

Second Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 18-0512.01 Jery Payne x2157

HOUSE BILL 18-1105

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HOUSE SPONSORSHIP

Liston,

SENATE SPONSORSHIP

Tate,

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House Committees  
Business Affairs and Labor

Senate Committees

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A BILL FOR AN ACT

101 CONCERNING THE UNLICENSED SALE OF VEHICLES.

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://leg.colorado.gov>.)*

**Section 1** of the bill clarifies that money received as fines for the following violations may be deposited in the auto dealers license fund:

- ! Issuance of a bad check by a motor vehicle dealer; and
- ! Failure to obtain any necessary license to be a motor vehicle dealer, manufacturer, distributor, wholesaler, manufacturer representative, used motor vehicle dealer, buyer agent, wholesale motor vehicle auction dealer, or motor vehicle salesperson.

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.

Currently, a law enforcement agency may keep any fine money if it issues a citation for failing to obtain a license to be a wholesaler, powersports vehicle dealer, used powersports vehicle dealer, powersports vehicle manufacturer, powersports vehicle distributor, or powersports vehicle manufacturer representative. **Section 3** diverts half of this fine to the auto dealers license fund.

**Section 2** applies to the requirement that specified sellers of powersports vehicles be licensed. It exempts businesses that sell vehicles that meet the following criteria:

- ! The vehicle has been owned for more than one year;
- ! The vehicle has been used exclusively for business purposes;
- ! The vehicle is titled in the name of the business;
- ! All taxes for the vehicle have been paid; and
- ! The total number of vehicles sold by the business owner over a 2-year period does not exceed 20 vehicles.

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

2 **SECTION 1.** In Colorado Revised Statutes, 12-6-123, **amend** (1)  
3 introductory portion; and **add** (1)(e) and (1)(f) as follows:

4 **12-6-123. Disposition of fees - auto dealers license fund -**  
5 **created.** (1) THE DEPARTMENT OF REVENUE SHALL DEPOSIT all money  
6 received under this part 1 ~~except fines awarded pursuant to sections~~  
7 ~~12-6-121.5 and 12-6-121.6 (2), shall be deposited~~ with the state treasurer,  
8 ~~by the department of revenue,~~ subject to section 24-35-101, together with  
9 a detailed statement of ~~such~~ receipts, and the money deposited with the  
10 state treasurer constitutes a fund to be known as the auto dealers license  
11 fund, which fund is hereby created; EXCEPT THAT THE DEPARTMENT  
12 SHALL DEPOSIT FINES IMPOSED UNDER SECTIONS 12-6-121.5 AND  
13 12-6-121.6 (2) IN ACCORDANCE WITH SECTIONS 12-6-121.5 AND  
14 12-6-121.6(2). The fund shall be used under the direction of the board in  
15 the following manner:

16 (e) TO IMPLEMENT PART 5 OF THIS ARTICLE 6.

1 (f) TO ENFORCE SECTION 12-6-523 (2).

2 **SECTION 2.** In Colorado Revised Statutes, 12-6-523, **amend** (2)  
3 as follows:

4 **12-6-523. Unlawful acts.** (2) It is unlawful for a person to act as  
5 a wholesaler, powersports vehicle dealer, used powersports vehicle  
6 dealer, powersports vehicle manufacturer, powersports vehicle  
7 distributor, powersports vehicle manufacturer representative, or  
8 powersports vehicle salesperson unless the person has been duly licensed  
9 under ~~the provisions of this part 5~~; EXCEPT THAT THIS SUBSECTION (2)  
10 DOES NOT APPLY TO A BUSINESS OWNER SELLING A POWERSPORTS VEHICLE  
11 IF THE VEHICLE HAS BEEN OWNED FOR MORE THAN ONE YEAR, THE  
12 VEHICLE HAS BEEN USED EXCLUSIVELY FOR BUSINESS PURPOSES, THE  
13 VEHICLE IS TITLED IN THE NAME OF THE BUSINESS, ALL TAXES FOR THE  
14 VEHICLE HAVE BEEN PAID, AND THE TOTAL NUMBER OF VEHICLES SOLD BY  
15 THE BUSINESS OWNER OVER A TWO-YEAR PERIOD DOES NOT EXCEED  
16 TWENTY VEHICLES.

17 **SECTION 3.** In Colorado Revised Statutes, **amend** 12-6-528 as  
18 follows:

19 **12-6-528. Fines - disposition - unlicensed sales.** Of any fine  
20 collected for a violation of section 12-6-523 (2), ~~shall be~~ HALF IS awarded  
21 to the law enforcement agency that investigated and issued the citation for  
22 the violation AND HALF IS CREDITED TO THE AUTO DEALERS LICENSE FUND  
23 CREATED IN SECTION 12-6-123.

24 **SECTION 4. Act subject to petition - effective date.** This act  
25 takes effect at 12:01 a.m. on the day following the expiration of the  
26 ninety-day period after final adjournment of the general assembly (August  
27 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a

1 referendum petition is filed pursuant to section 1 (3) of article V of the  
2 state constitution against this act or an item, section, or part of this act  
3 within such period, then the act, item, section, or part will not take effect  
4 unless approved by the people at the general election to be held in  
5 November 2018 and, in such case, will take effect on the date of the  
6 official declaration of the vote thereon by the governor.