

CHAPTER 242

**PROFESSIONS AND OCCUPATIONS**

HOUSE BILL 96-1210

BY REPRESENTATIVES Reeser and Schauer;  
also SENATORS Johnson and Wattenberg.

**AN ACT**

CONCERNING THE ACTIVITIES OF PERSONS LICENSED TO SELL MOTOR VEHICLES.

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

**SECTION 1.** The introductory portion to 12-6-102 (17), Colorado Revised Statutes, 1991 Repl. Vol., as amended, is amended to read:

**12-6-102. Definitions.** As used in this part 1, unless the context otherwise requires:

(17) "Used motor vehicle dealer" means any person who, for commission or with intent to make a profit or gain of money or other thing of value, sells, exchanges, leases, OR offers AN INTEREST IN USED MOTOR VEHICLES, or attempts to negotiate a sale, ~~or exchange, of an interest~~ OR LEASE OF ~~in~~ used AND NEW motor vehicles or who is engaged wholly or in part in the business of selling used motor vehicles, whether or not such motor vehicles are owned by such person. The sale of three or more used motor vehicles or the offering for sale of more than three used motor vehicles at the same address or telephone number in any one calendar year shall be prima facie evidence that a person is engaged in the business of selling used motor vehicles. "Used motor vehicle dealer" includes any owner of real property who allows more than three used motor vehicles to be offered for sale on such property during one calendar year unless said property is leased to a licensed used motor vehicle dealer or a licensed motor vehicle auctioneer, as defined in subsection (12.6) of this section. "Used motor vehicle dealer" does not include:

**SECTION 2.** 12-6-108 (1) (a) and (1) (b), Colorado Revised Statutes, 1991 Repl. Vol., as amended, are amended to read:

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

**12-6-108. Classes of licenses.** (1) Licenses issued under the provisions of this part 1 shall be of the following classes:

(a) Motor vehicle dealer's license shall permit the licensee to engage in the business of selling, ~~or~~ exchanging, LEASING, OR OFFERING new and used motor vehicles, ~~or both~~; and this form of license shall permit not more than two persons named therein who shall be owners or part owners of the business of the licensee to act as motor vehicle salespersons.

(b) Used motor vehicle dealer's license shall permit the licensee to engage in the business of selling, ~~or~~ exchanging, LEASING, OR OFFERING used motor vehicles only. SUCH LICENSE SHALL ALSO PERMIT A LICENSEE TO NEGOTIATE FOR A CONSUMER THE SALE, EXCHANGE, OR LEASE OF USED AND NEW MOTOR VEHICLES NOT OWNED BY THE LICENSEE, EXCEPT THOSE VEHICLES DEFINED IN SECTION 42-1-102 (55), C.R.S., AS MOTORCYCLES AND SECTION 33-14.5-101 (3), C.R.S., AS OFF-HIGHWAY VEHICLES; HOWEVER, THE LICENSEE SHALL DISCLOSE TO ALL PARTIES PRIOR TO ANY SUCH NEGOTIATION FOR THE SALE, EXCHANGE, OR LEASE OF A MOTOR VEHICLE NOT OWNED BY THE LICENSEE, THE AMOUNT OF ANY COMPENSATION TO BE RECEIVED BY THE LICENSEE FROM THE CONSUMER AND THE OWNER OF THE MOTOR VEHICLE AS A RESULT OF SUCH TRANSACTION. ~~and~~ This form of license shall permit not more than two persons named therein who shall be owners or part owners of the business of the licensee to act as motor vehicle salespersons.

**SECTION 3.** 12-6-118 (5) (g), Colorado Revised Statutes, 1991 Repl. Vol., as amended, is amended to read:

**12-6-118. Licenses - grounds for denial, suspension, or revocation.** (5) The license of a motor vehicle salesperson may be denied, revoked, or suspended on the following grounds:

(g) Selling, offering, or attempting to negotiate the sale, ~~or~~ exchange, OR LEASE of motor vehicles for any motor vehicle dealer or used motor vehicle dealer for which such salesperson is not licensed; EXCEPT THAT NEGOTIATION WITH A MOTOR VEHICLE DEALER FOR THE SALE, EXCHANGE, OR LEASE OF NEW AND USED MOTOR VEHICLES, EXCEPT THOSE VEHICLES DEFINED IN SECTION 42-1-102 (55), C.R.S., AS MOTORCYCLES AND SECTION 33-14.5-101 (3), C.R.S., AS OFF-HIGHWAY VEHICLES, BY A SALESPERSON COMPENSATED FOR SAID NEGOTIATION BY THE USED MOTOR VEHICLE DEALER FOR WHICH SUCH SALESPERSON IS LICENSED SHALL NOT BE GROUNDS FOR DENIAL, REVOCATION, OR SUSPENSION.

**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 1, 1996