

First Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

REVISED

*This Version Includes All Amendments Adopted  
on Second Reading in the Second House*

LLS NO. 17-0307.02 Jery Payne x2157

SENATE BILL 17-240

SENATE SPONSORSHIP

Jahn and Tate,

HOUSE SPONSORSHIP

Winter,

Senate Committees

Business, Labor, & Technology  
Finance  
Appropriations

House Committees

Business Affairs and Labor  
Finance  
Appropriations

A BILL FOR AN ACT

101 CONCERNING THE CONTINUATION OF THE REGULATION OF PERSONS  
102 WHO SELL VEHICLES IN THE ORDINARY COURSE OF BUSINESS,  
103 AND, IN CONNECTION THEREWITH, IMPLEMENTING THE  
104 RECOMMENDATIONS OF THE SUNSET REPORT OF THE  
105 DEPARTMENT OF REGULATORY AGENCIES AND MAKING AN  
106 APPROPRIATION.

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/>.)*

Sunset Process - Senate Business, Labor, and Technology

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.

*Capital letters indicate new material to be added to existing statute.*

*Dashes through the words indicate deletions from existing statute.*

HOUSE  
Amended 2nd Reading  
May 8, 2017

SENATE  
3rd Reading Unamended  
April 17, 2017

SENATE  
Amended 2nd Reading  
April 13, 2017

**Committee.** The bill implements many of the recommendations of the department of regulatory agencies, as contained in the department's sunset review of motor vehicle and powersports vehicle sellers, as follows:

- ! Continues the regulation of motor vehicle and powersports vehicle sales until September 1, 2027;
- ! Codifies the auto industry division in statute under the department of revenue and changes the authority to enforce the regulation of the licensing of vehicle sellers from the executive director of the department of revenue to the director of the division;
- ! Requires a licensing application when a licensed business entity acquires a new owner;
- ! Subjects the license of a dealer to discipline when the owner is acting as a salesperson and violates the law governing salespersons;
- ! Repeals the statute that makes a salesperson's license dependent on employment by a dealer;
- ! Requires a fingerprint-based criminal history record check for all licensees; and
- ! Requires people who have had licenses revoked to wait one year before applying for a new license.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-34-104, **repeal**  
3 (12)(a)(II) and (12)(a)(III); and **add** (28) as follows:

4 **24-34-104. General assembly review of regulatory agencies**  
5 **and functions for repeal, continuation, or reestablishment - legislative**  
6 **declaration - repeal.** (12) (a) The following agencies, functions, or both,  
7 will repeal on July 1, 2017:

8 (II) ~~The motor vehicle dealer board created in section 12-6-103,~~  
9 ~~C.R.S., and the functions of the executive director of the department of~~  
10 ~~revenue, including licensing, specified in part 1 of article 6 of title 12,~~  
11 ~~C.R.S.;~~

12 (III) ~~The regulation of powersports vehicles by the motor vehicle~~  
13 ~~dealer board created in section 12-6-103, C.R.S.;~~

1           (28) (a) THE FOLLOWING AGENCIES, FUNCTIONS, OR BOTH, ARE  
2 SCHEDULED FOR REPEAL ON SEPTEMBER 1, 2027:

3           (I) THE REGULATION OF MOTOR VEHICLE AND POWERSPORTS  
4 VEHICLE SALES BY THE MOTOR VEHICLE DEALER BOARD AND THE  
5 DIRECTOR OF THE AUTO INDUSTRY DIVISION, UNDER THE SUPERVISION OF  
6 THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE, IN  
7 ACCORDANCE WITH PARTS 1, 2, 3, AND 5 OF ARTICLE 6 OF TITLE 12.

8           (b) THIS SUBSECTION (28) IS REPEALED, EFFECTIVE SEPTEMBER 1,  
9 2029.

10           **SECTION 2.** In Colorado Revised Statutes, **repeal** 12-6-124 as  
11 follows:

12           **12-6-124. Repeal of article.** ~~This article is repealed, effective July~~  
13 ~~1, 2017. Prior to such repeal, the motor vehicle dealer board and the~~  
14 ~~functions of the executive director, including licensing, shall be reviewed~~  
15 ~~as provided for in section 24-34-104, C.R.S.~~

16           **SECTION 3.** In Colorado Revised Statutes, **add** 12-6-132 as  
17 follows:

18           **12-6-132. Repeal of part.** THIS PART 1 IS REPEALED, EFFECTIVE  
19 SEPTEMBER 1, 2027. BEFORE ITS REPEAL, THIS PART 1 IS SCHEDULED FOR  
20 REVIEW IN ACCORDANCE WITH SECTION 24-34-104.

21           **SECTION 4.** In Colorado Revised Statutes, **add** 12-6-214 as  
22 follows:

23           **12-6-214. Repeal of part.** THIS PART 2 IS REPEALED, EFFECTIVE  
24 SEPTEMBER 1, 2027. BEFORE ITS REPEAL, THIS PART 2 IS SCHEDULED FOR  
25 REVIEW IN ACCORDANCE WITH SECTION 24-34-104.

26           **SECTION 5.** In Colorado Revised Statutes, **add** 12-6-304 as  
27 follows:

1           **12-6-304. Repeal of part.** THIS PART 3 IS REPEALED, EFFECTIVE  
2           SEPTEMBER 1, 2027. BEFORE ITS REPEAL, THIS PART 3 IS SCHEDULED FOR  
3           REVIEW IN ACCORDANCE WITH SECTION 24-34-104.

4           **SECTION 6.** In Colorado Revised Statutes, **repeal** 12-6-533 as  
5           follows:

6           **12-6-533. Repeal of part.** ~~This part 5 is repealed, effective July~~  
7           ~~1, 2017. Prior to the repeal, the functions of the motor vehicle dealer~~  
8           ~~board and the executive director under this part 5, including licensing,~~  
9           ~~shall be reviewed as provided for in section 24-34-104, C.R.S.~~

10          **SECTION 7.** In Colorado Revised Statutes, **add** 12-6-538 as  
11          follows:

12          **12-6-538. Repeal of part.** THIS PART 5 IS REPEALED, EFFECTIVE  
13          SEPTEMBER 1, 2027. BEFORE ITS REPEAL, THIS PART 5 IS SCHEDULED FOR  
14          REVIEW IN ACCORDANCE WITH SECTION 24-34-104.

15          **SECTION 8.** In Colorado Revised Statutes, **amend** 12-6-102 as  
16          follows:

17          **12-6-102. Definitions.** As used in this part 1, and in part 5 of this  
18          ~~article~~ ARTICLE 6, unless the context or section 12-6-502 otherwise  
19          requires:

20                 ~~(1) (Deleted by amendment, L. 92, p. 1841, § 2, effective July 1,~~  
21                 ~~1992.)~~

22                 ~~(1.5)~~(1) "ADVERTISE" OR "advertisement" means any commercial  
23                 message in any newspaper, magazine, leaflet, flyer, or catalog, on radio,  
24                 television, or a public address system, in direct mail literature or other  
25                 printed material, on any interior or exterior sign or display, in any window  
26                 display, on a computer display, or in any point-of-transaction literature or  
27                 price tag that is delivered or made available to a customer or prospective

1 customer in any manner; ~~whatsoever~~; except that ~~such~~ THE term does not  
2 include materials required to be displayed by federal or state law.

3 (2) "Board" means the motor vehicle dealer board.

4 ~~(2.4)~~(3) "Business incidental thereto" means a business owned by  
5 the motor vehicle dealer or used motor vehicle dealer related to the sale  
6 of motor vehicles, including ~~without limitation~~, motor vehicle part sales,  
7 motor vehicle repair, motor vehicle recycling, motor vehicle security  
8 interest assignment, and motor vehicle towing.

9 ~~(2.5)(a)(I)~~ (4) (a) "Buyer agent" means any person required to be  
10 licensed pursuant to this part 1 who is retained or hired by a consumer for  
11 a fee or other thing of value to assist, represent, or act on behalf of ~~such~~  
12 THE consumer in connection with the purchase or lease of a motor  
13 vehicle.

14 ~~(H) "Consumer", as used in this subsection (2.5), means a~~  
15 ~~purchaser or lessee of a motor vehicle, which vehicle is primarily used for~~  
16 ~~business, personal, family, or household purposes. "Consumer" does not~~  
17 ~~include a purchaser of motor vehicles who purchases said motor vehicles~~  
18 ~~primarily for resale.~~

19 (b) (I) "Buyer agent" does not include a person whose business  
20 includes the purchase of motor vehicles primarily for resale or lease;  
21 except that nothing in this subsection ~~(2.5) shall be construed to prohibit~~  
22 (4) PROHIBITS a buyer agent from assisting a consumer regarding the  
23 disposal of a trade-in motor vehicle that is incident to the purchase or  
24 lease of a vehicle if the buyer agent does not advertise the sale of, or sell,  
25 ~~such~~ THE vehicle to the general public, directs interested dealers and  
26 wholesalers to communicate their offers directly to the consumer or to the  
27 consumer via the buyer agent, does not handle or transfer titles or funds

1 between the consumer and the purchaser, receives no compensation from  
2 a dealer or wholesaler purchasing a consumer's vehicle, and identifies  
3 himself or herself as a buyer agent to dealers and wholesalers interested  
4 in the consumer's vehicle.

5 (II) A "buyer agent" licensed pursuant to UNDER this part 1 shall  
6 not be employed by or receive a fee from a person whose business  
7 includes the purchase of motor vehicles primarily for resale or lease, a  
8 motor vehicle manufacturer, a motor vehicle dealer, or a used motor  
9 vehicle dealer.

10 ~~(3)~~ (5) "Coerce" means to compel or attempt to compel by  
11 threatening, retaliating, OR EXERTING economic force or by not  
12 performing or complying with any terms or provisions of the franchise or  
13 agreement; except that recommendation, exposition, persuasion, urging,  
14 or argument shall not be deemed to DO NOT constitute coercion.

15 ~~(4)~~ "Community" means a franchisee's area of responsibility as set  
16 out in the franchise.

17 (6) "CONSUMER" MEANS A PURCHASER OR LESSEE OF A MOTOR  
18 VEHICLE USED FOR BUSINESS, PERSONAL, FAMILY, OR HOUSEHOLD  
19 PURPOSES. "CONSUMER" DOES NOT INCLUDE A PURCHASER OF MOTOR  
20 VEHICLES PRIMARILY FOR RESALE.

21 ~~(4.5)~~ (7) (a) "Custom trailer" means any motor vehicle which  
22 THAT is not driven or propelled by its own power and is designed to be  
23 attached to, become a part of, or be drawn by a motor vehicle and which  
24 THAT is uniquely designed and manufactured for a specific purpose or  
25 customer.

26 (b) "Custom trailer" does not include manufactured housing, farm  
27 tractors, and other machines and tools used in the production, harvest, and

1 care of farm products.

2 (8) "DIRECTOR" MEANS THE DIRECTOR OF THE AUTO INDUSTRY  
3 DIVISION CREATED IN SECTION 12-6-105.

4 ~~(5)~~(9) "Distributor" means a person, resident or nonresident, who,  
5 in whole or in part, sells or distributes new motor vehicles to motor  
6 vehicle dealers or who maintains distributor representatives.

7 ~~(6) and (7) (Deleted by amendment, L. 2003, p. 1300, § 1,  
8 effective April 22, 2003.)~~

9 ~~(7.5)~~(10) "Executive director" means the executive director of the  
10 department of revenue charged with the administration, enforcement, and  
11 issuance or denial of the licensing of buyer agents, distributors,  
12 manufacturer representatives, and manufacturers.

13 ~~(8) and (9) (Deleted by amendment, L. 2003, p. 1300, § 1,  
14 effective April 22, 2003.)~~

15 ~~(9.5)~~(11) "Fire truck" means a vehicle intended for use in the  
16 extermination of fires, with features that may include ~~but shall not be~~  
17 ~~limited to~~, a fire pump, a water tank, an aerial ladder, an elevated  
18 platform, or any combination thereof.

19 ~~(9.7)~~(12) "Franchise" means the authority to sell or service and  
20 repair motor vehicles of a designated line-make granted through a sales,  
21 service, and parts agreement with a manufacturer, distributor, or  
22 manufacturer representative.

23 ~~(10)~~(13) "Good faith" means the duty of each party to any  
24 franchise and all officers, employees, or agents thereof to act in a fair and  
25 equitable manner toward each other so as to guarantee the one party  
26 freedom from coercion, intimidation, or threats of coercion or  
27 intimidation from the other party. Recommendation, endorsement,

1 exposition, persuasion, urging, or argument shall not be deemed to  
2 constitute a lack of good faith.

3 ~~(10.5)~~ (14) "Line-make" means a group or series of motor vehicles  
4 that have the same brand identification or brand name, based upon the  
5 manufacturer's trademark, trade name, or logo.

6 ~~(11)~~ (15) "Manufacturer" means any person, firm, association,  
7 corporation, or trust, resident or nonresident, who manufactures or  
8 assembles new and unused motor vehicles; except that "manufacturer"  
9 shall DOES not include:

10 (a) ~~Any~~ A person who only manufactures utility trailers that weigh  
11 less than two thousand pounds and does not manufacture any other type  
12 of motor vehicle; and

13 (b) ~~Any~~ A person, other than a manufacturer operating a MOTOR  
14 VEHICLE dealer pursuant to IN ACCORDANCE WITH section 12-6-120.5,  
15 who is a licensed dealer selling motor vehicles that ~~such~~ THE person has  
16 manufactured.

