

CHAPTER 181

MOTOR VEHICLES AND TRAFFIC REGULATION

HOUSE BILL 03-1287

BY REPRESENTATIVE(S) Ragsdale, Briggs, Cloer, Coleman, Hodge, Merrifield, Weissmann, Williams S., Hoppe, Spradley, Stafford, and Weddig;
also SENATOR(S) Chlouber, Hanna, Kester, Taylor, and Windels.

AN ACT

CONCERNING THE EXEMPTION OF AN APPLICANT REQUESTING A NEW CERTIFICATE OF TITLE FOR AN OLDER VEHICLE FROM POSTING A SECURITY IN A CASE WHERE THE APPLICANT IS UNABLE TO PROVIDE EVIDENCE OF OWNERSHIP OF THE VEHICLE TO THE DEPARTMENT OF REVENUE.

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

SECTION 1. 42-6-115 (2), Colorado Revised Statutes, is amended, and the said 42-6-115 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

42-6-115. Furnishing bond for certificates. (2) If, from the affidavit of the applicant and such other evidence as may be submitted to the director or the director's authorized agent, he or she finds that the applicant is the same person to whom a certificate of title for said vehicle has previously been issued or filed and to whom a license was issued for the year during which the application for such certificate of title is made and that a certificate of title should be filed on behalf of the applicant, such certificate may be filed, in which event disposition of such certificate shall be made as in other cases. ~~No certificate of title shall be filed as provided in this section unless and until the applicant furnishes evidence of a savings account, deposit, or certificate of deposit meeting the requirements of section 11-35-101, C.R.S., or a good and sufficient bond with a corporate surety, to the people of the state, in an amount to be fixed by the director, not less than twice the reasonable value of the vehicle for which the certificate is filed, determined as of the time application for the certificate is made, conditioned that the applicant and the applicant's surety shall hold harmless any person who suffers any loss or damage by reason of the filing thereof. If any person suffers any loss or damage by reason of the filing of the certificate of title as provided in this section, such person shall have a right of action against the applicant and the surety on the applicant's bond against either of whom the person~~

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

~~damaged may proceed independently of the other.~~

(3) NO CERTIFICATE OF TITLE SHALL BE FILED AS PROVIDED IN THIS SECTION UNLESS AND UNTIL THE APPLICANT FURNISHES EVIDENCE OF A SAVINGS ACCOUNT, DEPOSIT, OR CERTIFICATE OF DEPOSIT MEETING THE REQUIREMENTS OF SECTION 11-35-101, C.R.S., OR A GOOD AND SUFFICIENT BOND WITH A CORPORATE SURETY, TO THE PEOPLE OF THE STATE, IN AN AMOUNT TO BE FIXED BY THE DIRECTOR, NOT LESS THAN TWICE THE REASONABLE VALUE OF THE VEHICLE FOR WHICH THE CERTIFICATE IS FILED, DETERMINED AS OF THE TIME APPLICATION FOR THE CERTIFICATE IS MADE, CONDITIONED THAT THE APPLICANT AND THE APPLICANT'S SURETY SHALL HOLD HARMLESS ANY PERSON WHO SUFFERS ANY LOSS OR DAMAGE BY REASON OF THE FILING THEREOF; EXCEPT THAT IF THE VEHICLE FOR WHICH THE CERTIFICATE IS FILED IS TWENTY-FIVE YEARS OLD OR OLDER, THE APPLICANT HAS HAD A CERTIFIED VEHICLE IDENTIFICATION NUMBER INSPECTION PERFORMED ON THE VEHICLE, AND THE APPLICANT PRESENTS A NOTARIZED BILL OF SALE WITHIN FORTY-FIVE DAYS OF SUCH SALE WITH THE TITLE APPLICATION, THEN THE APPLICANT SHALL NOT BE REQUIRED TO FURNISH SUCH SAVINGS ACCOUNT, DEPOSIT, CERTIFICATE OF DEPOSIT, OR BOND. IN ORDER TO BE EXCEPTED FROM THE SAVINGS ACCOUNT, DEPOSIT, CERTIFICATE OF DEPOSIT, OR BOND REQUIREMENT, AN APPLICANT SHALL SUBMIT AN AFFIDAVIT TO THE DEPARTMENT THAT IS SWORN TO UNDER PENALTY OF PERJURY THAT STATES SUCH REQUIRED DOCUMENTS SUBMITTED ARE TRUE AND CORRECT. IF ANY PERSON SUFFERS ANY LOSS OR DAMAGE BY REASON OF THE FILING OF THE CERTIFICATE OF TITLE AS PROVIDED IN THIS SECTION, SUCH PERSON SHALL HAVE A RIGHT OF ACTION AGAINST THE APPLICANT AND THE SURETY ON THE APPLICANT'S BOND AGAINST EITHER OF WHOM THE PERSON DAMAGED MAY PROCEED INDEPENDENTLY OF THE OTHER.

SECTION 2. 11-35-101 (1), Colorado Revised Statutes, is amended to read:

11-35-101. Alternatives to surety bonds permitted - requirements. (1) The requirement of a surety bond as a condition to licensure or authority to conduct business or perform duties in this state provided in sections 12-5.5-202 (2) (b), 12-6-111, 12-6-112, 12-6-112.2, 12-11-101 (1) (d), 12-11-104, 12-11-106, 12-14-124 (1), 12-59-115 (1), 12-60-509 (2.5) (b), 33-4-101 (1), 33-12-104 (1), 35-33-403 (3), 35-55-104 (1), 37-91-107 (2) and (3), 38-29-119 (2), 39-21-105 (4), 39-27-104 (2) (a), (2) (b), (2) (c), (2) (d), (2) (e), (2.1) (a), (2.1) (b), (2.1) (c), (2.5) (a), and (2.5) (b), 39-28-105 (1), 42-6-115 ~~(2)~~ (3), and 42-7-301 (6), C.R.S., may be satisfied by a savings account or deposit in or a certificate of deposit issued by a state or national bank doing business in this state or by a savings account or deposit in or a certificate of deposit issued by a state or federal savings and loan association doing business in this state. Such savings account, deposit, or certificate of deposit shall be in the amount specified by statute, if any, and shall be assigned to the appropriate state agency for the use of the people of the state of Colorado. The aggregate liability of the bank or savings and loan association shall in no event exceed the amount of the deposit. For the purposes of the sections referred to in this section, "bond" includes the savings account, deposit, or certificate of deposit authorized by this section.

SECTION 3. Applicability. This act shall apply to applications for a certificate of title filed on or after the effective date of this act.

SECTION 4. 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.

Approved: April 22, 2003