vehicles services, which amount is based on an
12 assumption that the division will require an additional 0.5 FTE;

13 (b) \$475 for use by the division of motor vehicles for operating
14 expenses related to vehicles services;

15 (c) \$76,982 for use by department for postage; and

16 (d) \$3,296 for the purchase of information technology services.

17 (2) For the 2016-17 state fiscal year, \$3,296 is appropriated to the
18 office of the governor for use by the office of information technology.
19 This appropriation is from reappropriated funds received from the
20 department of revenue under paragraph (d) of subsection (1) of this
21 section. To implement this act, the office may use this appropriation to
22 provide information technology services for the department of revenue.

23 **SECTION 4. Act subject to petition - effective date -**
24 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
25 the expiration of the ninety-day period after final adjournment of the
26 general assembly (August 10, 2016, if adjournment sine die is on May 11,
27 2016); except that, if a referendum petition is filed pursuant to section 1

1 (3) of article V of the state constitution against this act or an item, section,
2 or part of this act within such period, then the act, item, section, or part
3 will not take effect unless approved by the people at the general election
4 to be held in November 2016 and, in such case, will take effect on the
5 date of the official declaration of the vote thereon by the governor.

6 (2) This act applies to insurance determinations made on or after
7 the applicable effective date of this act.