17 ~~(11.5)~~ (16) "Manufacturer representative" means a representative  
18 employed by a person who manufactures or assembles motor vehicles for  
19 the purpose of making or promoting the sale of its motor vehicles or for  
20 supervising or contacting its dealers or prospective dealers.

21 ~~(12)~~ (17) "Motor vehicle" means every vehicle intended primarily  
22 for use ~~and operation~~ on the public highways that is self-propelled and  
23 every vehicle intended primarily for operation on the public highways that  
24 is not ~~driven or propelled by its own power~~ SELF-PROPELLED but is  
25 designed to be attached to, ~~or~~ become a part of, or ~~to~~ be drawn by a  
26 self-propelled vehicle, not including farm tractors and other machines and  
27 tools used in the production, harvesting, and care of farm products.



1 "Motor vehicle" includes ~~without limitation,~~ a low-power scooter or  
2 autocycle as either is defined in section 42-1-102. ~~C.R.S.~~

3 ~~(12.5) (Deleted by amendment, L. 92, p. 1841, § 2, effective July~~  
4 ~~1, 1992.)~~

5 ~~(12.6)~~ (18) "Motor vehicle auctioneer" means any person, not  
6 otherwise required to be licensed pursuant to this part 1, who is engaged  
7 in the business of offering to sell, or selling, used motor vehicles owned  
8 by persons other than the auctioneer at public auction only. Any  
9 auctioning of motor vehicles by an auctioneer ~~shall~~ MUST be incidental to  
10 the primary business of auctioning goods.

11 ~~(13)~~ (19) "Motor vehicle dealer" means a person who, for  
12 commission or with intent to make a profit or gain of money or other  
13 thing of value, sells, leases, exchanges, rents with option to purchase,  
14 offers, or attempts to negotiate a sale, lease, or exchange of an interest in  
15 new or new and used motor vehicles or who is engaged wholly or in part  
16 in the business of selling or leasing new or new and used motor vehicles,  
17 whether or not ~~such~~ THE motor vehicles are owned by ~~such~~ THE person.  
18 The sale or lease of three or more new or new and used motor vehicles or  
19 the offering for sale or lease of more than three new or new and used  
20 motor vehicles at the same address or telephone number in any one  
21 calendar year ~~shall be~~ IS prima facie evidence that a person is engaged in  
22 the business of selling or leasing new or new and used motor vehicles.  
23 "Motor vehicle dealer" includes an owner of real property who allows  
24 more than three new or new and used motor vehicles to be offered for  
25 sale or lease on ~~such~~ THE property during one calendar year unless said  
26 property is leased to a licensed motor vehicle dealer. "Motor vehicle  
27 dealer" does not include:

1 (a) Receivers, trustees, administrators, executors, guardians, or  
2 other persons appointed by or acting under the judgment or order of any  
3 court;

4 (b) Public officers while performing their official duties;

5 (c) Employees of ~~persons enumerated in the definition of~~ A motor  
6 vehicle dealer when engaged in the specific performance of their duties  
7 as ~~such~~ employees;

8 (d) A wholesaler ~~as defined in subsection (18) of this section,~~ or  
9 anyone selling motor vehicles solely to wholesalers;

10 (e) Any person engaged in the selling of a fire truck; OR

11 (f) A motor vehicle auctioneer. ~~as defined in subsection (12.6) of~~  
12 ~~this section.~~

13 ~~(14)~~ (20) "Motor vehicle salesperson" means a natural person  
14 who, for a salary, commission, or compensation of any kind, is employed  
15 either directly or indirectly, regularly or occasionally, by a motor vehicle  
16 dealer or used motor vehicle dealer to sell, lease, purchase, or exchange  
17 or to negotiate for the sale, lease, purchase, or exchange of motor  
18 vehicles.

19 (21) "NEW MOTOR VEHICLE" MEANS A MOTOR VEHICLE THAT HAS  
20 BEEN TRANSFERRED ON A MANUFACTURER'S STATEMENT OF ORIGIN AND  
21 THAT HAS SUFFICIENTLY LOW MILEAGE TO BE CONSIDERED NEW, AS  
22 DETERMINED BY THE BOARD.

23 ~~(15)~~ (22) "Person" means any natural person, estate, trust, limited  
24 liability company, partnership, association, corporation, or other legal  
25 entity, including ~~without limitation,~~ a registered limited liability  
26 partnership.

27 ~~(16)~~ (23) "Principal place of business" means a site or location

1 devoted exclusively to the business for which the motor vehicle dealer or  
2 used motor vehicle dealer is licensed, and businesses incidental thereto,  
3 sufficiently designated to admit of definite description, with ADEQUATE  
4 CONTIGUOUS space ~~thereon or contiguous thereto~~ adequate to permit the  
5 display of one or more new or used motor vehicles, ~~and on which there~~  
6 ~~shall be located or erected~~ WITH a permanent enclosed building or  
7 structure large enough to accommodate the office of the dealer and to  
8 provide a safe place to keep the books and other records of the business  
9 of ~~such~~ THE dealer, at which site or location the principal portion of ~~such~~  
10 THE dealer's business shall be conducted and the books and records  
11 thereof kept and maintained; except that a dealer may keep its books and  
12 records at an off-site location in Colorado after notifying the board in  
13 writing of ~~such~~ THE location at least thirty days in advance.

14 ~~(16.5)~~ (24) "Recreational vehicle" means a camping trailer, fifth  
15 wheel trailer, motor home, recreational park trailer, travel trailer, or truck  
16 camper, all as defined in section 24-32-902, ~~C.R.S.~~, or multipurpose  
17 trailer, as defined in section 42-1-102. ~~C.R.S.~~

18 ~~(16.6)~~ (25) "Sales, service, and parts agreement" means an  
19 agreement between a manufacturer, distributor, or manufacturer  
20 representative and a motor vehicle or powersports dealer authorizing the  
21 dealer to sell and service a line-make of motor or powersports vehicles or  
22 imposing any duty on the dealer in consideration for the right to have or  
23 competitively operate a franchise, including any amendments or  
24 additional related agreements thereto. Each amendment, modification, or  
25 addendum that materially affects the rights, responsibilities, or obligations  
26 of the contracting parties creates a new sales, service, and parts  
27 agreement.

1           ~~(16.7)~~ (26) "Site control provision" means an agreement that  
2 applies to real property owned or leased by ~~the~~ A franchisee and that gives  
3 a motor vehicle or powersports vehicle manufacturer, distributor, or  
4 manufacturer representative the right to:

- 5           (a) Control the use and development of the real property;
- 6           (b) Require the franchisee to establish or maintain an exclusive  
7 dealership facility at the real property; or
- 8           (c) Restrict the franchisee from transferring, selling, leasing,  
9 developing, or changing the use of the real property.

10           ~~(17)~~ (27) "Used motor vehicle dealer" means ~~any~~ A person who,  
11 for commission or with intent to make a profit or gain of money or other  
12 thing of value, sells, exchanges, leases, or offers an interest in used motor  
13 vehicles, or attempts to negotiate a sale, exchange, or lease of used ~~and~~  
14 ~~new~~ motor vehicles, or who is engaged wholly or in part in the business  
15 of selling used motor vehicles, whether or not ~~such~~ THE motor vehicles  
16 are owned by ~~such~~ THE person. The sale of three or more used motor  
17 vehicles or the offering for sale of more than three used motor vehicles  
18 at the same address or telephone number in any one calendar year ~~shall~~  
19 ~~be~~ IS prima facie evidence that a person is engaged in the business of  
20 selling used motor vehicles. "Used motor vehicle dealer" includes ~~any~~ AN  
21 owner of real property who allows more than three used motor vehicles  
22 to be offered for sale on ~~such~~ THE property during one calendar year  
23 unless said property is leased to a licensed used motor vehicle dealer.  
24 "Used motor vehicle dealer" does not include:

- 25           (a) Receivers, trustees, administrators, executors, guardians, or  
26 other persons appointed by or acting under the judgment or order of any  
27 court;

1 (b) Public officers while performing their official duties;

2 (c) Employees of ~~persons enumerated in the definition of A~~ used  
3 motor vehicle dealer when engaged in the specific performance of their  
4 duties as ~~such~~ employees;

5 (d) A wholesaler ~~as defined in subsection (18) of this section~~, or  
6 anyone selling motor vehicles solely to wholesalers;

7 (e) Mortgagees or secured parties as to sales in any one year of not  
8 more than twelve motor vehicles constituting collateral on a mortgage or  
9 security agreement, if ~~such~~ THE mortgagees or secured parties ~~shall~~ DO  
10 not realize for their own account ~~from such sales~~ any ~~moneys~~ MONEY in  
11 excess of the outstanding balance secured by ~~such~~ THE mortgage or  
12 security agreement, plus costs of collection;

13 (f) ~~Any~~ A person who only sells or exchanges no more than four  
14 motor vehicles that are collector's items under part 3 or 4 of article 12 of  
15 title 42; ~~C.R.S.~~;

16 (g) A motor vehicle auctioneer; ~~as defined in subsection (12.6) of~~  
17 ~~this section~~; OR

18 (h) An operator, as defined in section 42-4-2102 (5), ~~C.R.S.~~; who  
19 sells a motor vehicle pursuant to section 42-4-2104. ~~C.R.S.~~

20 ~~(17.5)~~ (28) "Wholesale motor vehicle auction dealer" means ~~any~~  
21 A person or firm that provides auction services in wholesale transactions  
22 in which the purchasers are motor vehicle dealers licensed by this state or  
23 any other jurisdiction or in consumer transactions of government vehicles  
24 at a time and place that does not conflict with a wholesale motor vehicle  
25 auction conducted by that licensee.

26 ~~(18)~~ (29) "Wholesaler" means a person who, for commission or  
27 with intent to make a profit or gain of money or other thing of value,

1 sells, exchanges, or offers or attempts to negotiate a sale, lease, or  
2 exchange of an interest in new or new and used motor vehicles solely to  
3 motor vehicle dealers or used motor vehicle dealers.

4 **SECTION 9.** In Colorado Revised Statutes, 12-6-104, **amend**  
5 (3)(a.5), (3)(d)(II), (3)(e)(I), (3)(f), (3)(k)(IV), and (3)(m)(I)(A) as  
6 follows:

7 **12-6-104. Board - oath - meetings - powers and duties - rules.**

8 (3) The board is authorized and empowered:

9 (a.5) To delegate to the board's executive secretary, employed  
10 pursuant to section 12-6-105 ~~(1)(b)~~ (2)(b), the authority to execute all  
11 actions within the power of the board, carry out the directives of the  
12 board, and make recommendations to the board on all matters within the  
13 authority of the board;

14 (d) (II) To permit the executive director or the ~~executive director's~~  
15 ~~designee~~, DIRECTOR to issue licenses pursuant to rules ~~and regulations~~  
16 adopted by the board pursuant to ~~paragraph (a) of this subsection (3)~~  
17 SUBSECTION (3)(a) OF THIS SECTION;

18 (e) (I) After due notice and a hearing, to review the findings of an  
19 administrative law judge or a hearing officer from a hearing conducted  
20 pursuant to this part 1 to revoke and suspend or to order the ~~executive~~  
21 director to issue or to reinstate, on such terms and conditions and for such  
22 period of time as to the board ~~shall~~ appear fair and just, any license issued  
23 under ~~and pursuant to the terms and provisions of this part 1.~~ The board  
24 may direct a letter of admonition for minor violations or may issue a letter  
25 of reprimand to any licensee for a violation of this part 1. A letter of  
26 admonition does not become a part of the licensee's record with the board.  
27 A letter of reprimand is a part of the licensee's record with the board for

1 a period of two years after issuance and may be considered in aggravation  
2 of any subsequent violation by the licensee. When a letter of reprimand  
3 is sent to a licensee of the board, ~~such~~ THE licensee shall be notified in  
4 writing regarding the right to request in writing, within twenty days after  
5 receipt of such letter, that formal disciplinary proceedings be initiated  
6 against ~~such~~ THE licensee to adjudicate the propriety of the conduct upon  
7 which the letter of reprimand is based. If a request is made within ~~such~~  
8 ~~time~~ THE TWENTY-DAY period, the letter of reprimand is deemed vacated  
9 and the matter shall be processed by means of formal disciplinary  
10 proceedings.

11 (f) (I) To investigate through the ~~executive~~ director, on its own  
12 motion or upon the written and signed complaint of any person, any  
13 suspected or alleged violation by ~~any~~ A motor vehicle dealer, motor  
14 vehicle salesperson, used motor vehicle dealer, wholesale motor vehicle  
15 auction dealer, or wholesaler ~~licensee~~ of any of the terms and provisions  
16 of this part 1 or of any rule ~~or regulation~~ promulgated by the board under  
17 the authority conferred upon it in this section. The board shall order an  
18 investigation of all written and signed complaints, ~~shall have the authority~~  
19 ~~to~~ MAY issue subpoenas, and ~~to~~ MAY delegate the authority to issue  
20 subpoenas to the ~~executive~~ director, and the ~~executive~~ director shall make  
21 an investigation of all ~~such~~ complaints transmitted by the board pursuant  
22 to section 12-6-105 ~~(f)(d)~~ (3). The board ~~has the authority to~~ MAY seek  
23 to resolve disputes before beginning an investigation or hearing through  
24 its own action or by direction to the ~~executive~~ director.

