

**Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO**

REVISED

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

LLS NO. 22-1036.01 Jery Payne x2157

SENATE BILL 22-223

SENATE SPONSORSHIP

Hinrichsen, Moreno

HOUSE SPONSORSHIP

Lindsay and Snyder,

Senate Committees

Business, Labor, & Technology

House Committees

Transportation & Local Government

A BILL FOR AN ACT

101 **CONCERNING THE REQUIREMENT THAT BUSINESSES LICENSED TO SELL**
102 **MOTOR VEHICLES HAVE A PRINCIPAL PLACE OF BUSINESS.**

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>.)

Current law requires a new motor vehicle dealer or a used motor vehicle dealer to maintain a principal place of business and sets minimum standards for the principal place of business. The bill clarifies that the following acts are not a violation of this requirement:

- Delivering a motor vehicle to a customer for a test drive away from the dealer's principal place of business;

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

HOUSE
2nd Reading Unamended
May 3, 2022

SENATE
3rd Reading Unamended
April 29, 2022

SENATE
2nd Reading Unamended
April 28, 2022

- Delivering documents for a customer to sign away from the dealer's principal place of business;
- Delivering documents to, or obtaining documents from, a customer away from the dealer's principal place of business; or
- Delivering a motor vehicle to a customer away from the dealer's principal place of business.

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

2 **SECTION 1.** In Colorado Revised Statutes, 44-20-120, **add**
3 (2)(c) as follows:

4 **44-20-120. Principal place of business - requirements.**

5 (2) (c) IT IS NOT A VIOLATION OF THIS PART 1 OR ANY RULE
6 PROMULGATED UNDER THIS PART 1 FOR A MOTOR VEHICLE DEALER OR
7 USED MOTOR VEHICLE DEALER TO:

8 (I) DELIVER A MOTOR VEHICLE TO A CUSTOMER FOR A TEST DRIVE
9 AT A LOCATION THAT IS AWAY FROM THE DEALER'S PRINCIPAL PLACE OF
10 BUSINESS;

11 (II) DELIVER DOCUMENTS FOR A CUSTOMER TO SIGN AT A
12 LOCATION THAT IS AWAY FROM THE DEALER'S PRINCIPAL PLACE OF
13 BUSINESS;

14 (III) DELIVER DOCUMENTS TO, OR OBTAIN DOCUMENTS FROM, A
15 CUSTOMER AT A LOCATION THAT IS AWAY FROM THE DEALER'S PRINCIPAL
16 PLACE OF BUSINESS; OR

17 (IV) DELIVER A MOTOR VEHICLE TO A CUSTOMER AT A LOCATION
18 THAT IS AWAY FROM THE DEALER'S PRINCIPAL PLACE OF BUSINESS.

19 **SECTION 2.** In Colorado Revised Statutes, 44-20-121, **amend**
20 (3)(k) as follows:

21 **44-20-121. Licenses - grounds for denial, suspension, or**
22 **revocation.** (3) A motor vehicle dealer's, wholesale motor vehicle

1 auction dealer's, wholesaler's, buyer agent's, or used motor vehicle
2 dealer's license may be denied, suspended, or revoked on the following
3 grounds:

4 (k) ~~For any licensed~~ A motor vehicle dealer or used motor vehicle
5 dealer, engaging in the business for which the dealer is licensed without
6 at all times maintaining a principal place of business as required by this
7 part 1 during reasonable business hours; EXCEPT THAT THE LICENSE OF A
8 MOTOR VEHICLE DEALER OR USED MOTOR VEHICLE DEALER IS NOT SUBJECT
9 TO DENIAL, SUSPENSION, OR REVOCATION FOR ENGAGING IN ACTIVITIES AT
10 LOCATIONS AWAY FROM THE PRINCIPAL PLACE OF BUSINESS AS DESCRIBED
11 IN SECTION 44-20-120 (2)(c);

12 **SECTION 3. Act subject to petition - effective date -**
13 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
14 the expiration of the ninety-day period after final adjournment of the
15 general assembly; except that, if a referendum petition is filed pursuant
16 to section 1 (3) of article V of the state constitution against this act or an
17 item, section, or part of this act within such period, then the act, item,
18 section, or part will not take effect unless approved by the people at the
19 general election to be held in November 2022 and, in such case, will take
20 effect on the date of the official declaration of the vote thereon by the
21 governor.

22 (2) This act applies to conduct occurring on or after the applicable
23 effective date of this act.