CONCERNING DEEDS FOR THE CONVEYANCE OF REAL PROPERTY, AND,
IN CONNECTION THERewith, ESTABLISHING REQUIREMENTS
FOR TITLE INSURANCE ENTITIES THAT PREPARE DEEDS AND
ESTABLISHING FORMS FOR THE PREPARATION OF DEEDS IN
CERTAIN CIRCUMSTANCES.

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 2 of the bill states that a licensed title insurance entity may prepare deeds for the conveyance of real property in accordance with
statutory forms. Any deed prepared by a title insurance entity containing a covenant of warranty must:

- Include a limitation on the warranty of title; and
- Use the phrase "subject to statutory exceptions" and no other terms or descriptions, unless the preparing title insurance entity is otherwise instructed in writing by both the grantor and the grantee.

Section 1 provides new forms of deeds for the conveyance of real property under certain circumstances. Sections 3, 4, and 5 make conforming amendments.

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

SECTION 1. In Colorado Revised Statutes, amend 38-30-113 as follows:


(1) (a) A deed for the conveyance of real property may be in substantially the following form:

- .............., whose street address is ................., City or Town of ................., County of ................., and State of ................., for the consideration of ........ dollars, in hand paid, hereby sell(s) and convey(s) to .............., whose street address is ................., City or Town of ................., County of ................., and State of ................., the following real property in the County of .............., and State of Colorado, to wit:

- .............. with all its appurtenances and warrant(s) the title to the same, subject to [STATUTORY EXCEPTIONS AND] ...............

Signed this .............. day of ................., 20...... .
(b) Such deed may be acknowledged in accordance with section 38-35-101. Failure to state the address or the county or state of residence of the grantor or grantee shall not affect the validity of such deed. A deed for the conveyance of real property in substantially the following form and that includes the words "AND WARRANT(S) THE TITLE TO THE SAME AGAINST ALL PERSONS CLAIMING UNDER ME", or substantially similar language, is a special warranty deed with covenants of warranty during the grantor's period of ownership of the property:

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covenants on the part of the grantor as set forth in subsection (2) of this section: A DEED FOR THE CONVEYANCE OF REAL PROPERTY IN SUBSTANTIALLY THE FOLLOWING FORM THAT DOES NOT INCLUDE WORDS OF WARRANTY HAS THE SAME FORCE AND EFFECT AS A BARGAIN AND SALE DEED AT COMMON LAW, BUT WITHOUT COVENANTS OF WARRANTY, AND PASSES THE AFTER-ACQUIRED TITLE OF THE GRANTOR:

...................., WHOSE STREET ADDRESS IS ....................,
CITY OR TOWN OF ...................., COUNTY OF ....................
AND STATE OF ...................., FOR THE
CONSIDERATION OF .............. DOLLARS, IN HAND PAID,
HEREBY SELL(S) AND CONVEY(S) TO .................... WHOSE STREET ADDRESS IS ...................., CITY OR TOWN OF ...................., COUNTY OF .................... AND STATE OF ...................., THE FOLLOWING REAL PROPERTY IN THE COUNTY OF .................... AND STATE OF COLORADO, TO WIT: .................... WITH ALL ITS APPURTENANCES .................... .

SIGNED THIS .................... DAY OF ...................., 20..... .

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(d) Repealed.

(d) A DEED FOR THE CONVEYANCE OF REAL PROPERTY IN SUBSTANTIALLY THE FOLLOWING FORM THAT DOES NOT INCLUDE WORDS OF WARRANTY AND WITH THE WORD "QUITCLAIM(S)" SUBSTITUTED FOR "CONVEY(S)" IS A QUITCLAIM DEED WITHOUT COVENANTS OF WARRANTY THAT PASSES NO AFTER-ACQUIRED TITLE OF THE GRANTOR:

...................., WHOSE STREET ADDRESS IS ....................,
CITY OR TOWN OF ...................., COUNTY OF
AND STATE OF ........................, FOR THE
CONSIDERATION OF .............. DOLLARS, IN HAND PAID,
HEREBY SELL(S) AND QUITCLAIM(S) TO ......................... WHOSE
STREET ADDRESS IS ........................., CITY OR TOWN OF
........................., COUNTY OF ......................... AND STATE OF
........................., THE FOLLOWING REAL PROPERTY IN THE
COUNTY OF ......................... AND STATE OF COLORADO, TO
WIT: ......................... WITH ALL ITS APPURTENANCES

.........................

