

NOTE: This bill has been prepared for the signatures of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.

An Act

HOUSE BILL 17-1105

BY REPRESENTATIVE(S) Becker J., Buck, Carver, Esgar, Lewis, Lundeen, McKean, Mitsch Bush;
also SENATOR(S) Baumgardner, Cooke, Coram, Crowder, Holbert, Jahn, Marble, Moreno, Neville T., Scott, Sonnenberg, Tate, Todd, Grantham.

CONCERNING NARROWING THE CIRCUMSTANCES IN WHICH PHYSICAL INSPECTION OF A VEHICLE IS REQUIRED BEFORE ISSUING LEGAL DOCUMENTATION IDENTIFYING THE VEHICLE.

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

SECTION 1. In Colorado Revised Statutes, 42-3-105, **amend** (1)(c)(I) introductory portion; and **add** (1)(c)(I.5) as follows:

42-3-105. Application for registration - tax. (1) (c) (I) EXCEPT AS PROVIDED IN SUBSECTION (1)(c)(I.5) OF THIS SECTION, the department may require those vehicle-related entities specified by rule to verify information concerning any vehicle through the physical inspection of ~~such~~ THE vehicle. The information required to be verified by ~~such~~ a physical inspection ~~shall~~ MUST include:

(I.5) THE DEPARTMENT SHALL NOT REQUIRE A PHYSICAL INSPECTION AS A CONDITION FOR REGISTRATION OF A VEHICLE IF:

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

(A) THE APPLICANT FOR A NEW REGISTRATION FOR THE VEHICLE PRESENTS EITHER A COPY OF A MANUFACTURER'S CERTIFICATE OF ORIGIN OR A PURCHASE RECEIPT FROM THE DEALER OR THE OUT-OF-STATE SELLER FROM WHOM THE APPLICANT PURCHASED THE VEHICLE AND EITHER DOCUMENT INDICATES THAT THE APPLICANT PURCHASED THE VEHICLE AS NEW; OR

(B) AT THE TIME OF APPLICATION, THE VEHICLE IS CURRENTLY REGISTERED IN ANOTHER COUNTY OF THE STATE.

SECTION 2. In Colorado Revised Statutes, 42-6-107, **amend** (1)(b) as follows:

42-6-107. Certificates of title - contents - rules.

(1) (b) (I) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (1)(b)(II) OF THIS SECTION, the department may require those vehicle-related entities specified by regulation to verify information concerning a vehicle through the physical inspection of ~~such~~ THE vehicle. The information required to be verified by ~~such~~ a physical inspection ~~shall~~ MUST include the vehicle identification number or numbers, the make of vehicle, the vehicle model, the type of vehicle, the year of manufacture of ~~such~~ THE vehicle, the type of fuel used by ~~such~~ THE vehicle, the odometer reading of ~~such~~ THE vehicle, and ~~such~~ other information as may be required by the department. For the purposes of this ~~paragraph (b)~~ SUBSECTION (1)(b), "vehicle-related entity" means an authorized agent or designated employee of ~~such~~ THE agent, a Colorado law enforcement officer, a licensed Colorado dealer, a licensed inspection and readjustment station, or a licensed diesel inspection station.

(II) THE DEPARTMENT SHALL NOT REQUIRE A PHYSICAL INSPECTION AS A CONDITION FOR ISSUANCE OF A CERTIFICATE OF TITLE FOR A VEHICLE IF:

(A) THE APPLICANT FOR A CERTIFICATE OF TITLE FOR THE VEHICLE PRESENTS EITHER A COPY OF A MANUFACTURER'S CERTIFICATE OF ORIGIN OR A PURCHASE RECEIPT FROM THE DEALER OR THE OUT-OF-STATE SELLER FROM WHOM THE APPLICANT PURCHASED THE VEHICLE AND EITHER DOCUMENT INDICATES THAT THE APPLICANT PURCHASED THE VEHICLE AS NEW; OR

(B) AT THE TIME OF APPLICATION, THE VEHICLE IS CURRENTLY TITLED IN ANOTHER COUNTY OF THE STATE.

