

HOUSE COMMITTEE OF REFERENCE REPORT

Chairman of Committee

May 2, 2017
Date

Committee on Business Affairs and Labor.

After consideration on the merits, the Committee recommends the following:

SB17-240 be amended as follows, and as so amended, be referred to the Committee on Finance with favorable recommendation:

- 1 Amend reengrossed bill, page 10 strike lines 13 through 19 and substitute:
 - 2 ~~(14)~~ (20) "Motor vehicle salesperson" means a natural person
 - 3 who, for a salary, commission, or compensation of any kind, is employed
 - 4 either directly or indirectly, regularly or occasionally, by a motor vehicle
 - 5 dealer or used motor vehicle dealer to sell, lease, purchase, or exchange
 - 6 or to negotiate for the sale, lease, purchase, or exchange of motor
 - 7 vehicles."
- 8 Page 23, line 16, after "~~license of~~" insert "THE EXECUTIVE DIRECTOR
- 9 SHALL MAIL THE LICENSE TO THE BUSINESS ADDRESS WHERE THE MOTOR
- 10 VEHICLE SALESPERSON IS LICENSED."
- 11 Page 24, strike lines 16 through 18 and substitute "A LICENSE, the
- 12 ~~executive~~ director shall mail to ~~any such~~ THE licensee's business address
- 13 of record a notice stating when ~~such~~".
- 14 Page 25, line 4, strike "~~executive~~" and substitute "executive".
- 15 Page 27, line 3, after "INVESTIGATION" insert "OR THE AUTO INDUSTRY
- 16 DIVISION".
- 17 Page 27, line 7, after "BOARD" insert "OR THE EXECUTIVE DIRECTOR".
- 18 Page 27, line 10, after "BOARD" insert "OR THE EXECUTIVE DIRECTOR".

- 1 Page 29, line 6, strike "INITIAL".
- 2 Page 29, strike lines 13 through 16.
- 3 Renumber succeeding subparagraph accordingly.
- 4 Page 30, strike lines 9 through 12.
- 5 Page 33, line 15, strike "to the board" and substitute "~~to the board~~".
- 6 Page 38, line 4, strike "DIRECTOR;" and substitute "DIRECTOR OR THE
7 BOARD;".
- 8 Page 40, line 13, after "~~license of~~" insert "THE EXECUTIVE DIRECTOR
9 SHALL MAIL THE LICENSE TO THE BUSINESS ADDRESS WHERE THE
10 POWERSPORTS VEHICLE SALESPERSON IS LICENSED.".
- 11 Page 41, strike lines 3 and 4 and substitute "~~executive~~ director shall mail
12 to the licensee's business address of record a notice".
- 13 Page 43, line 15, after "INVESTIGATION" insert "OR THE AUTO INDUSTRY
14 DIVISION".
- 15 Page 43, line 19, after "BOARD" insert "OR THE EXECUTIVE DIRECTOR".
- 16 Page 43, line 23, after "BOARD" insert "OR THE EXECUTIVE DIRECTOR".
- 17 Page 45, line 17, strike "INITIAL".
- 18 Page 45, strike lines 24 through 27.
- 19 Renumber succeeding subparagraph accordingly.
- 20 Page 46, strike lines 20 through 23.
- 21 Page 48, after line 27 insert:

22 **"SECTION 45.** In Colorado Revised Statutes, 6-1-708, **amend**
23 (1) as follows:
24 **6-1-708. Vehicle sales and leases - deceptive trade practice.**
25 (1) A person engages in a deceptive trade practice when, in the course of

1 ~~such~~ THE person's business, vocation, or occupation, such person:
2 (a) Commits any of the following acts pertaining to the sale or
3 lease of a motor vehicle, ~~or~~ a used motor vehicle, POWERSPORTS VEHICLE,
4 OR USED POWERSPORTS VEHICLE:
5 (I) Guarantees to a purchaser or lessee of a motor vehicle, ~~or~~ used
6 motor vehicle, POWERSPORTS VEHICLE, OR USED POWERSPORTS VEHICLE
7 who conditions ~~such~~ THE purchase or lease on the approval of a consumer
8 credit transaction as defined in section 5-1-301 (12) ~~C.R.S.~~; that such
9 purchaser or lessee has been approved for a consumer credit transaction
10 if ~~such~~ THE approval is not final. For purposes of this ~~subparagraph~~ (I)
11 SUBSECTION (1)(a)(I), "guarantee" means a written document or oral
12 representation between the purchaser or lessee and the person selling or
13 leasing the vehicle that leads such purchaser or lessee to a reasonable
14 good faith belief that the financing of ~~such~~ THE vehicle is certain.
15 (II) Accepts a used ~~motor~~ vehicle as a trade-in on the purchase or
16 lease of a motor vehicle, ~~or~~ used motor vehicle, POWERSPORTS VEHICLE,
17 OR USED POWERSPORTS VEHICLE and sells or leases ~~such used motor~~ THE
18 vehicle THAT HAS BEEN TRADED IN before the purchaser or lessee has been
19 approved for a consumer credit transaction as defined in section 5-1-301
20 (12) ~~C.R.S.~~; if ~~such~~ THE approval is a condition of the purchase or lease;
21 (III) Fails to return to the ~~purchaser or lessee~~ CONSUMER any
22 collateral or down payment tendered by ~~such purchaser or lessee~~ THE
23 CONSUMER conditioned upon a guarantee by a motor vehicle dealer, ~~or~~
24 used motor vehicle dealer, POWERSPORTS VEHICLE DEALER, OR USED
25 POWERSPORTS VEHICLE DEALER that a consumer credit transaction as
26 defined in section 5-1-301 (12) ~~C.R.S.~~; has been approved for ~~such~~
27 ~~purchaser or lessee~~; if ~~such~~ THE approval was a condition of the sale or
28 lease and if ~~such~~ THE financing is not approved and the ~~purchaser or~~
29 ~~lessee~~ CONSUMER is required to return the vehicle;
30 (b) Fails to disclose in writing, prior to sale, to the purchaser that
31 a motor vehicle is a salvage vehicle, as defined in section 42-6-102 (17),
32 ~~C.R.S.~~; or that a vehicle was repurchased by or returned to the
33 manufacturer from a previous owner for inability to conform the motor
34 vehicle to the manufacturer's warranty in accordance with article 10 of
35 title 42 ~~C.R.S.~~; or with any other state or federal motor vehicle warranty
36 law, or knowingly fails to disclose in writing, prior to sale, to the
37 purchaser that a motor vehicle OR POWERSPORTS VEHICLE has sustained
38 material damage at any one time from any one incident."

39 Renumber succeeding sections accordingly.
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