25 (II) After an investigation by the ~~executive~~ director or the  
26 ~~executive~~ director's designee, if the board determines that there is  
27 probable cause to believe a violation of this ~~article~~ ARTICLE 6 has

1 occurred, it may order that an administrative hearing be held pursuant to  
2 section 24-4-105, C.R.S., or may designate one of the board's members  
3 as a hearing officer to conduct a hearing pursuant to section 24-4-105,  
4 C.R.S.

5 (k) (IV) ~~TO~~ THE BOARD MAY require a licensee to include with a  
6 consumer sales contract a written notice that provides to the consumer the  
7 contact information of the board and information about the board's  
8 authority over consumer motor vehicle sales.

9 (m) (I) (A) ~~If a hearing is held before an administrative law judge~~  
10 ~~or a hearing officer designated by the board from within the board's~~  
11 ~~membership, after due notice and a hearing by such judge or hearing~~  
12 ~~officer pursuant to section 24-4-105, C.R.S., to review the findings of law~~  
13 ~~and fact and the fairness of any fine imposed and to uphold such fine, to~~  
14 ~~impose an administrative fine upon its own initiative, which shall not~~  
15 ~~exceed ten thousand dollars for each separate offense by any licensee, or~~  
16 ~~to vacate the fine imposed by the judge or hearing officer; except that, for~~  
17 ~~motor vehicle dealers who sell primarily vehicles that weigh under one~~  
18 ~~thousand five hundred pounds, the fine for each separate offense shall not~~  
19 ~~exceed one thousand dollars~~ AFTER FINAL ACTION IS TAKEN ON A HEARING  
20 HELD BEFORE AN ADMINISTRATIVE LAW JUDGE OR A HEARING OFFICER, TO  
21 REVIEW THE FINDINGS OF LAW AND FACT AND THE FAIRNESS OF ANY FINE  
22 IMPOSED AND TO UPHOLD THE FINE, TO IMPOSE AN ADMINISTRATIVE FINE  
23 UPON ITS OWN INITIATIVE, NOT TO EXCEED TEN THOUSAND DOLLARS FOR  
24 EACH OFFENSE BY ANY LICENSEE, OR TO VACATE THE FINE IMPOSED BY  
25 THE JUDGE OR HEARING OFFICER; EXCEPT THAT, FOR MOTOR VEHICLE  
26 DEALERS WHO SELL PRIMARILY MOTOR VEHICLES THAT WEIGH UNDER ONE  
27 THOUSAND FIVE HUNDRED POUNDS, THE FINE FOR EACH OFFENSE MUST



1 NOT EXCEED ONE THOUSAND DOLLARS. Whenever a hearing is heard by  
2 an administrative law judge, the maximum fine that may be imposed is  
3 ten thousand dollars for each ~~separate~~ offense by any person licensed by  
4 the board ~~pursuant to~~ UNDER this part 1; except that, for motor vehicle  
5 dealers who sell primarily vehicles that weigh under one thousand five  
6 hundred pounds, the fine for each ~~separate~~ offense ~~may~~ MUST not exceed  
7 one thousand dollars. Whenever a licensing hearing is conducted by a  
8 hearing officer, the sanctions that may be recommended by the hearing  
9 officer are limited to the denial or grant of an unrestricted license or a  
10 restricted license under such terms as the hearing officer deems  
11 appropriate. Whenever a disciplinary hearing is conducted by a hearing  
12 officer, the hearing officer may only recommend a probationary period of  
13 no more than twelve months, a fine of no more than five hundred dollars,  
14 or both ~~such~~ A probationary period and fine for each ~~separate~~ violation  
15 committed by a person licensed by the board.

16 **SECTION 10.** In Colorado Revised Statutes, **amend** 12-6-105 as  
17 follows:

18 **12-6-105. Auto industry division - creation - powers and duties**  
19 **of executive director and director.** (1) THERE IS HEREBY CREATED IN  
20 THE DEPARTMENT OF REVENUE THE AUTO INDUSTRY DIVISION, THE HEAD  
21 OF WHICH IS THE DIRECTOR OF THE DIVISION. THE DIRECTOR IS APPOINTED  
22 BY THE EXECUTIVE DIRECTOR OF THE DEPARTMENT AND SERVES AT THE  
23 PLEASURE OF THE EXECUTIVE DIRECTOR. THE DIVISION SHALL EXERCISE  
24 ITS POWERS AND PERFORM ITS DUTIES AND FUNCTIONS UNDER THE  
25 DEPARTMENT AS IF THE DIVISION WERE TRANSFERRED TO THE  
26 DEPARTMENT BY A **TYPE 2** TRANSFER AS DESCRIBED IN SECTION 24-1-105.

27 (†) (2) The executive director is hereby charged with the

1 administration, enforcement, and issuance or denial of the licensing of  
2 buyer agents, distributors, manufacturer representatives, and ~~motor~~  
3 ~~vehicle~~ manufacturers, and ~~shall have~~ HAS the following powers and  
4 duties:

5 (a) To promulgate, amend, and repeal reasonable rules ~~and~~  
6 ~~regulations~~ relating to those functions the executive director is mandated  
7 to carry out pursuant to this part 1 and the laws of the state of Colorado  
8 that the executive director deems necessary to ~~carry out the duties of the~~  
9 ~~office of the executive director pursuant to~~ IMPLEMENT this part 1;

10 (b) To employ, subject to the laws of the state of Colorado and  
11 after consultation with the board, an executive secretary for the board,  
12 ~~The executive secretary shall be~~ WHO IS accountable to the board and  
13 shall, pursuant to delegation by the board, discharge the responsibilities  
14 of the board under this part 1; ~~The executive director may also employ~~  
15 ~~such clerks, deputies, and assistants as the executive director considers~~  
16 ~~necessary to discharge the duties imposed upon the executive director by~~  
17 ~~this part 1 and to designate the duties of such clerks, deputies, and~~  
18 ~~assistants.~~

19 (c) To issue and, for reasonable cause shown or upon satisfactory  
20 proof of the unfitness of the applicant under standards established and set  
21 forth in this part 1, to refuse to issue to any applicant any license the  
22 executive director is authorized to issue by this part 1;

23 (d) ~~(I) To investigate upon the executive director's own initiative,~~  
24 ~~upon the written and signed complaint of any person, or upon request by~~  
25 ~~the board pursuant to section 12-6-104 (3)(f)(I), any suspected or alleged~~  
26 ~~violation by any person licensed by the executive director pursuant to this~~  
27 ~~part 1 of any of the terms and provisions of this part 1 or of any rule or~~

1 regulation promulgated by the executive director under the authority  
2 conferred upon the executive director in this section;

3 ~~(H) The investigators and their supervisors utilized by the~~  
4 ~~executive director, pursuant to subparagraph (I) of this paragraph (d),~~  
5 ~~while actually engaged in performing their duties, shall have the authority~~  
6 ~~as delegated by the executive director to issue subpoenas in relation to~~  
7 ~~performance of their duties relating to licensees who are under the~~  
8 ~~jurisdiction of the executive director and the authority as delegated by the~~  
9 ~~executive director to issue summonses for violations of sections 12-6-120~~  
10 ~~(2) and 42-6-142, C.R.S., to issue misdemeanor summonses for violations~~  
11 ~~of section 12-6-119.5 (1)(a), and to procure criminal records during an~~  
12 ~~investigation.~~

13 (e) (d) To prescribe the forms to be used for applications for  
14 licenses to be issued by the executive director under the provisions of this  
15 part 1 and to require of such applicants, as a condition precedent to the  
16 issuance of such licenses, such information concerning the applicant's  
17 fitness to be licensed under this part 1 as the executive director considers  
18 necessary;

19 (f) (e) (I) To summarily issue cease-and-desist orders on such  
20 terms and conditions and for such period of time as to the executive  
21 director appears fair and just to any person who is licensed by the  
22 executive director pursuant to this part 1 if such orders are followed by  
23 notice and a hearing pursuant to section 12-6-104 (3)(e)(I);

24 (II) To issue cease-and-desist orders to persons acting as ~~motor~~  
25 ~~vehicle~~ manufacturers without the manufacturer's license required by this  
26 part 1; AND

27 (III) To impose a fine, not to exceed one thousand dollars per day,

1 for each violation of section 12-6-120 (1) after a notice and hearing  
2 subject to section 24-4-105. C.R.S.

3 ~~(g) (Deleted by amendment, L. 92, p. 1847, § 5, effective July 1,~~  
4 ~~1992.)~~

5 (3) (a) THE DIRECTOR MAY:

6 (I) EMPLOY SUCH CLERKS, DEPUTIES, AND ASSISTANTS AS THE  
7 DIRECTOR CONSIDERS NECESSARY TO DISCHARGE THE DUTIES IMPOSED  
8 UPON THE DIRECTOR OR EXECUTIVE DIRECTOR BY THIS PART 1 AND TO  
9 DESIGNATE THE DUTIES OF SUCH CLERKS, DEPUTIES, AND ASSISTANTS;

10 (II) INVESTIGATE, UPON THE DIRECTOR'S OWN INITIATIVE, UPON  
11 THE WRITTEN AND SIGNED COMPLAINT OF ANY PERSON, OR UPON REQUEST  
12 BY THE BOARD UNDER SECTION 12-6-104 (3)(f)(I), ANY SUSPECTED OR  
13 ALLEGED VIOLATION BY A PERSON LICENSED UNDER THIS PART 1 OR OF  
14 ANY RULE PROMULGATED UNDER THIS ARTICLE 6.

15 (b) THE INVESTIGATORS AND THEIR SUPERVISORS UTILIZED BY THE  
16 DIRECTOR, WHILE ACTUALLY ENGAGED IN PERFORMING THEIR DUTIES,  
17 HAVE THE AUTHORITY AS DELEGATED BY THE DIRECTOR TO ISSUE  
18 SUBPOENAS IN RELATION TO PERFORMANCE OF THEIR DUTIES ENFORCING  
19 THIS PART 1 AND THE AUTHORITY AS DELEGATED BY THE DIRECTOR TO  
20 ISSUE SUMMONSES FOR VIOLATIONS OF SECTIONS 12-6-120 (2) AND  
21 42-6-142, TO ISSUE MISDEMEANOR SUMMONSES FOR VIOLATIONS OF  
22 SECTION 12-6-119.5 (1)(a), AND TO PROCURE CRIMINAL RECORDS DURING  
23 AN INVESTIGATION.

24 ~~(2) (4) In the event~~ IF any person fails to comply with a  
25 cease-and-desist order issued pursuant to this section, the executive  
26 director may bring a suit for injunction to prevent any further and  
27 continued violation of such order. In any such suit, the final proceedings

1 of the executive director, based upon evidence in record, ~~shall be~~ ARE  
2 prima facie evidence of the facts found therein.

3 (3) (5) The executive director may impose a civil fine of not less  
4 than ten thousand dollars and not more than twenty-five thousand dollars  
5 on a ~~motor vehicle~~ manufacturer, distributor, or manufacturer  
6 representative who knowingly violates section 12-6-120.3 (5). Each day  
7 that a manufacturer, distributor, or manufacturer representative violates  
8 section 12-6-120.3 (5) by failing to offer the right of first refusal or  
9 failing to make a payment required by section 12-6-120.3 (5) is a separate  
10 offense.

11 **SECTION 11.** In Colorado Revised Statutes, **amend** 12-6-106 as  
12 follows:

13 **12-6-106. Records as evidence.** Copies of all records and papers  
14 in the office of the board, DIRECTOR, or executive director, duly  
15 authenticated under the hand and seal of the board, DIRECTOR, or  
16 executive director, shall be received in evidence in all cases equally and  
17 with like effect as the original thereof.

18 **SECTION 12.** In Colorado Revised Statutes, 12-6-107, **amend**  
19 (1) as follows:

20 **12-6-107. Attorney general to advise and represent.** (1) The  
21 attorney general of this state shall represent the board, DIRECTOR, and  
22 executive director and shall give opinions on all questions of law relating  
23 to the interpretation of this part 1 or arising out of the administration  
24 thereof and shall appear for and in behalf of the board, DIRECTOR, and  
25 executive director in all actions brought by or against them, whether  
26 under ~~the provisions of~~ this part 1 or otherwise.

27 **SECTION 13.** In Colorado Revised Statutes, 12-6-108, **amend**

1 (1) introductory portion and (1)(c) as follows:

2 **12-6-108. Classes of licenses.** (1) THE FOLLOWING CLASSES OF  
3 licenses ARE issued under ~~the provisions of this part 1: shall be of the~~  
4 ~~following classes:~~

5 (c) A motor vehicle salesperson's license ~~shall permit~~ PERMITS the  
6 licensee to engage in the activities of a motor vehicle salesperson WHILE  
7 EMPLOYED BY A LICENSED MOTOR VEHICLE DEALER OR USED MOTOR  
8 VEHICLE DEALER.