SIGNED THIS ......................... DAY OF ........................., 20..... .

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(2) The words "warrant(s) the title" in a warranty deed as
described in subsection (1)(a) of this section or in a mortgage as described
in section 38-30-117 mean that the grantor covenants: ANY DEED
DESCRIBED IN SUBSECTION (1) OF THIS SECTION MAY BE ACKNOWLEDGED
IN ACCORDANCE WITH SECTION 38-35-101. FAILURE TO STATE THE
ADDRESS OR THE COUNTY OR STATE OF RESIDENCE OF THE GRANTOR OR
GRANTEE DOES NOT AFFECT THE VALIDITY OF THE DEED.

(a) That at the time of the making of such instrument he was
lawfully seized of an indefeasible estate in fee simple in and to the
property therein described and has good right and full power to convey
the same;

(b) That the same was free and clear from all encumbrances,
except as stated in the instrument; and

(c) That he warrants to the grantee and his heirs and assigns the
quiet and peaceable possession of such property and will defend the title
thereof against all persons who may lawfully claim the same.
(3) Such covenants shall be binding upon any grantor and his heirs and personal representatives as fully as if written at length in said instrument. Every deed in substance, in a form described in subsection (1) of this section or in any other form permitted by Colorado law, regardless of whether the deed recites valuable consideration or whether valuable consideration has been given for the deed, when properly executed, is a conveyance to the grantee, with covenants on the part of the grantor, if any, as set forth in subsection (4) of this section. Subject to any reservations specifically set forth in a deed, the form of deed used by the grantor does not affect the absolute nature of the fee simple conveyance of the property being conveyed and is not deemed to convey any lesser estate or interest simply by virtue of the form of deed used or whether the grantor provided any warranties of title in the deed.

(4) (a) The words "warrant(s) the title" in a warranty deed as described in subsection (1)(a) or (1)(b) of this section or in a mortgage as described in section 38-30-117 mean that the grantor covenants:

(I) That, at the time of the making of the warranty deed, the grantor was lawfully seized of an indefeasible estate in fee simple in and to the property described in the deed and has good right and full power to convey the property;

(II) That the property described in the deed was free and clear from all encumbrances, except as stated in the warranty deed; and

(III) That the grantor warrants to the grantee and the
GRANTEE'S HEIRS AND ASSIGNS THE QUIET AND PEACEABLE POSSESSION OF
THE PROPERTY AND THAT:

(A) With respect to a warranty deed or mortgage, the
grantor will defend the title to the property against all
persons who may claim the title; and

(B) With respect to a special warranty deed, the grantor
will defend the title to the property against all persons who
may claim the title but only as against any persons claiming to
hold title by, or through, the grantor.

(b) A covenant described in subsection (4)(a) of this
section is binding upon the grantor and the grantor's heirs and
personal representatives as fully as if it were written at length
in the warranty deed.

(5) (a) Unless otherwise agreed by the grantor and
grantee, a warranty deed or special warranty deed intended to
include a limitation on the warranty of title pursuant to
subsection (4)(a) of this section must use the words "subject to
statutory exceptions" and no other terms or descriptions. The
words "statutory exceptions", when used in any deed, mean that
the grantee accepts title to the conveyed property subject to:

(I) Real estate taxes for the calendar year in which the
conveyance occurred and subsequent years that are not yet due
and payable;

(II) All matters that are not recorded in the real estate
records of the county clerk and recorder for the county in
which the conveyed property is located but that would have
been disclosed by a survey of the conveyed property or could
HAVE BEEN ASCERTAINED BY AN INSPECTION OF THE CONVEYED
PROPERTY; AND

(III) ALL MATTERS RECORDED IN THE REAL ESTATE RECORDS OF
THE COUNTY CLERK AND RECORDER FOR THE COUNTY IN WHICH THE
CONVEYED PROPERTY IS LOCATED.