SECTION 3. In Colorado Revised Statutes, 42-6-119, **amend** (4) as follows:

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

(4) (a) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (4)(b) OF THIS SECTION, if the purchaser of the vehicle completes and includes the vehicle identification number inspection form as part of the application for filing of a Colorado certificate of title to the vehicle and accompanies the application with the affidavit required by subsection (3) of this section and the duly endorsed or assigned certificate of title from a state other than Colorado, a Colorado certificate of title may be filed in the same manner as upon the sale or transfer of a motor or off-highway vehicle for which a Colorado certificate of title has been issued or filed. Upon the filing by the director or the authorized agent of the certificate of title, the director or the authorized agent may dispose of the certificate of title and shall record the certificate of title as provided in section 42-6-124.

(b) IF AN APPLICANT FOR THE FILING OF A COLORADO CERTIFICATE OF TITLE FOR A VEHICLE FOR WHICH ANOTHER STATE HAS ISSUED A CERTIFICATE OF TITLE PRESENTS EITHER A COPY OF A MANUFACTURER'S CERTIFICATE OF ORIGIN OR A PURCHASE RECEIPT FROM THE DEALER OR THE OUT-OF-STATE SELLER FROM WHOM THE APPLICANT PURCHASED THE VEHICLE AND EITHER DOCUMENT INDICATES THAT THE APPLICANT PURCHASED THE VEHICLE AS NEW, THE APPLICANT NEED NOT INCLUDE A VEHICLE IDENTIFICATION NUMBER INSPECTION FORM AS PART OF THE APPLICATION.

SECTION 4. In Colorado Revised Statutes, **add** 42-1-232 as follows:

42-1-232. VIN inspection pilot program - rules. (1) FOR THE PURPOSES OF THIS SECTION:

(a) "CHIEF" MEANS THE CHIEF OF THE COLORADO STATE PATROL.

(b) "CONVICTED" INCLUDES A CONVICTION OF, OR PLEADING GUILTY OR NOLO CONTENDERE TO, A VIOLATION OF THE LAW.

(c) "PERMIT" MEANS AUTHORITY FOR AN ORGANIZATION TO EMPLOY PEOPLE TO VERIFY INFORMATION, INCLUDING A VIN, THAT MAY BE REQUIRED TO REGISTER A COMMERCIAL VEHICLE UNDER ARTICLE 3 OF THIS TITLE 42 OR TO BE ISSUED A CERTIFICATE OF TITLE UNDER ARTICLE 6 OF THIS TITLE 42.

(d) "VIN" MEANS VEHICLE IDENTIFICATION NUMBER.

(2) BY JANUARY 1, 2018, THE CHIEF SHALL CREATE A PILOT PROGRAM THAT AUTHORIZES A TRANSPORTATION ASSOCIATION OR ORGANIZATION TO VERIFY COMMERCIAL VEHICLE INFORMATION, INCLUDING A VIN, AS A VEHICLE-RELATED ENTITY IF THE TRANSPORTATION ASSOCIATION OR ORGANIZATION DEMONSTRATES TO THE SATISFACTION OF THE CHIEF THAT IT AND ANY INDIVIDUALS IT MAY EMPLOY TO VERIFY INFORMATION MEET THE REQUIREMENTS OF THIS SECTION AND ANY RULES PROMULGATED TO IMPLEMENT THIS SECTION. UPON DETERMINING THAT A TRANSPORTATION ASSOCIATION OR ORGANIZATION MEETS THE REQUIREMENTS OF THIS SECTION AND ANY RULES PROMULGATED TO IMPLEMENT THIS SECTION, THE CHIEF MAY ISSUE A PERMIT TO THE APPLICANT.

(3) TO BE ISSUED A PERMIT TO VERIFY INFORMATION, INCLUDING A VIN, AS A VEHICLE-RELATED ENTITY, AN APPLICANT MUST:

(a) EMPLOY VERIFIERS WHO DEMONSTRATE KNOWLEDGE OF THE PROCESS AND STANDARDS AND WHO HAVE NOT BEEN CONVICTED OF VIOLATING ARTICLE 4 OF TITLE 18 WITHIN THE LAST TEN YEARS;

(b) SUBMIT THE NAME, BACKGROUND, EXPERIENCE, LOCATION OF OPERATION, CONTACT INFORMATION, AND ANY OTHER INFORMATION REQUIRED BY THE CHIEF OF EACH EMPLOYED VERIFIER;