9 **SECTION 14.** In Colorado Revised Statutes, **amend** 12-6-108.5  
10 as follows:

11 **12-6-108.5. Temporary motor vehicle dealer license.** (1) (a) If  
12 a licensed MOTOR vehicle dealer has entered into a written agreement to  
13 sell a dealership to a purchaser and the purchaser has been awarded a new  
14 dealership franchise, the board may issue a temporary motor vehicle  
15 dealer's license to ~~such~~ THE purchaser or prospective purchaser. The  
16 ~~executive~~ director shall issue the temporary license only after the board  
17 has received the applications for both a temporary motor vehicle dealer's  
18 license and a motor vehicle dealer's license, the appropriate application  
19 fee for the motor vehicle dealer's application, evidence of a passing test  
20 score, and evidence that the franchise has been awarded to the applicant  
21 by the manufacturer. ~~Such~~

22 (b) A temporary motor vehicle dealer's license ~~shall authorize~~  
23 AUTHORIZES the licensee to act as a motor vehicle dealer. ~~Such~~  
24 Temporary licensees ~~shall be~~ ARE subject to ~~all the provisions of this~~  
25 ~~article~~ ARTICLE 6 and to all applicable rules ~~and regulations~~ adopted by  
26 the executive director or the board. ~~Such~~ A temporary motor vehicle  
27 dealer's license ~~shall be~~ IS effective for up to sixty days or until the board

1 acts on ~~such~~ THE licensee's application for a motor vehicle dealer's  
2 license, whichever is sooner.

3 (2) For the purpose of enabling an out-of-state dealer to sell  
4 vehicles on a temporary basis during specifically identified events, the  
5 ~~executive~~ director may issue, upon direction by the board, a temporary  
6 MOTOR VEHICLE dealer's license, which ~~shall be~~ IS effective for thirty  
7 days. ~~Such~~ THE temporary license ~~shall~~ LICENSEE IS subject ~~the licensee~~  
8 ~~to compliance with~~ TO THE rules and regulations adopted by the executive  
9 director or the board.

10 **SECTION 15.** In Colorado Revised Statutes, **amend** 12-6-109 as  
11 follows:

12 **12-6-109. Display, form, custody, and use of licenses.** (1) The  
13 board and the executive director shall prescribe the form of the license to  
14 be issued by the executive director and ~~each license shall have imprinted~~  
15 ~~thereon~~ IMPRINT ON EACH LICENSE the seal of their offices. ~~The license of~~  
16 ~~THE EXECUTIVE DIRECTOR SHALL MAIL THE LICENSE TO THE BUSINESS~~  
17 ~~ADDRESS WHERE THE MOTOR VEHICLE SALESPERSON IS LICENSED.~~ Each  
18 motor vehicle salesperson shall ~~be mailed to the business address where~~  
19 ~~the salesperson is licensed under this article and shall be kept by the~~  
20 ~~salesperson at such~~ KEEP A COPY OF THE LICENSE AT THE salesperson's  
21 place of employment for inspection by employers, consumers, THE  
22 DIRECTOR, the executive director, or the board. ~~It is the duty of~~ Each  
23 motor vehicle dealer, manufacturer, distributor, wholesaler, manufacturer  
24 representative, wholesale motor vehicle auction dealer, or used motor  
25 vehicle dealer ~~to~~ SHALL display conspicuously ~~such~~ EACH person's ~~own~~  
26 ~~license in such person's~~ LICENSE AT THE place of business FOR WHICH THE  
27 LICENSE WAS ISSUED.

1           (2) Each license issued ~~pursuant to~~ UNDER this part 1 is separate  
2 and distinct. It ~~shall be~~ IS a violation of this part 1 for a person to exercise  
3 any of the privileges granted under a license that ~~such~~ THE person does  
4 not hold, or for a licensee to knowingly allow such an exercise of  
5 privileges.

6           **SECTION 16.** In Colorado Revised Statutes, 12-6-110, **amend**  
7 (2), (2.5), and (3)(b); and **repeal** (3)(d) as follows:

8           **12-6-110. Fees - disposition - expenses - expiration of licenses.**

9           (2) All ~~such~~ fees shall be paid to the state treasurer, who shall credit the  
10 ~~same~~ FEES to the auto dealers license fund CREATED IN SECTION 12-6-123.

11           (2.5) If an application for a buyer agent's, motor vehicle dealer's,  
12 used motor vehicle dealer's, wholesaler's, or MOTOR VEHICLE  
13 salesperson's license is withdrawn by the applicant prior to issuance of the  
14 license, THE DIRECTOR SHALL REFUND one-half of the license fee. ~~shall be~~  
15 ~~refunded.~~

16           (3) (b) Thirty days ~~prior to~~ BEFORE the expiration of ~~such~~ licenses  
17 ~~A LICENSE, the executive director shall mail to any such~~ THE licensee's  
18 ~~business address of record a notice stating when such~~ THE person's license  
19 is due to expire and the fee necessary to renew ~~such~~ THE license. For a  
20 salesperson or manufacturer representative, the notice shall be mailed to  
21 the address of the dealer or manufacturer where ~~such~~ THE person is  
22 licensed.

23           (d) ~~A transition procedure for licensees licensed prior to July 1,~~  
24 ~~1992, shall be established by the board or the executive director by rule~~  
25 ~~and regulation.~~

26           **SECTION 17.** In Colorado Revised Statutes, **amend** 12-6-112.7  
27 as follows:



1           **12-6-112.7. Notice of claims honored against bond.** (1) ~~Any A~~  
2 corporate surety ~~which~~ THAT has provided a bond to a licensee pursuant  
3 to ~~the requirements of~~ section 12-6-111, 12-6-112, or 12-6-112.2 shall  
4 provide notice to the board and ~~executive~~ director of any claim ~~which~~  
5 THAT is honored against ~~such~~ THE bond ~~Such notice shall be provided to~~  
6 ~~the board and executive director~~ within thirty days after a THE claim is  
7 honored.

8           (2) A notice provided by a corporate surety pursuant to ~~the~~  
9 ~~requirement of~~ subsection (1) of this section ~~shall~~ MUST be in ~~such~~ THE  
10 form as required by the ~~executive~~ director, subject to approval by the  
11 board, and ~~shall~~ MUST include ~~but shall not be limited to~~, the name of the  
12 licensee, the name and address of the claimant, the amount of the honored  
13 claim, and the nature of the claim against the licensee.

14           **SECTION 18.** In Colorado Revised Statutes, **amend** 12-6-114 as  
15 follows:

16           **12-6-114. Filing of written warranties.** ~~All~~ EACH licensed  
17 ~~manufacturers~~ MANUFACTURER shall file with the ~~executive~~ director all  
18 written warranties and changes in written warranties that ~~such~~ THE  
19 manufacturer makes on any motor vehicle or parts thereof. ~~All~~ EACH  
20 licensed ~~manufacturers~~ MANUFACTURER shall file with the ~~executive~~  
21 director a copy of the delivery and preparation obligations of a  
22 ~~manufacturer's dealer~~ ITS DEALERS, and these warranties and obligations  
23 ~~shall~~ constitute the dealer's only responsibility for product liability as  
24 between the dealer and the manufacturer. Any mechanical, body, or parts  
25 defects arising from any express or implied warranties of the  
26 manufacturer ~~shall~~ constitute the manufacturer's product or warranty  
27 liability, and the manufacturer shall reasonably compensate any

1 authorized dealer who performs work to rectify ~~said~~ THE manufacturer's  
2 product or warranty defects.

3 **SECTION 19.** In Colorado Revised Statutes, 12-6-115, **amend**  
4 (4), (5)(a) introductory portion, (5)(a)(I), (5)(b), and (7)(h); and **add** (8)  
5 as follows:

6 **12-6-115. Application - prelicensing education -**  
7 **fingerprint-based background check - rules.** (4) ~~All persons applying~~  
8 ~~for a motor~~ TO BE LICENSED AS A MOTOR vehicle ~~dealer's license shall~~  
9 DEALER, A PERSON MUST file with the board a certified copy of a  
10 certificate of appointment as a dealer from a manufacturer.

11 (5) (a) Each person applying for a manufacturer's or distributor's  
12 license ~~shall~~ MUST:

13 (I) File with the ~~executive~~ director a certified copy of ~~their~~ A  
14 typical sales, service, and parts agreement with all motor vehicle dealers;  
15 and

16 (b) Within sixty days after amending or modifying or adding an  
17 addendum to the sales, service, or parts agreement of more than one  
18 motor vehicle dealer, a licensed manufacturer or distributor shall file a  
19 certified copy of the new sales, service, and parts agreement, including  
20 the changes, with the ~~executive~~ director if the amendment, modification,  
21 or addendum materially alters the rights and obligations of the contracting  
22 parties.

23 (7) (h) An approved prelicensing program provider shall submit  
24 a certificate to the ~~executive~~ director for each person who successfully  
25 completes the prelicensing education program. The certificate may be  
26 transmitted electronically.

27 (8) (a) WITH THE SUBMISSION OF AN APPLICATION FOR ANY

1 LICENSE ISSUED UNDER THIS PART 1, EACH APPLICANT SHALL SUBMIT A  
2 COMPLETE SET OF FINGERPRINTS TO THE COLORADO BUREAU OF  
3 INVESTIGATION OR THE AUTO INDUSTRY DIVISION FOR THE PURPOSE OF  
4 CONDUCTING FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECKS.  
5 THE COLORADO BUREAU OF INVESTIGATION SHALL FORWARD THE  
6 FINGERPRINTS TO THE FEDERAL BUREAU OF INVESTIGATION FOR THE  
7 PURPOSE OF CONDUCTING FINGERPRINT-BASED CRIMINAL HISTORY RECORD  
8 CHECKS. THE BOARD OR THE EXECUTIVE DIRECTOR SHALL USE THE  
9 INFORMATION RESULTING FROM THE FINGERPRINT-BASED CRIMINAL  
10 HISTORY RECORD CHECK TO INVESTIGATE AND DETERMINE WHETHER AN  
11 APPLICANT IS QUALIFIED TO BE LICENSED. THE BOARD OR THE EXECUTIVE  
12 DIRECTOR MAY VERIFY THE INFORMATION AN APPLICANT IS REQUIRED TO  
13 SUBMIT. THE APPLICANT SHALL PAY THE COSTS ASSOCIATED WITH THE  
14 FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK TO THE  
15 COLORADO BUREAU OF INVESTIGATION.

16 (b) THIS SUBSECTION (8) DOES NOT APPLY TO A PUBLICLY TRADED  
17 COMPANY OR THE COMPANY'S SUBSIDIARY.

18 **SECTION 20.** In Colorado Revised Statutes, 12-6-116, **amend**  
19 (2);     and **add** (6) as follows:

20 **12-6-116. Notice of change of address or status.** (2) (a) ~~Should~~  
21 ~~the~~ IF A motor vehicle dealer ~~change~~ CHANGES to a new ~~line~~ LINE-MAKE  
22 of motor vehicles, ~~add~~ ADDS another franchise for the sale of new motor  
23 vehicles, or ~~cancel~~ CANCELS or, for any cause whatever, otherwise ~~lose~~  
24 LOSES a franchise for the sale of new motor vehicles, ~~such~~ THE dealer  
25 shall immediately so notify the board. In the case of a cancellation or loss  
26 of franchise, the board shall determine whether ~~or not by reason thereof~~  
27 ~~such~~ THE dealer WHO LOST THE FRANCHISE should be licensed as a used

1 motor vehicle dealer. ~~in which case~~

2 (b) IF THE MOTOR VEHICLE DEALER NO LONGER POSSESSES A  
3 FRANCHISE TO SELL NEW MOTOR VEHICLES, the board shall take up, and  
4 the motor vehicle dealer shall deliver to ~~it such~~ THE BOARD, THE dealer's  
5 license, and the board shall direct the ~~executive~~ director to ~~thereupon~~  
6 issue ~~to such~~ THE dealer a used motor vehicle dealer's license.

7 (c) Upon the cancellation or loss of a franchise to sell new motor  
8 vehicles and the relicensing of ~~such~~ A dealer as a used motor vehicle  
9 dealer, ~~such~~ THE dealer may continue in the business ~~for which~~ OF a  
10 motor vehicle dealer ~~is licensed~~ for a time, not exceeding six months ~~from~~  
11 AFTER the date of the relicensing of ~~such~~ THE dealer, to enable ~~such~~ THE  
12 dealer to dispose of the stock of new motor vehicles on hand at the time  
13 of ~~such~~ relicensing, but not otherwise.

14

==

15 (6) (a) EXCEPT AS SPECIFIED IN SUBSECTION (6)(d) OF THIS  
16 SECTION:

17 (I) A PERSON HOLDING AN OWNERSHIP INTEREST IN A LICENSED  
18 CORPORATION, LIMITED LIABILITY COMPANY, LIMITED LIABILITY  
19 PARTNERSHIP, OR OTHER BUSINESS ENTITY SHALL NOT SELL THE INTEREST  
20 TO A PERSON WHO DOES NOT ALREADY OWN AN INTEREST IN THE BUSINESS  
21 ENTITY UNTIL THE OWNER APPLIES TO THE BOARD TO BE APPROVED TO  
22 HOLD AN OWNERSHIP INTEREST IN THE BUSINESS ENTITY AND THE BOARD  
23 APPROVES THE PERSON TO HOLD THE INTEREST.

24 (II) A LICENSED CORPORATION, LIMITED LIABILITY COMPANY,  
25 LIMITED LIABILITY PARTNERSHIP, OR OTHER BUSINESS ENTITY SHALL  
26 NOTIFY THE BOARD WITHIN TEN DAYS AFTER A TRANSFER, OTHER THAN A  
27 SALE, OF ANY OWNERSHIP THAT RESULTS IN A NEW PERSON HOLDING AN

1 INTEREST IN THE BUSINESS ENTITY. TO CONTINUE TO HOLD OWNERSHIP IN  
2 THE BUSINESS, THE TRANSFEREE SHALL APPLY TO THE BOARD FOR  
3 APPROVAL TO CONTINUE HOLDING AN OWNERSHIP INTEREST IN THE  
4 BUSINESS ENTITY.