(b) IF A WARRANTY DEED OR SPECIAL WARRANTY DEED INCLUDES
A BLANK AFTER A REFERENCE TO "STATUTORY EXCEPTIONS" BUT NO
ADDITIONAL MATTERS ARE SPECIFICALLY LISTED IN THE BLANK, THE
BLANK IS DEEMED TO BE DELETED FROM THE WARRANTY DEED OR SPECIAL
WARRANTY DEED, AND THE TITLE CONVEYED IS SUBJECT ONLY TO THE
STATUTORY EXCEPTIONS.

SECTION 2. In Colorado Revised Statutes, add 38-30-116.5 as
follows:

38-30-116.5. Preparation of deeds - definition. (1) A LICENSED
TITLE INSURANCE ENTITY MAY PREPARE DEEDS FOR THE CONVEYANCE OF
REAL PROPERTY IN ACCORDANCE WITH THE FORMS DESCRIBED IN SECTION
38-30-113 (1).

(2) A DEED PREPARED BY A LICENSED TITLE INSURANCE ENTITY
CONTAINING A COVENANT OF WARRANTY AS PROVIDED IN SECTION
38-30-113 (1)(a) OR (1)(b) MUST:

(a) INCLUDE A LIMITATION ON THE WARRANTY OF TITLE PURSUANT
TO SECTION 38-30-113 (4)(a); AND

(b) USE THE WORDS "SUBJECT TO STATUTORY EXCEPTIONS" AND
NO OTHER TERMS OR DESCRIPTIONS, UNLESS THE PREPARING LICENSED
TITLE INSURANCE ENTITY IS OTHERWISE INSTRUCTED IN WRITING BY BOTH:

(i) THE GRANTOR OR AN AUTHORIZED AGENT FOR THE GRANTOR;

AND
(II) The grantee or an authorized agent for the grantee.

(3) As used in this section, "licensed title insurance entity" means a title insurance entity, as defined in section 10-11-102 (11).

SECTION 3. In Colorado Revised Statutes, 38-30-117, amend (3) as follows:


(3) Every mortgage in substance in the above form, when properly executed, shall be a mortgage to secure the payment of the money therein specified in the mortgage, with covenants as expressed in section 38-30-113 (2) section 38-30-113 (4)(a), but if the words "and warrant(s) the title to the same" are omitted, no such covenants shall be implied.

SECTION 4. In Colorado Revised Statutes, repeal 38-30-115 as follows:

38-30-115. Deeds - bargain and sale - special warranty. A deed executed according to the form in section 38-30-113 with the words "and warrant the title to the same" omitted therefrom shall have the same force and effect as a bargain and sale deed, without covenants of warranty, at common law and will pass the after-acquired title of the grantor; and the words "and warrant the title against all persons claiming under me" when included in such deed shall be a covenant that the grantor will warrant and defend the title to the grantee and his heirs and assigns against all persons claiming to hold title by, through, or under the grantor.

SECTION 5. In Colorado Revised Statutes, repeal 38-30-116 as follows:

38-30-116. Deeds - quitclaim. A deed executed according to the
form in section 38-30-113 with the word "quitclaim" substituted for "convey" and the words "and warrant the title to the same" omitted therefrom shall be a deed of quitclaim and shall have the same effect as a conveyance as quitclaim deeds now in use.

SECTION 6. Applicability. This act applies to deeds for the conveyance of real property that are executed on or after the effective date of this act.

SECTION 7. 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.