(c) FURNISH EVIDENCE OF A SAVINGS ACCOUNT OR DEPOSIT IN A CERTIFICATE OF DEPOSIT MEETING THE REQUIREMENTS OF SECTION 11-35-101 OR A SURETY BOND THAT:

(I) HOLDS HARMLESS ANY PERSON WHO SUFFERS LOSS OR DAMAGE ARISING FROM THE ISSUANCE OF A CERTIFICATE OF TITLE THAT INCLUDED A VERIFICATION DONE BY THE PERMIT HOLDER; AND

(II) IS IN THE AMOUNT OF AT LEAST TEN THOUSAND DOLLARS.

(4) A VEHICLE-RELATED ENTITY SHALL NOT EMPLOY A VERIFIER UNTIL THE CHIEF HAS APPROVED THE VERIFIER. THE PERMIT HOLDER SHALL SUBMIT TO THE CHIEF THE NAME, BACKGROUND, EXPERIENCE, LOCATION OF OPERATION, CONTACT INFORMATION, AND ANY OTHER INFORMATION REQUIRED BY THE CHIEF OF EACH VERIFIER. WITHIN SEVEN DAYS AFTER CEASING TO EMPLOY A VERIFIER, THE VEHICLE-RELATED ENTITY SHALL NOTIFY THE CHIEF THAT THE INDIVIDUAL NO LONGER VERIFIES INFORMATION FOR THE VEHICLE-RELATED ENTITY.

(5) A VEHICLE-RELATED ENTITY SHALL NOT CHARGE MORE THAN TWENTY-FIVE DOLLARS PER TRANSACTION TO VERIFY INFORMATION.

(6) THE CHIEF MAY DENY OR CANCEL A PERMIT FOR:

(a) FAILING TO COMPLY WITH THIS SECTION;

(b) FAILING TO MAINTAIN IN FULL FORCE THE SAVINGS ACCOUNT, DEPOSIT IN A CERTIFICATE OF DEPOSIT, OR SURETY BOND REQUIRED BY SUBSECTION (3) OF THIS SECTION;

(c) MISREPRESENTATIONS IN APPLYING FOR A PERMIT;

(d) BEING CONVICTED UNDER, OR EMPLOYING A VERIFIER WHO IS CONVICTED UNDER, ARTICLE 4 OF TITLE 18;

(e) INCOMPETENCE OR FAILING TO ADEQUATELY VERIFY INFORMATION, INCLUDING A VIN, AS A VEHICLE-RELATED ENTITY.

(7) THE CHIEF MAY PROMULGATE RULES REASONABLY NECESSARY TO IMPLEMENT THIS SECTION, INCLUDING ESTABLISHING APPLICATION PROCEDURES AND ANY REQUIRED FORMS AND ESTABLISHING PROCEDURES, IN COMPLIANCE WITH ARTICLE 4 OF TITLE 24, FOR CANCELING A PERMIT. THE CHIEF MAY SUMMARILY SUSPEND A PERMIT FOR UP TO SIXTY DAYS PENDING A HEARING TO CANCEL A PERMIT IF THE CHIEF DETERMINES THAT IRREPARABLE HARM MAY OCCUR IF THE PERMIT HOLDER CONTINUES TO VERIFY INFORMATION, INCLUDING A VIN, AS A VEHICLE-RELATED ENTITY.

(8) FOR THE PURPOSES OF VERIFYING INFORMATION IN ACCORDANCE

WITH ARTICLES 1 TO 5 OF THIS TITLE 42, A PERMIT HOLDER IS A VEHICLE-RELATED ENTITY.

(9) THIS SECTION IS REPEALED, EFFECTIVE JANUARY 1, 2020.

SECTION 5. Applicability. This act applies to applications for registration or titling of a vehicle that are filed on or after July 1, 2017.

SECTION 6. Safety clause. The general assembly hereby finds,

determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Crisanta Duran
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Kevin J. Grantham
PRESIDENT OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Effie Ameen
SECRETARY OF
THE SENATE

APPROVED _____

John W. Hickenlooper
GOVERNOR OF THE STATE OF COLORADO