5 (b) TO BE APPROVED BY THE BOARD TO HOLD AN OWNERSHIP  
6 INTEREST IN A LICENSED BUSINESS ENTITY, THE NEW OWNER MUST  
7 DEMONSTRATE THE QUALIFICATIONS NECESSARY FOR [REDACTED] LICENSING,  
8 INCLUDING A FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK, IN  
9 ACCORDANCE WITH THIS PART 1.

10 (c) (I) IF THE BOARD DOES NOT APPROVE A PERSON TO HOLD AN  
11 OWNERSHIP INTEREST IN A LICENSED BUSINESS ENTITY, THE PERSON SHALL  
12 TRANSFER THE INTEREST WITHIN SIX MONTHS AFTER ACQUIRING THE  
13 OWNERSHIP INTEREST.

14 [REDACTED]  
15 (II) THIS SUBSECTION (6)(c) DOES NOT AUTHORIZE A PERSON TO  
16 HOLD AN INTEREST IN A LICENSED BUSINESS ENTITY WHEN THE PERSON  
17 ACQUIRED THE INTEREST AS THE RESULT OF A SALE THAT VIOLATES  
18 SUBSECTION (6)(a)(I) OF THIS SECTION.

19 (d) (I) THIS SUBSECTION (6) DOES NOT APPLY TO THE SALE OR  
20 TRANSFER OF AN INTEREST IN A PUBLICLY TRADED COMPANY.

21 (II) THIS SUBSECTION (6) DOES NOT APPLY TO THE SALE OF AN  
22 INTEREST TO AN INSTITUTIONAL INVESTOR OF A BUSINESS ENTITY THAT IS  
23 SUBJECT TO THE REPORTING REQUIREMENTS OF THE "SECURITIES  
24 EXCHANGE ACT OF 1934", 15 U.S.C. SEC. 78a ET SEQ., AS AMENDED. FOR  
25 THE PURPOSES OF THIS SUBSECTION (6)(d)(II), "INSTITUTIONAL INVESTOR"  
26 MEANS AN ENTITY, SUCH AS A PENSION FUND, ENDOWMENT FUND,  
27 INSURANCE COMPANY, COMMERCIAL BANK, OR MUTUAL FUND, THAT

1 INVESTS MONEY ON BEHALF OF ITS MEMBERS OR CLIENTS AND THAT IS  
2 REQUIRED BY THE UNITED STATES SECURITIES AND EXCHANGE  
3 COMMISSION TO FILE A FORM 13F, OR ITS SUCCESSOR FORM, TO REPORT  
4 QUARTERLY HOLDINGS.

5

6 **SECTION 21.** In Colorado Revised Statutes, 12-6-118, **add** (4.5)  
7 and (9) as follows:

8 **12-6-118. Licenses - grounds for denial, suspension, or**  
9 **revocation.** (4.5) THE LICENSE OF A MOTOR VEHICLE DEALER MAY BE  
10 DENIED, REVOKED, SUSPENDED, OR OTHERWISE SUBJECT TO DISCIPLINE  
11 IMPOSED UNDER THIS PART 1 IF AN OWNER IS ACTING AS A SALESPERSON  
12 WITHOUT A MOTOR VEHICLE SALESPERSON LICENSE AND THE OWNER  
13 COMMITS ANY OF THE ACTS OR OMISSIONS THAT SUBJECT A SALESPERSON'S  
14 LICENSE TO DENIAL, REVOCATION, OR SUSPENSION UNDER SUBSECTION (5)  
15 OF THIS SECTION.

16 (9) A PERSON WHOSE LICENSE ISSUED UNDER THIS PART 1 IS  
17 REVOKED OR WHO SURRENDERS A LICENSE TO AVOID DISCIPLINE IS  
18 INELIGIBLE TO APPLY FOR A NEW LICENSE UNDER THIS PART 1 FOR ONE  
19 YEAR AFTER THE DATE OF REVOCATION OR SURRENDER OF THE LICENSE.

20 **SECTION 22.** In Colorado Revised Statutes, 12-6-120, **amend**  
21 (2) as follows:

22 **12-6-120. Unlawful acts.** (2) It is unlawful for any person to act  
23 as a motor vehicle dealer, manufacturer, distributor, wholesaler,  
24 manufacturer representative, used motor vehicle dealer, buyer agent,  
25 wholesale motor vehicle auction dealer, or motor vehicle salesperson  
26 unless ~~such~~ THE person has been duly licensed under ~~the provisions of~~  
27 this part 1, except for persons exempt from licensure as a manufacturer

1 ~~pursuant to~~ UNDER section 12-6-102 ~~(H)~~ (15); however, ~~such persons~~  
2 MANUFACTURERS EXEMPT FROM LICENSING shall comply with all other  
3 applicable requirements for manufacturers, including ~~but not limited to,~~  
4 those pertaining to vehicle identification numbers and manufacturers'  
5 statements of origin.

6 **SECTION 23.** In Colorado Revised Statutes, 12-6-120.3, **amend**  
7 (4)(a) introductory portion, (4)(b)(I) introductory portion, (4)(b)(I)(A),  
8 (4)(b)(I)(C), and (4)(b)(I)(D) as follows:

9 **12-6-120.3. New, reopened, or relocated dealer - notice**  
10 **required - grounds for refusal of dealer license - definitions - rules.**

11 (4) (a) If a licensee or former licensee whose franchise was terminated,  
12 cancelled, or not renewed by the manufacturer, distributor, or  
13 manufacturer representative in the previous five years due to the  
14 insolvency of the manufacturer or distributor brings an action or  
15 proceeding before the executive director ~~or a court~~ pursuant to this ~~part~~  
16 ~~†~~ SECTION, the manufacturer ~~shall have~~ HAS the burden of proof on the  
17 following issues:

18 (b) (I) In addition to the powers specified in section 12-6-105, the  
19 executive director has jurisdiction to resolve actions or proceedings  
20 brought before the executive director pursuant to this part 1 that allege a  
21 violation of this part 1 or rules promulgated pursuant to this part 1. The  
22 executive director may promulgate rules to facilitate the administration  
23 of such actions or proceedings, including provisions specifying  
24 procedures for the executive director or the ~~executive director's designee~~  
25 DIRECTOR to:

26 (A) Conduct an investigation pursuant to section 12-6-105 ~~(†)(d)~~  
27 (3) of an alleged violation of this part 1 or rules promulgated pursuant to

1 this part 1, including issuance of a notice of violation;

2 (C) Issue an order, including a cease-and-desist order issued  
3 pursuant to section 12-6-105 ~~(1)(f)~~ (1)(e), to resolve the notice of  
4 violation; and

5 (D) Impose a fine pursuant to section 12-6-105 ~~(1)(f)(HH)~~  
6 (1)(e)(III).

7 **SECTION 24.** In Colorado Revised Statutes, 12-6-123, **amend**  
8 (1) introductory portion as follows:

9 **12-6-123. Disposition of fees - auto dealers license fund -**  
10 **created.** (1) All ~~moneys~~ MONEY received under this part 1, except fines  
11 awarded pursuant to ~~section~~ SECTIONS 12-6-121.5 AND 12-6-121.6 (2),  
12 shall be deposited with the state treasurer by the department of revenue,  
13 subject to ~~the provisions of~~ section 24-35-101, ~~C.R.S.~~, together with a  
14 detailed statement of such receipts, and ~~such funds~~ THE MONEY deposited  
15 with the state treasurer ~~shall constitute~~ CONSTITUTES a fund to be known  
16 as the auto dealers license fund, which fund is hereby created. ~~and which~~  
17 THE FUND shall be used under the direction of the board in the following  
18 manner:

19 **SECTION 25.** In Colorado Revised Statutes, **amend** 12-6-125 as  
20 follows:

21 **12-6-125. Advertisement - inclusion of dealer name.** ~~No motor~~  
22 A MOTOR vehicle dealer or used motor vehicle dealer or any agent of  
23 ~~either of said~~ THE dealers shall NOT advertise any offer for the sale, lease,  
24 or purchase of a motor vehicle or a used motor vehicle ~~which~~ THAT  
25 creates the false impression that the vehicle is being offered by a private  
26 party or by a ~~motor vehicle~~ BUYER'S agent or ~~which~~ THAT does not  
27 contain the name of the dealer or the word "dealer" or, if the name is



1 contained in the offer and does not clearly reflect that the business is a  
2 dealer, both the name of the dealer and the word "dealer".

3 **SECTION 26.** In Colorado Revised Statutes, **amend** 12-6-131 as  
4 follows:

5 **12-6-131. Termination appeal.** (1) A motor vehicle dealer who  
6 has reason to believe that a manufacturer, distributor, or manufacturer  
7 representative has violated section 12-6-120 (1)(d) or (1)(w) may appeal  
8 ~~to the board~~ by filing a complaint with the executive director. Upon  
9 receiving the complaint and upon a showing of specific facts that a  
10 violation has occurred, the executive director shall summarily issue a  
11 cease-and-desist order under section 12-6-105 ~~(1)(f)~~ (2)(e) staying the  
12 termination, elimination, modification, or nonrenewal of the franchise  
13 agreement.

14 (2) The cease-and-desist order remains in effect until the hearing  
15 required by section 12-6-105 ~~(1)(f)~~ (2)(e) is held. If a determination is  
16 made at the hearing required by section 12-6-105 ~~(1)(f)~~ (2)(e) that a  
17 violation occurred, the executive director shall make the cease-and-desist  
18 order permanent and take any actions authorized by section 12-6-104 (3).

19 (3) A motor vehicle dealer who appeals to the executive director  
20 maintains all rights under the franchise agreement until the later of the  
21 executive director issuing a decision or ninety days after the  
22 manufacturer, distributor, or ~~manufacturer's~~ MANUFACTURER  
23 representative provides the notice of termination unless the executive  
24 director finds that the termination, cancellation, or nonrenewal was for  
25 fraud, a misrepresentation, or committing a crime within the scope of the  
26 franchise agreement or in the operation of the dealership. ~~in which case~~  
27 IF THE EXECUTIVE DIRECTOR FINDS FRAUD, MISREPRESENTATION, OR A

1 CRIME, the franchise rights terminate immediately.

2 **SECTION 27.** In Colorado Revised Statutes, 24-1-117, **amend**  
3 (4)(a)(VII) and (4)(a)(IX); and **add** (4)(a)(X) as follows:

4 **24-1-117. Department of revenue - creation.** (4) (a) The  
5 department of revenue shall consist of the following divisions:

6 (VII) Division of gaming, including the Colorado limited gaming  
7 control commission; ~~and~~

8 (IX) Such other groups, divisions, sections, and units as the  
9 executive director of the department of revenue may create pursuant to  
10 section 24-35-103; AND

11 (X) THE AUTO INDUSTRY DIVISION CREATED IN SECTION 12-6-105.  
12 THE DIVISION SHALL EXERCISE ITS POWERS AND PERFORM ITS DUTIES AND  
13 FUNCTIONS UNDER THE DEPARTMENT OF REVENUE AS IF THE DIVISION  
14 WERE TRANSFERRED TO THE DEPARTMENT BY A **TYPE 2** TRANSFER AS  
15 DESCRIBED IN SECTION 24-1-105.

16 **SECTION 28.** In Colorado Revised Statutes, 12-6-502, **add** (4.5)  
17 as follows:

18 **12-6-502. Definitions.** As used in this part 5, unless the context  
19 otherwise requires:

20 (4.5) "DIRECTOR" MEANS THE DIRECTOR OF THE AUTO INDUSTRY  
21 DIVISION CREATED IN SECTION 12-6-105.

