

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**

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**HOUSE SPONSORSHIP**

**Melton,**

**SENATE SPONSORSHIP**

**Holbert,**

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**House Committees**

Transportation & Energy  
Appropriations

**Senate Committees**

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**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.**

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**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:

- ! Reported stolen to law enforcement, and an insurer paid a claim;

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.*

- ! 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.

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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  
23 follows:

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

4           ■  
5           (a) AFTER AN EVENT THAT CAUSED DAMAGE, AN INSURER  
6 DETERMINED THAT THE COST TO REPAIR A MOTOR VEHICLE EXCEEDS THE  
7 FAIR MARKET VALUE OF THE MOTOR VEHICLE; OR

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

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

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

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

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

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

4           **SECTION 3. Act subject to petition - effective date -**  
5 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following  
6 the expiration of the ninety-day period after final adjournment of the  
7 general assembly (August 10, 2016, if adjournment sine die is on May 11,  
8 2016); except that, if a referendum petition is filed pursuant to section 1  
9 (3) of article V of the state constitution against this act or an item, section,  
10 or part of this act within such period, then the act, item, section, or part  
11 will not take effect unless approved by the people at the general election  
12 to be held in November 2016 and, in such case, will take effect on the  
13 date of the official declaration of the vote thereon by the governor.

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