

CHAPTER 332

MOTOR VEHICLES AND TRAFFIC REGULATION

HOUSE BILL 93-1301

BY REPRESENTATIVES Lawrence, R. Hernandez, Reeser, Allen, Dyer, Foster, Pierson, and Snyder;
also SENATOR Bishop.

AN ACT**CONCERNING SALVAGE VEHICLES.**

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

SECTION 1. 42-6-102 (10.6), Colorado Revised Statutes, 1984 Repl. Vol., as amended, is amended to read:

42-6-102. Definitions. As used in this part 1, unless the context otherwise requires:

(10.6) (a) "Salvage vehicle" means any vehicle which is damaged by collision, fire, flood, accident, trespass, or other occurrence, EXCLUDING HAIL DAMAGE, to the extent that the cost of ~~parts and labor makes it uneconomical to repair or rebuild the vehicle~~ REPAIRING THE VEHICLE FOR LEGAL OPERATION ON THE HIGHWAYS EXCEEDS THE VEHICLE'S RETAIL FAIR MARKET VALUE IMMEDIATELY PRIOR TO SUCH DAMAGE, as determined by the person who owns the vehicle at the time of such occurrence or by the insurer or other person acting on behalf of such owner.

(b) IN ASSESSING WHETHER A VEHICLE IS A "SALVAGE VEHICLE" UNDER THIS SECTION, THE RETAIL FAIR MARKET VALUE SHALL BE DETERMINED BY REFERENCE TO SOURCES GENERALLY ACCEPTED WITHIN THE INSURANCE INDUSTRY INCLUDING PRICE GUIDE BOOKS, DEALER QUOTATIONS, COMPUTERIZED VALUATION SERVICES, NEWSPAPER ADVERTISEMENTS, AND CERTIFIED APPRAISALS, TAKING INTO ACCOUNT THE CONDITION OF THE VEHICLE PRIOR TO THE DAMAGE.

(c) This section shall not apply to a vehicle WHOSE MODEL YEAR OF MANUFACTURE IS EIGHT YEARS OR OLDER AT THE TIME OF DAMAGE.

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

~~(a) Whose model year of manufacture is six years or older; or~~

~~(b) Which is to be parted out or used for scrap.~~

SECTION 2. Part 2 of article 6 of title 42, Colorado Revised Statutes, 1984 Repl. Vol., as amended, is amended BY THE ADDITION OF A NEW SECTION to read:

42-6-210. Disclosure requirements upon transfer of ownership of a salvage vehicle. (1) PRIOR TO SALE OF A VEHICLE REBUILT FROM SALVAGE TO A PROSPECTIVE PURCHASER FOR THE PURPOSE OF SELLING OR TRANSFERRING OWNERSHIP OF SUCH VEHICLE, THE OWNER SHALL PREPARE A DISCLOSURE AFFIDAVIT STATING THAT THE VEHICLE WAS REBUILT FROM SALVAGE. THE DISCLOSURE AFFIDAVIT SHALL ALSO CONTAIN A STATEMENT OF THE OWNER STATING THE NATURE OF THE DAMAGE WHICH RESULTED IN THE DETERMINATION THAT THE VEHICLE IS A SALVAGE VEHICLE. THE WORDS "REBUILT FROM SALVAGE" SHALL APPEAR IN BOLD PRINT AT THE TOP OF EACH SUCH AFFIDAVIT.

(2) ANY PERSON WHO SELLS A VEHICLE REBUILT FROM SALVAGE FOR THE PURPOSE OF TRANSFERRING OWNERSHIP OF SUCH VEHICLE SHALL:

(a) PROVIDE A COPY OF A DISCLOSURE AFFIDAVIT PREPARED IN ACCORDANCE WITH THE PROVISIONS OF SUBSECTION (1) OF THIS SECTION TO EACH PROSPECTIVE PURCHASER; AND

(b) OBTAIN A SIGNED STATEMENT FROM EACH SUCH PURCHASER CLEARLY STATING THAT THE PURCHASER HAS RECEIVED A COPY OF THE DISCLOSURE AFFIDAVIT AND HAS READ AND UNDERSTANDS THE PROVISIONS CONTAINED THEREIN.

(3) (a) ANY PERSON WHO PURCHASES A VEHICLE REBUILT FROM SALVAGE WHO WAS NOT PROVIDED WITH A COPY OF A DISCLOSURE AFFIDAVIT PREPARED IN ACCORDANCE WITH THE PROVISIONS OF SUBSECTION (1) OF THIS SECTION AND WHO, SUBSEQUENT TO SALE, DISCOVERS THAT THE VEHICLE PURCHASED WAS REBUILT FROM SALVAGE SHALL BE ENTITLED TO A FULL AND IMMEDIATE REFUND OF THE PURCHASE PRICE FROM THE PRIOR OWNER.

(b) IN THE EVENT A PERSON IS ENTITLED TO A REFUND UNDER THIS SUBSECTION (3), THE PRIOR OWNER SHALL BE REQUIRED TO MAKE AN IMMEDIATE REFUND OF THE FULL PURCHASE PRICE TO THE PURCHASER. A SIGNED STATEMENT FROM THE PURCHASER PREPARED IN ACCORDANCE WITH THE PROVISIONS OF PARAGRAPH (b) OF SUBSECTION (2) OF THIS SECTION SHALL RELIEVE THE PRIOR OWNER OF THE OBLIGATION TO MAKE SUCH REFUND.

(4) ANY OWNER, SELLER, OR TRANSFEROR OF A VEHICLE REBUILT FROM SALVAGE WHO FAILS TO COMPLY WITH THE PROVISIONS OF THIS SECTION SHALL BE GUILTY OF A MISDEMEANOR AND, UPON CONVICTION THEREOF, SHALL BE PUNISHED BY A FINE FOR A FIRST OFFENSE NOT TO EXCEED FIFTEEN HUNDRED DOLLARS AND A FINE OF FIVE THOUSAND DOLLARS FOR EACH SUBSEQUENT OFFENSE.

(5) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE SHALL PRESCRIBE RULES AND REGULATIONS FOR THE PURPOSE OF IMPLEMENTING THE PROVISIONS OF THIS SECTION.

(6) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "SALE" MEANS ANY SALE OR TRANSFER OF A VEHICLE REBUILT FROM SALVAGE.

(b) "SALVAGE VEHICLE" SHALL HAVE THE SAME MEANING AS SET FORTH IN SECTION 42-6-102 (10.6).

SECTION 3. Effective date. This act shall take effect July 1, 1993.

SECTION 4. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: June 9, 1993