22 **SECTION 29.** In Colorado Revised Statutes, 12-6-504, **amend**  
23 (1)(b), (1)(d)(II), (1)(e)(I)(B), and (1)(f) as follows:

24 **12-6-504. Board - oath - meetings - powers and duties - rules.**

25 (1) In addition to the duties and powers of the board under section  
26 12-6-104, the board may:

27 (b) Delegate to the board's executive secretary, employed pursuant

1 to section 12-6-105 ~~(1)(b)~~ (2)(b), the authority to execute all actions  
2 within the power of the board, carry out the directives of the board, and  
3 make recommendations to the board on all matters within the authority of  
4 the board;

5 (d) (II) Permit the ~~executive~~ director to issue licenses pursuant to  
6 rules adopted by the board under ~~paragraph (a) of this subsection (1)~~  
7 SUBSECTION (1)(a) OF THIS SECTION;

8 (e) (I) After due notice and a hearing:

9 (B) Revoke and suspend or order the ~~executive~~ director to issue  
10 or to reinstate, on such terms and conditions and for such period of time  
11 as the board deems fair and just, any license issued pursuant to this part  
12 5;

13 (f) (I) Investigate, with the assistance of the ~~executive~~ director, on  
14 its own motion or upon a written and signed complaint from any person,  
15 a suspected or alleged violation by a wholesaler, powersports vehicle  
16 dealer, used powersports vehicle dealer, or powersports vehicle  
17 salesperson of this part 5 or a rule promulgated by the board;

18 (II) Issue subpoenas or delegate the authority to issue subpoenas  
19 to the ~~executive~~ director;

20 (III) Require the ~~executive~~ director to investigate complaints  
21 transmitted by the board pursuant to section 12-6-505 ~~(1)(e) and (1)(f)~~  
22 (3)(b) AND (3)(c);

23 (IV) Seek to resolve disputes before beginning an investigation or  
24 hearing through its own action or by direction of the ~~executive~~ director;

25 (V) If the board determines that there is probable cause to believe  
26 a violation of this ~~article~~ ARTICLE 6 has occurred after an investigation by  
27 the ~~executive~~ director, order an administrative hearing be held pursuant

1 to section 24-4-105. C.R.S., or designate one of the board's members as  
2 a hearing officer to conduct a hearing pursuant to section 24-4-105,  
3 C.R.S.;

4 **SECTION 30.** In Colorado Revised Statutes, 12-6-505, **amend**  
5 (1) introductory portion; **repeal** (1)(c), (1)(e), and (1)(f); and **add** (3) as  
6 follows:

7 **12-6-505. Powers and duties of executive director and**  
8 **director.** (1) The executive director is hereby charged with the  
9 administration, enforcement, and issuance or denial of the licensing of  
10 powersports vehicle distributors, powersports vehicle manufacturer  
11 representatives, and powersports vehicle manufacturers, and ~~shall have~~  
12 HAS the following powers and duties:

13 (c) ~~To employ and assign duties to clerks, deputies, and assistants,~~  
14 ~~which duties the executive director considers necessary to discharge the~~  
15 ~~duties imposed upon the executive director by this part 5;~~

16 (e) ~~To investigate, upon the executive director's own initiative,~~  
17 ~~upon the written and signed complaint of any person, or upon request by~~  
18 ~~the board pursuant to section 12-6-504 (1)(f)(I), any suspected or alleged~~  
19 ~~violation of this part 5, or of any rule promulgated by the executive~~  
20 ~~director under this section, by any person licensed by the executive~~  
21 ~~director pursuant to this part 5;~~

22 (f) ~~To delegate authority to persons for the purpose of~~  
23 ~~investigating alleged or suspected violations of this part 5. The~~  
24 ~~investigators and their supervisors utilized by the executive director,~~  
25 ~~while actually engaged in performing their duties, shall have the authority~~  
26 ~~as delegated by the executive director:~~

27 (I) ~~To issue subpoenas, in accordance with the performance of~~

1 ~~their duties, to licensees who are under the jurisdiction of the executive~~  
2 ~~director;~~

3 ~~(II) To issue summonses for violations of section 12-6-523 (2);~~

4 ~~(III) To issue misdemeanor summonses for violations of section~~  
5 ~~12-6-522 (1)(a); and~~

6 ~~(IV) To procure criminal records during an investigation;~~

7 (3) THE DIRECTOR MAY:

8 (a) EMPLOY SUCH CLERKS, DEPUTIES, AND ASSISTANTS AS THE  
9 DIRECTOR CONSIDERS NECESSARY TO DISCHARGE THE DUTIES IMPOSED  
10 UPON THE DIRECTOR OR EXECUTIVE DIRECTOR BY THIS PART 5 AND TO  
11 DESIGNATE THE DUTIES OF SUCH CLERKS, DEPUTIES, AND ASSISTANTS;

12 (b) INVESTIGATE, UPON THE DIRECTOR'S OWN INITIATIVE, UPON  
13 THE WRITTEN AND SIGNED COMPLAINT OF ANY PERSON, OR UPON REQUEST  
14 BY THE BOARD UNDER SECTION 12-6-504 (1)(f)(I), ANY SUSPECTED OR  
15 ALLEGED VIOLATION OF THIS PART 5 OR OF ANY RULE PROMULGATED  
16 UNDER THIS ARTICLE 6;

17 (c) DELEGATE AUTHORITY TO PERSONS FOR THE PURPOSE OF  
18 INVESTIGATING ALLEGED OR SUSPECTED VIOLATIONS OF THIS PART 5. THE  
19 INVESTIGATORS AND THEIR SUPERVISORS UTILIZED BY THE DIRECTOR,  
20 WHILE ACTUALLY ENGAGED IN PERFORMING THEIR DUTIES, HAVE THE  
21 AUTHORITY AS DELEGATED BY THE DIRECTOR:

22 (I) TO ISSUE SUBPOENAS, IN ACCORDANCE WITH THE  
23 PERFORMANCE OF THEIR DUTIES, TO LICENSEES WHO ARE UNDER THE  
24 JURISDICTION OF THE EXECUTIVE DIRECTOR OR THE BOARD;

25 (II) TO ISSUE SUMMONSES FOR VIOLATIONS OF SECTION 12-6-523  
26 (2);

27 (III) TO ISSUE MISDEMEANOR SUMMONSES FOR VIOLATIONS OF

1 SECTION 12-6-522 (1)(a); AND

2 (IV) TO PROCURE CRIMINAL RECORDS DURING AN INVESTIGATION.

3 **SECTION 31.** In Colorado Revised Statutes, **amend** 12-6-506 as  
4 follows:

5 **12-6-506. Records as evidence.** Copies of all records and papers  
6 in the office of the board, DIRECTOR, or ~~the~~ executive director, duly  
7 authenticated under the hand and seal of the board, DIRECTOR, or  
8 executive director, shall be received in evidence in all cases equally and  
9 with like effect as the original.

10 **SECTION 32.** In Colorado Revised Statutes, 12-6-507, **amend**  
11 (1) as follows:

12 **12-6-507. Attorney general to advise and represent.** (1) The  
13 attorney general shall represent the board, DIRECTOR, and executive  
14 director and shall give opinions on questions of law relating to the  
15 interpretation of this part 5 or arising out of the administration thereof and  
16 shall appear for and on behalf of the board, DIRECTOR, and executive  
17 director in all actions brought by or against them, whether under ~~the~~  
18 ~~provisions of~~ this part 5 or otherwise.

19 **SECTION 33.** In Colorado Revised Statutes, 12-6-508, **amend**  
20 (1) introductory portion and (1)(c) as follows:

21 **12-6-508. Classes of licenses.** (1) THE FOLLOWING CLASSES OF  
22 licenses ARE issued under this part 5: ~~shall be of the following classes:~~

23 (c) A powersports vehicle salesperson's license ~~shall permit~~  
24 PERMITS the licensee to engage in the activities of a powersports vehicle  
25 salesperson WHILE EMPLOYED BY A LICENSED POWERSPORTS VEHICLE  
26 DEALER OR USED POWERSPORTS VEHICLE DEALER.

27 **SECTION 34.** In Colorado Revised Statutes, **amend** 12-6-509 as

1 follows:

2 **12-6-509. Temporary powersports vehicle dealer license.**

3 (1) (a) If a licensed powersports vehicle dealer has entered into a written  
4 agreement to sell a dealership to a purchaser and the purchaser has been  
5 awarded a new franchise, the board may issue a temporary powersports  
6 vehicle dealer's license to ~~such~~ THE purchaser or prospective purchaser.  
7 The ~~executive~~ director shall issue the temporary license only after the  
8 board has received the applications for both a temporary powersports  
9 vehicle dealer's license and a powersports vehicle dealer's license, the  
10 appropriate application fee for the powersports vehicle dealer's  
11 application, evidence of a passing score of the written examination  
12 described in section 12-6-515, and evidence that the franchise has been  
13 awarded to the applicant by the powersports vehicle manufacturer.

14 (b) A temporary powersports vehicle dealer's license ~~shall~~  
15 ~~authorize~~ AUTHORIZES the licensee to act as a powersports vehicle dealer  
16 and ~~subject~~ SUBJECTS the licensee to this ~~article~~ ARTICLE 6 and to all rules  
17 adopted by the executive director or the board. A temporary powersports  
18 vehicle dealer's license ~~shall be~~ IS effective for up to sixty days or until  
19 the board acts on ~~such~~ THE licensee's application for a powersports  
20 vehicle dealer's license, whichever is sooner.

21 (2) For the purpose of enabling an out-of-state dealer to sell  
22 powersports vehicles on a temporary basis during specifically identified  
23 events, the ~~executive~~ director may issue, upon direction by the board, a  
24 temporary powersports vehicle dealer's license that ~~shall be~~ IS effective  
25 for thirty days. The temporary ~~license shall~~ LICENSEE IS subject ~~the~~  
26 ~~licensee to compliance with~~ TO THE rules adopted by the executive  
27 director or the board.

1           **SECTION 35.** In Colorado Revised Statutes, **amend** 12-6-510 as  
2 follows:

3           **12-6-510. Display, form, custody, and use of licenses.** (1) The  
4 board and the executive director shall prescribe the form of the license to  
5 be issued by the executive director, and ~~each license shall have imprinted~~  
6 ~~thereon~~ IMPRINT ON EACH LICENSE the seal of their offices. ~~The license of~~  
7 ~~THE EXECUTIVE DIRECTOR SHALL MAIL THE LICENSE TO THE BUSINESS~~  
8 ~~ADDRESS WHERE THE POWERSPORTS VEHICLE SALESPERSON IS LICENSED.~~  
9 Each powersports vehicle salesperson shall ~~be mailed to the business~~  
10 ~~address where the salesperson is licensed and shall be kept by the~~  
11 ~~salesperson at such~~ KEEP A COPY OF THE LICENSE AT THE salesperson's  
12 place of employment for inspection by employers, consumers, THE  
13 DIRECTOR, the executive director, or the board. A powersports vehicle  
14 dealer or wholesaler shall display conspicuously the person's license in  
15 the person's place of business.

16           (2) Each license issued ~~pursuant to~~ UNDER this part 5 is separate  
17 and distinct. It ~~shall be~~ IS a violation of this part 5 for a person to exercise  
18 any of the privileges granted under a license that ~~such~~ THE person does  
19 not hold, or for a licensee to knowingly allow such an exercise of  
20 privileges.

21           **SECTION 36.** In Colorado Revised Statutes, 12-6-511, **amend**  
22 (4)(b) as follows:

23           **12-6-511. Fees - disposition - expenses - expiration of licenses.**  
24 (4) (b) Thirty days ~~prior to~~ BEFORE the expiration of a license, the  
25 ~~executive~~ director shall mail to the licensee's business address of record  
26 a notice stating when the person's license is due to expire and the fee  
27 necessary to renew ~~such~~ THE license. For a powersports vehicle



1 salesperson or powersports vehicle manufacturer representative, the  
2 notice shall be mailed to the address of the powersports vehicle dealer,  
3 used powersports vehicle dealer, or powersports vehicle manufacturer  
4 where the person is licensed.

5 **SECTION 37.** In Colorado Revised Statutes, **amend** 12-6-514 as  
6 follows:

7 **12-6-514. Notice of claims honored against bond.** (1) A  
8 corporate surety that has provided a bond to a licensee pursuant to section  
9 12-6-512 or 12-6-513 shall provide notice to the board and executive  
10 director of any claim that is honored against the bond ~~The notice shall be~~  
11 ~~provided to the board and executive director~~ within thirty days after a THE  
12 claim is honored.

13 (2) A notice provided by a corporate surety pursuant to subsection  
14 (1) of this section ~~shall~~ MUST be in the form required by the executive  
15 director, subject to approval by the board, and ~~shall~~ MUST include ~~without~~  
16 ~~limitation~~, the name of the licensee, the name and address of the claimant,  
17 the amount of the honored claim, and the nature of the claim against the  
18 licensee.

19 **SECTION 38.** In Colorado Revised Statutes, **amend** 12-6-516 as  
20 follows:

21 **12-6-516. Filing of written warranties.** A licensed powersports  
22 vehicle manufacturer shall file with the executive director all written  
23 warranties and changes in written warranties the manufacturer makes on  
24 powersports ~~vehicle~~ VEHICLES or parts thereof. A licensed powersports  
25 vehicle manufacturer shall file with the executive director a copy of the  
26 delivery and preparation obligations of a powersports vehicle  
27 manufacturer's dealer, and these warranties and obligations ~~shall~~

1 constitute the powersports vehicle dealer's only responsibility for product  
2 liability as between the powersports vehicle dealer and the powersports  
3 vehicle manufacturer. Any mechanical, body, or parts defects arising from  
4 express or implied warranties of the powersports vehicle manufacturer  
5 ~~shall~~ constitute the powersports vehicle manufacturer's product or  
6 warranty liability, and the powersports vehicle manufacturer shall  
7 reasonably compensate any authorized powersports vehicle dealer who  
8 performs work to rectify a powersports vehicle manufacturer's product or  
9 warranty defects.

10 **SECTION 39.** In Colorado Revised Statutes, 12-6-517, **amend**  
11 (2), (5)(a) introductory portion, (5)(a)(I), (5)(b), and (7)(h); and **add** (8)  
12 as follows:

13 **12-6-517. Application - fingerprint-based background check**  
14 **- rules.** (2) An application for a powersports vehicle distributor,  
15 powersports vehicle manufacturer representative, or powersports vehicle  
16 manufacturer license shall be submitted to the ~~executive~~ director.

17 (5) (a) A person applying for a powersports vehicle manufacturer's  
18 or distributor's license ~~shall~~ **MUST:**

19 (I) File with the ~~executive~~ director a certified copy of a typical  
20 sales, service, and parts agreement with all powersports vehicle dealers;  
21 and

22 (b) Within sixty days after amending or modifying or adding an  
23 addendum to the sales, service, or parts agreement of more than one  
24 powersports dealer, a licensed manufacturer or distributor shall file a  
25 certified copy of the new sales, service, and parts agreement, including  
26 the changes, with the ~~executive~~ director if the amendment, modification,  
27 or addendum materially alters the rights and obligations of the contracting

1 parties.

2 (7) (h) An approved prelicensing program provider shall submit  
3 a certificate to the ~~executive~~ director for each person who successfully  
4 completes the prelicensing education program. The certificate may be  
5 transmitted electronically.

6 (8) (a) WITH THE SUBMISSION OF AN APPLICATION FOR ANY  
7 LICENSE ISSUED UNDER THIS PART 5, EACH APPLICANT SHALL SUBMIT A  
8 COMPLETE SET OF FINGERPRINTS TO THE COLORADO BUREAU OF  
9 INVESTIGATION OR THE AUTO INDUSTRY DIVISION FOR THE PURPOSE OF  
10 CONDUCTING FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECKS.  
11 THE COLORADO BUREAU OF INVESTIGATION SHALL FORWARD THE  
12 FINGERPRINTS TO THE FEDERAL BUREAU OF INVESTIGATION FOR THE  
13 PURPOSE OF CONDUCTING FINGERPRINT-BASED CRIMINAL HISTORY RECORD  
14 CHECKS. THE BOARD OR THE EXECUTIVE DIRECTOR SHALL USE      THE  
15 INFORMATION RESULTING FROM THE FINGERPRINT-BASED CRIMINAL  
16 HISTORY RECORD CHECK TO INVESTIGATE AND DETERMINE WHETHER AN  
17 APPLICANT IS QUALIFIED TO BE LICENSED. THE BOARD OR THE EXECUTIVE  
18 DIRECTOR MAY VERIFY THE INFORMATION AN APPLICANT IS REQUIRED TO  
19 SUBMIT. THE APPLICANT SHALL PAY THE COSTS ASSOCIATED WITH THE  
20 FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK TO THE  
21 COLORADO BUREAU OF INVESTIGATION.

22 (b) THIS SUBSECTION (8) DOES NOT APPLY TO A PUBLICLY TRADED  
23 COMPANY OR THE COMPANY'S SUBSIDIARY.

24 **SECTION 40.** In Colorado Revised Statutes, 12-6-518, **amend**  
25 (2);      and **add** (5) as follows:

26 **12-6-518. Notice of change of address or status.** (2) (a) ~~Should~~  
27 ~~the~~ IF A powersports vehicle dealer ~~change~~ CHANGES to a new ~~line~~

1 LINE-MAKE of powersports vehicles, ~~add~~ ADDS another franchise for the  
2 sale of new powersports vehicles, or ~~cancel~~ CANCELS or otherwise ~~lose~~  
3 LOSES a franchise for the sale of new powersports vehicles, the dealer  
4 shall immediately notify the board. If a franchise is canceled or lost, the  
5 board shall determine whether the dealer should be licensed as a used  
6 powersports vehicle dealer.

7 (b) If ~~so~~ THE POWERSPORTS VEHICLE DEALER NO LONGER  
8 POSSESSES A FRANCHISE TO SELL NEW POWERSPORTS VEHICLES, the board  
9 shall cancel and the powersports vehicle dealer shall deliver to it the  
10 dealer's license, and the board shall direct the ~~executive~~ director to issue  
11 to the dealer a used powersports vehicle dealer's license.

12 (c) Upon the cancellation or loss of a franchise to sell new  
13 powersports vehicles and the relicensing of the dealer as a used  
14 powersports vehicle dealer, the dealer may continue in the business ~~for~~  
15 ~~which~~ OF a powersports vehicle dealer ~~is licensed~~ for a time, not  
16 exceeding six months after the relicensing of the dealer, to enable the  
17 dealer to dispose of the stock of new powersports vehicles on hand at the  
18 time of ~~the~~ relicensing, but not otherwise.

19

==

20 (5) (a) EXCEPT AS SPECIFIED IN SUBSECTION (5)(d) OF THIS  
21 SECTION:

22 (I) A PERSON HOLDING AN OWNERSHIP INTEREST IN A LICENSED  
23 CORPORATION, LIMITED LIABILITY COMPANY, LIMITED LIABILITY  
24 PARTNERSHIP, OR OTHER BUSINESS ENTITY SHALL NOT SELL THE INTEREST  
25 TO A PERSON WHO DOES NOT ALREADY OWN AN INTEREST IN THE BUSINESS  
26 ENTITY UNTIL THE OWNER APPLIES TO THE BOARD TO BE APPROVED TO  
27 HOLD AN OWNERSHIP INTEREST IN THE BUSINESS ENTITY AND THE BOARD

1 APPROVES THE PERSON TO HOLD THE INTEREST.

2 (II) A LICENSED CORPORATION, LIMITED LIABILITY COMPANY,  
3 LIMITED LIABILITY PARTNERSHIP, OR OTHER BUSINESS ENTITY SHALL  
4 NOTIFY THE BOARD WITHIN TEN DAYS AFTER A TRANSFER, OTHER THAN A  
5 SALE, OF ANY OWNERSHIP THAT RESULTS IN A NEW PERSON HOLDING AN  
6 INTEREST IN THE BUSINESS ENTITY. TO CONTINUE TO HOLD OWNERSHIP IN  
7 THE BUSINESS, THE TRANSFEREE SHALL APPLY TO THE BOARD FOR  
8 APPROVAL TO CONTINUE HOLDING AN OWNERSHIP INTEREST IN THE  
9 BUSINESS ENTITY.

10 (b) TO BE APPROVED BY THE BOARD TO HOLD AN OWNERSHIP  
11 INTEREST IN A LICENSED BUSINESS ENTITY, THE NEW OWNER MUST  
12 DEMONSTRATE THE QUALIFICATIONS NECESSARY FOR [REDACTED] LICENSING,  
13 INCLUDING A FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK, IN  
14 ACCORDANCE WITH THIS PART 5.

15 (c) (I) IF THE BOARD DOES NOT APPROVE A PERSON TO HOLD AN  
16 OWNERSHIP INTEREST IN A LICENSED BUSINESS ENTITY, THE PERSON SHALL  
17 TRANSFER THE INTEREST WITHIN SIX MONTHS AFTER ACQUIRING THE  
18 OWNERSHIP INTEREST.

19 [REDACTED]  
20 (II) THIS SUBSECTION (5)(c) DOES NOT AUTHORIZE A PERSON TO  
21 HOLD AN INTEREST IN A LICENSED BUSINESS ENTITY WHEN THE PERSON  
22 ACQUIRED THE INTEREST AS THE RESULT OF A SALE THAT VIOLATES  
23 SUBSECTION (5)(a)(I) OF THIS SECTION.

24 (d) (I) THIS SUBSECTION (5) DOES NOT APPLY TO THE SALE OR  
25 TRANSFER OF AN INTEREST IN A PUBLICLY TRADED COMPANY.

26 (II) THIS SUBSECTION (5) DOES NOT APPLY TO THE SALE OF AN  
27 INTEREST TO AN INSTITUTIONAL INVESTOR OF A BUSINESS ENTITY THAT IS

1 SUBJECT TO THE REPORTING REQUIREMENTS OF THE "SECURITIES  
2 EXCHANGE ACT OF 1934", 15 U.S.C. SEC. 78a ET SEQ., AS AMENDED. FOR  
3 THE PURPOSES OF THIS SUBSECTION (5)(d)(II), "INSTITUTIONAL INVESTOR"  
4 MEANS AN ENTITY, SUCH AS A PENSION FUND, ENDOWMENT FUND,  
5 INSURANCE COMPANY, COMMERCIAL BANK, OR MUTUAL FUND, THAT  
6 INVESTS MONEY ON BEHALF OF ITS MEMBERS OR CLIENTS AND THAT IS  
7 REQUIRED BY THE UNITED STATES SECURITIES AND EXCHANGE  
8 COMMISSION TO FILE A FORM 13F, OR ITS SUCCESSOR FORM, TO REPORT  
9 QUARTERLY HOLDINGS.

10

11 **SECTION 41.** In Colorado Revised Statutes, 12-6-520, **add** (5.5)  
12 and (7) as follows:

13 **12-6-520. Licenses - grounds for denial, suspension, or**  
14 **revocation.** (5.5) THE LICENSE OF A POWERSPORTS VEHICLE DEALER MAY  
15 BE DENIED, REVOKED, SUSPENDED, OR OTHERWISE SUBJECT TO DISCIPLINE  
16 IMPOSED UNDER THIS PART 5 IF AN OWNER IS ACTING AS A SALESPERSON  
17 WITHOUT A MOTOR VEHICLE SALESPERSON LICENSE AND THE OWNER  
18 COMMITS ANY OF THE ACTS OR OMISSIONS THAT SUBJECT A SALESPERSON'S  
19 LICENSE TO DENIAL, REVOCATION, OR SUSPENSION UNDER SUBSECTION (5)  
20 OF THIS SECTION.

21 (7) A PERSON WHOSE LICENSE ISSUED UNDER THIS PART 5 IS  
22 REVOKED OR WHO SURRENDERS A LICENSE TO AVOID DISCIPLINE IS  
23 INELIGIBLE TO APPLY FOR A NEW LICENSE UNDER THIS PART 5 FOR ONE  
24 YEAR AFTER THE DATE OF REVOCATION OR SURRENDER OF THE LICENSE.

25 **SECTION 42.** In Colorado Revised Statutes, 12-6-524, **amend**  
26 (4)(a) introductory portion, (4)(b)(I) introductory portion, and (4)(b)(I)(A)  
27 as follows:

1           **12-6-524. New, reopened, or relocated dealer - notice required**  
2   **- grounds for refusal of dealer license - definitions - rules.** (4) (a) If  
3 a licensee or former licensee whose franchise was terminated, cancelled,  
4 or not renewed by the manufacturer, distributor, or manufacturer  
5 representative in the previous five years due to the insolvency of the  
6 manufacturer or distributor brings an action or proceeding before the  
7 executive director ~~or a court~~ pursuant to this ~~part 5~~ SECTION, the  
8 powersports vehicle manufacturer ~~shall have~~ HAS the burden of proof on  
9 the following issues:

10           (b) (I) In addition to the powers specified in section 12-6-505, the  
11 executive director has jurisdiction to resolve actions or proceedings  
12 brought before the executive director pursuant to this part 5 that allege a  
13 violation of this part 5 or rules promulgated pursuant to this part 5. The  
14 executive director may promulgate rules to facilitate the administration  
15 of the actions or proceedings, including provisions specifying procedures  
16 for the executive director or the ~~executive director's designee~~ DIRECTOR  
17 to:

18           (A) Conduct an investigation pursuant to section 12-6-505 ~~(1)(e)~~  
19 ~~and (1)(f)~~ (3)(b) AND (3)(c) of an alleged violation of this part 5 or rules  
20 promulgated pursuant to this part 5, including issuance of a notice of  
21 violation;

22           **SECTION 43.** In Colorado Revised Statutes, 6-1-102, **amend** the  
23 introductory portion and (5.5) as follows:

24           **6-1-102. Definitions.** As used in this ~~article~~ ARTICLE 1, unless the  
25 context otherwise requires:

26           (5.5) "Motor vehicle" ~~shall have~~ HAS the same meaning as set  
27 forth in section 12-6-102. ~~(12), C.R.S.~~

1           **SECTION 44.** In Colorado Revised Statutes, **amend** 16-2.5-121  
2 as follows:

3           **16-2.5-121. Executive director of the department of revenue**  
4 **- senior director of enforcement for the department of revenue.** The  
5 executive director and the senior director of enforcement of the  
6 department of revenue are peace officers while engaged in the  
7 performance of their duties whose authority includes the enforcement of  
8 laws and rules regarding automobile dealers pursuant to section 12-6-105  
9 ~~(1)(d)(H), C.R.S.~~ (3), the lottery pursuant to sections 24-35-205 (3) and  
10 24-35-206 (7), ~~C.R.S.~~, medical marijuana pursuant to article 43.3 of title  
11 12, ~~C.R.S.~~, limited gaming pursuant to section 12-47.1-204, ~~C.R.S.~~, liquor  
12 pursuant to section 12-47-904 (1), ~~C.R.S.~~, and racing events pursuant to  
13 section 12-60-203 (1), ~~C.R.S.~~, and the enforcement of all laws of the state  
14 of Colorado and who may be certified by the P.O.S.T. board.

15           **SECTION 45.** In Colorado Revised Statutes, 6-1-708, **amend** (1)  
16 as follows:

17           **6-1-708. Vehicle sales and leases - deceptive trade practice.**

18 (1) A person engages in a deceptive trade practice when, in the course of  
19 ~~such~~ THE person's business, vocation, or occupation, such person:

20           (a) Commits any of the following acts pertaining to the sale or  
21 lease of a motor vehicle, ~~or~~ a used motor vehicle, ~~POWERSPORTS VEHICLE,~~  
22 ~~OR USED POWERSPORTS VEHICLE:~~

23           (I) Guarantees to a purchaser or lessee of a motor vehicle, ~~or~~ used  
24 motor vehicle, ~~POWERSPORTS VEHICLE, OR USED POWERSPORTS VEHICLE~~  
25 who conditions ~~such~~ THE purchase or lease on the approval of a consumer  
26 credit transaction as defined in section 5-1-301 (12) ~~C.R.S.~~, that such  
27 purchaser or lessee has been approved for a consumer credit transaction



1 if ~~such~~ THE approval is not final. For purposes of this ~~subparagraph (I)~~  
2 SUBSECTION (1)(a)(I), "guarantee" means a written document or oral  
3 representation between the purchaser or lessee and the person selling or  
4 leasing the vehicle that leads such purchaser or lessee to a reasonable  
5 good faith belief that the financing of ~~such~~ THE vehicle is certain.

6 (II) Accepts a used ~~motor~~ vehicle as a trade-in on the purchase or  
7 lease of a motor vehicle, ~~or used motor vehicle,~~ POWERSPORTS VEHICLE,  
8 ~~OR USED POWERSPORTS VEHICLE~~ and sells or leases ~~such used motor~~ THE  
9 vehicle THAT HAS BEEN TRADED IN before the purchaser or lessee has been  
10 approved for a consumer credit transaction as defined in section 5-1-301  
11 (12) ~~€:R:S.~~, if ~~such~~ THE approval is a condition of the purchase or lease;

12 (III) Fails to return to the ~~purchaser or lessee~~ CONSUMER any  
13 collateral or down payment tendered by ~~such purchaser or lessee~~ THE  
14 CONSUMER conditioned upon a guarantee by a motor vehicle dealer, ~~or~~  
15 used motor vehicle dealer, POWERSPORTS VEHICLE DEALER, ~~OR USED~~  
16 POWERSPORTS VEHICLE DEALER that a consumer credit transaction as  
17 defined in section 5-1-301 (12) ~~€:R:S.~~, has been approved for ~~such~~  
18 ~~purchaser or lessee~~, if ~~such~~ THE approval was a condition of the sale or  
19 lease and if ~~such~~ THE financing is not approved and the ~~purchaser or~~  
20 ~~lessee~~ CONSUMER is required to return the vehicle;

21 (b) Fails to disclose in writing, prior to sale, to the purchaser that  
22 a motor vehicle is a salvage vehicle, as defined in section 42-6-102 (17),  
23 ~~€:R:S.~~, or that a vehicle was repurchased by or returned to the  
24 manufacturer from a previous owner for inability to conform the motor  
25 vehicle to the manufacturer's warranty in accordance with article 10 of  
26 title 42 ~~€:R:S.~~, or with any other state or federal motor vehicle warranty  
27 law, or knowingly fails to disclose in writing, prior to sale, to the

1 purchaser that a motor vehicle OR POWERSPORTS VEHICLE has sustained  
2 material damage at any one time from any one incident.

3 **SECTION 46.** In Colorado Revised Statutes, **amend** 16-2.5-122  
4 as follows:

5 **16-2.5-122. Auto industry investigator.** THE DIRECTOR OF THE  
6 AUTO INDUSTRY DIVISION OR an auto industry investigator is a peace  
7 officer while engaged in the performance of his or her duties whose  
8 authority ~~shall be~~ IS limited to the enforcement of section 12-6-105  
9 ~~(1)(d)(H), C.R.S.~~ (3).

10 **SECTION 47.** In Colorado Revised Statutes, 38-20-116, **amend**  
11 (2.5)(d)(II) as follows:

12 **38-20-116. Abandoned property - notice of sale - definitions.**  
13 (2.5) (d) (II) Nothing in this ~~paragraph (d) shall require~~ SUBSECTION  
14 (2.5)(d) REQUIRES a repair shop to be a licensed dealer pursuant to PART  
15 1 OF article 6 of title 12 ~~C.R.S.~~, for purposes of selling a motor vehicle  
16 pursuant to this section.

17 **SECTION 48.** In Colorado Revised Statutes, 39-26-713, **amend**  
18 (2) introductory portion and (2)(b)(II) introductory portion as follows:

19 **39-26-713. Tangible personal property.** (2) The following ~~shall~~  
20 ~~be~~ ARE exempt from taxation under ~~the provisions of part 2 of this article~~  
21 ARTICLE 26:

22 (b) (II) For purposes of this ~~paragraph (b)~~ SUBSECTION (2)(b), any  
23 motor vehicle purchased and held for resale in this state by a licensed  
24 motor vehicle dealer, as defined in section 12-6-102, ~~(13), C.R.S.~~, who  
25 meets the eligibility requirements to receive a full-use dealer plate set  
26 forth in section 42-3-116 (6)(a)(I) ~~C.R.S.~~, shall be considered to be in the  
27 regular course of business and shall not be subject to taxation under part

1 2 of this ~~article~~ ARTICLE 26. A motor vehicle shall be considered to be  
2 purchased and held for resale if:

3 **SECTION 49.** In Colorado Revised Statutes, 42-3-115, **amend**  
4 (2)(b)(III)(A) as follows:

5 **42-3-115. Registration upon transfer.** (2) (b) A transferee may  
6 operate a motor vehicle on the highway before registering it if:

7 (III) (A) The transferee has purchased the motor vehicle within  
8 the last thirty-six hours from a person who is not a motor vehicle dealer  
9 under PART 1 OF article 6 of title 12; ~~C.R.S.~~;

10 **SECTION 50.** In Colorado Revised Statutes, 42-3-116, **amend**  
11 (6)(e) as follows:

12 **42-3-116. Manufacturers or dealers.** (6) (e) As used in this  
13 subsection (6), "motor vehicle dealer or wholesaler" includes motor  
14 vehicle dealers, used motor vehicle dealers, and wholesalers as those  
15 terms are defined in section 12-6-102. ~~(13), (17), and (18), C.R.S.~~

16 **SECTION 51.** In Colorado Revised Statutes, 42-4-304, **amend**  
17 (19)(b)(I) as follows:

18 **42-4-304. Definitions relating to automobile inspection and**  
19 **readjustment program.** As used in sections 42-4-301 to 42-4-316,  
20 unless the context otherwise requires:

21 (19) (b) (I) Inspections conducted pursuant to section 42-4-309 (3)  
22 by a motor vehicle dealer test facility shall only be conducted on used  
23 motor vehicles inventoried or consigned in this state for retail sale by a  
24 motor vehicle dealer THAT IS licensed pursuant to PART 1 OF article 6 of  
25 title 12 ~~C.R.S.~~, and ~~which~~ THAT is a member of the state trade association  
26 operating the motor vehicle dealer test facility.

27 **SECTION 52.** In Colorado Revised Statutes, 42-4-309, **amend**

1 (3)(a), (3)(b), (3)(d), and (6)(a) as follows:

2 **42-4-309. Vehicle fleet owners - motor vehicle dealers -**  
3 **authority to conduct inspections - fleet inspection stations - motor**  
4 **vehicle dealer test facilities - contracts with licensed inspection-only**  
5 **entities.** (3) (a) Any person licensed as a motor vehicle dealer pursuant

6 to PART 1 OF article 6 of title 12 ~~C.R.S.~~, in whose name twenty or more  
7 motor vehicles are registered or inventoried or consigned for retail sale  
8 in this state ~~which~~ THAT are required to be inspected shall comply with  
9 the requirements of section 42-4-310 for the issuance of a certificate of  
10 emissions compliance at the time of the retail sale of any such vehicle.

11 (b) Within the enhanced emissions program, motor vehicle dealers  
12 licensed pursuant to PART 1 OF article 6 of title 12 ~~C.R.S.~~, may contract  
13 for used motor vehicle inspection services by a licensed motor vehicle  
14 dealer test facility. Pursuant to ~~regulations~~ RULES of the commission,  
15 inspection procedures shall include a loaded mode transient dynamometer  
16 test cycle in combination with appropriate idle short tests pursuant to  
17 rules ~~and regulations~~ of the commission.

18 (d) Within the basic emissions program, any person licensed as a  
19 motor vehicle dealer pursuant to PART 1 OF article 6 of title 12 ~~C.R.S.~~,  
20 may be licensed to conduct inspections pursuant to subsections (1) and (2)  
21 of this section.

22 (6) (a) On and after June 1, 1996, a motor vehicle dealer or a used  
23 motor vehicle dealer licensed pursuant to PART 1 OF article 6 of title 12  
24 ~~C.R.S.~~, that sells any vehicle subject to ~~the provisions of~~ the enhanced  
25 emissions program may comply with ~~the provisions of~~ sections 42-4-304  
26 (3)(d) and 42-4-310 by providing the consumer of the vehicle a voucher  
27 purchased by the dealer from the contractor for the centralized enhanced

1 emissions program, with or without charge to the consumer, up to the  
2 maximum amount charged for an emissions inspection at an enhanced  
3 inspection center. ~~Such~~ THE voucher shall cover the cost of an emissions  
4 inspection of the vehicle at an enhanced inspection center and shall entitle  
5 the consumer to such an emissions inspection.

6 **SECTION 53.** In Colorado Revised Statutes, 42-4-310, **amend**  
7 (1)(a)(I) as follows:

8 **42-4-310. Periodic emissions control inspection required.**

9 (1) (a) (I) Subject to subsection (4) of this section, a motor vehicle that  
10 is required to be registered in the program area shall not be sold,  
11 registered for the first time without a certification of emissions  
12 compliance, or reregistered unless such vehicle has passed a clean screen  
13 test or has a valid certification of emissions control as required by the  
14 appropriate county. The provisions of this ~~paragraph (a)~~ shall **SUBSECTION**  
15 (1)(a) DO not apply to motor vehicle transactions at wholesale between  
16 motor vehicle dealers licensed pursuant to PART 1 OF article 6 of title 12.  
17 ~~C.R.S.~~ An inspection is not required prior to the sale of a motor vehicle  
18 with at least twelve months remaining before the vehicle's certification of  
19 emissions compliance expires if such certification was issued when the  
20 vehicle was new.

21 **SECTION 54.** In Colorado Revised Statutes, 42-4-1805, **amend**  
22 (4)(b) as follows:

23 **42-4-1805. Appraisal of abandoned motor vehicles - sale.**

24 (4) (b) Nothing in this section ~~shall be deemed to require~~ **REQUIRES** an  
25 operator to be licensed pursuant to PART 1 OF article 6 of title 12 ~~C.R.S.~~;  
26 for purposes of conducting activities under this part 18.

27 **SECTION 55.** In Colorado Revised Statutes, 42-4-2104, **amend**

1 (1)(b) as follows:

2 **42-4-2104. Appraisal of abandoned motor vehicles - sale.**

3 (1) (b) Nothing in this section ~~shall require~~ REQUIRES that an operator  
4 must be a licensed dealer pursuant to PART 1 OF article 6 of title 12  
5 ~~C.R.S.~~, for purposes of selling a motor vehicle pursuant to this part 21.

6 **SECTION 56.** In Colorado Revised Statutes, 42-5-105, **amend**  
7 (1)(b)(IV) as follows:

8 **42-5-105. Daily record.** (1) (b) The record shall be kept in a  
9 good businesslike manner in the form of invoices or in a book by the  
10 dealer or proprietor and shall contain the following:

11 (IV) The name, address, and a copy of the identification document  
12 of the driver and the owner of a motor vehicle received for any purpose;  
13 except that a licensed motor vehicle dealer or used motor vehicle dealer  
14 is not required to obtain or retain a copy of an identification document if  
15 such dealer complies with PART 1 OF article 6 of title 12; ~~C.R.S.~~

16 **SECTION 57.** In Colorado Revised Statutes, 42-6-201, **amend**  
17 (9) as follows:

18 **42-6-201. Definitions.** As used in this part 2, unless the context  
19 otherwise requires:

20 (9) "Used motor vehicle dealer" means any licensed motor vehicle  
21 dealer, used motor vehicle dealer, or wholesaler as defined by ~~the~~  
22 ~~introductory portions to section 12-6-102. (13) and (17) and section~~  
23 ~~12-6-102 (18), C.R.S.~~

24 **SECTION 58. Appropriation.** (1) For the 2017-18 state fiscal  
25 year, \$70,011 is appropriated to the department of revenue. This  
26 appropriation is from the auto dealers license fund created in section  
27 12-6-123 (1), C.R.S. To implement this act, the department may use this

1 appropriation as follows:

2 (a) \$40,113 for use by motor vehicle dealer licensing board for  
3 personal services, which amount is based on an assumption that the board  
4 will require an additional 1.1 FTE;

5 (b) \$19,898 for use by motor vehicle dealer licensing board for  
6 operating expenses; and

7 (c) \$10,000 for tax administration IT system (GenTax) support.

8

9 (2) For the 2017-18 state fiscal year, \$162,983 is appropriated to  
10 the department of public safety for use by the biometric identification and  
11 records unit. This appropriation is from the Colorado bureau of  
12 investigation identification unit fund created in section 24-33.5-426,  
13 C.R.S., and is based on an assumption that the bureau will require an  
14 additional 0.8 FTE. To implement this act, the unit may use this  
15 appropriation to provide criminal history record checks.

16 **SECTION 59. Effective date.** This act takes effect July 1, 2017;  
17 except that section 23 of this act amending section 12-6-120.3, Colorado  
18 Revised Statutes, section 26 of this act amending section 12-6-131,  
19 Colorado Revised Statutes, and section 42 of this act amending section  
20 12-6-524, Colorado Revised Statutes, take effect only if Senate Bill  
21 17-298 does not become law.

22 **SECTION 60. Safety clause.** The general assembly hereby finds,  
23 determines, and declares that this act is necessary for the immediate  
24 preservation of the public peace, health, and safety.