

CHAPTER 249

**PROPERTY**

**HOUSE BILL 04-1157**

BY REPRESENTATIVE(S) Larson, Hodge, McFadyen, Rippy, and Stengel;  
also SENATOR(S) Isgar, and Evans.

**AN ACT**

**CONCERNING THE PROCEDURES FOR PURGING TITLE TO A MANUFACTURED HOME.**

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

**SECTION 1.** 38-29-112 (1.5), Colorado Revised Statutes, is amended, and the said 38-29-112 is further amended BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to read:

**38-29-112. Certificate of title - transfer.** (1.3) PRIOR TO THE SALE OR TRANSFER OF A MANUFACTURED HOME FOR WHICH A CERTIFICATE OF TITLE HAS BEEN ISSUED, A HOLDER OF A MORTGAGE THAT IS THE LEGAL HOLDER OF CERTIFICATE OF TITLE SHALL PROVIDE A COPY OF THE CERTIFICATE OF TITLE TO ANY TITLE INSURANCE AGENT, TITLE INSURANCE COMPANY, OR FINANCIAL INSTITUTION REQUESTING INFORMATION RELATED TO THE PAYOFF OF THE MORTGAGE WITHIN FOURTEEN DAYS OF THE REQUEST.

(1.5) The purchaser or transferee of a manufactured home ~~which~~ THAT becomes permanently affixed at an existing site or is transported to a site and is permanently affixed to the ground so that it is no longer capable of being drawn over the public highways shall present a certificate of transfer as required in subsection (1) of this section, together with his OR HER application for purging a manufactured home title, to the authorized agent of the county or city or city and county in which such manufactured home is located, and said manufactured home shall become real property. The provisions of articles 30 to 44 of this title and of any other law of this state shall be applicable to manufactured homes ~~which~~ THAT have become real property pursuant to this subsection (1.5) and to instruments creating, disposing of, or otherwise affecting such real property wherever such provisions would be applicable to estates, rights, and interests in land or to instruments creating, disposing of, or otherwise affecting estates, rights, and interest in land. THE MANUFACTURED

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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.*

HOME FOR WHICH A COLORADO CERTIFICATE OF TITLE HAS BEEN ISSUED SHALL CONTINUE TO BE VALUED AND TAXED SEPARATELY FROM THE LAND ON WHICH IT SITS UNTIL SUCH TIME THAT THE MANUFACTURED HOME BECOMES REAL PROPERTY PURSUANT TO THIS SUBSECTION (1.5).

(1.7) (a) IF THE CONDITIONS SET FORTH IN PARAGRAPH (b) OF THIS SUBSECTION (1.7) ARE MET, THE LEGAL HOLDER OF THE CERTIFICATE OF TITLE, WITHIN FORTY-FIVE DAYS, SHALL DELIVER TO THE TITLE INSURANCE AGENT WHO IS THE SETTLEMENT AGENT RELATED TO THE SALE OF THE MANUFACTURED HOME THE CERTIFICATE OF TITLE OR EVIDENCE THAT THE HOLDER HAS LOST THE CERTIFICATE OF TITLE AND REQUESTED A DUPLICATE FROM THE DEPARTMENT. THE HOLDER SHALL MAIL OR OTHERWISE DELIVER THE DUPLICATE CERTIFICATE OF TITLE TO THE TITLE INSURANCE AGENT WITHIN FIVE BUSINESS DAYS OF RECEIPT FROM THE DEPARTMENT. UPON RECEIPT FROM THE HOLDER, THE TITLE INSURANCE AGENT SHALL PRESENT THE CERTIFICATE OF TITLE TO THE PERSON IN WHOSE NAME THE CERTIFICATE OF TITLE IS ISSUED OR HIS OR HER AUTHORIZED AGENT OR ATTORNEY TO ALLOW SUCH PERSON TO EXECUTE A FORMAL TRANSFER AS REQUIRED BY SUBSECTION (1) OF THIS SECTION.

(b) THE PROVISIONS OF PARAGRAPH (a) OF THIS SUBSECTION (1.7) SHALL APPLY IF:

(I) A TITLE INSURANCE AGENT ACTS AS A SETTLEMENT AGENT RELATED TO THE SALE OF A MANUFACTURED HOME;

(II) THE MANUFACTURED HOME THAT IS SOLD IS THE SUBJECT OF ONE OR MORE MORTGAGES THAT HAVE BEEN FILED PURSUANT TO SECTION 38-29-128; AND

(III) ALL HOLDERS OF A MORTGAGE ON THE MANUFACTURED HOME THAT HAVE BEEN FILED PURSUANT TO SECTION 38-29-128 HAVE BEEN PAID IN FULL FROM THE PROCEEDS OF THE SALE.

(3) ANY PERSON WHO VIOLATES THE PROVISIONS OF SUBSECTION (1.3) OR (1.7) OF THIS SECTION SHALL BE LIABLE TO AN INJURED PERSON FOR ANY ACTUAL ECONOMIC DAMAGES CAUSED BY THE VIOLATION, TO BE RECOVERED IN A CIVIL ACTION IN A COURT OF COMPETENT JURISDICTION.

**SECTION 2.** 38-29-118 (2), Colorado Revised Statutes, is amended to read:

**38-29-118. Surrender and cancellation of certificate - purge of certificate - penalty for violation.** (2) The owner of any manufactured home for which a Colorado certificate of title has been issued, upon its being permanently affixed to the ground so that it is no longer capable of being drawn over the public highways, may surrender his certificate of title thereto and file with the authorized agent of the county or city and county in which such manufactured home is located a request for purging of the ~~mobile~~ MANUFACTURED home title; and, upon said owner's procuring the consent thereto of the holders of any mortgages noted on the certificate of title and shown to be unreleased, said manufactured home shall become real property. The provisions of articles 30 to 44 of this title and of any other law of this state shall be applicable to manufactured homes which have become real property pursuant to this subsection (2) and to instruments creating, disposing of, or otherwise affecting such real property wherever such provisions would be applicable to estates, rights, and interests in land or to instruments creating, disposing of, or otherwise affecting

estates, rights, and interests in land. THE MANUFACTURED HOME FOR WHICH A COLORADO CERTIFICATE OF TITLE HAS BEEN ISSUED SHALL CONTINUE TO BE VALUED AND TAXED SEPARATELY FROM THE LAND ON WHICH IT SITS UNTIL SUCH TIME THAT THE MANUFACTURED HOME BECOMES REAL PROPERTY PURSUANT TO THIS SUBSECTION (2).

**SECTION 3.** The introductory portion to 38-29-131 (1), Colorado Revised Statutes, is amended to read:

**38-29-131. Release of mortgages.** (1) Upon the payment or discharge of the undertaking secured by any mortgage on a manufactured home ~~which~~ THAT has been filed for record and noted on the certificate of title in the manner prescribed in section 38-29-128, the legal holder of the certificate of title, in a place to be provided therefor, shall make and execute such notation of the discharge of the obligation and release of the mortgage securing the same and set forth therein such facts concerning the right of the holder to so release said mortgage as the director may require by appropriate rule, which satisfaction and release shall be affirmed by a statement signed by the legal holder of the certificate of title and shall contain or be accompanied by a written declaration that it is made under the penalties of perjury in the second degree, as defined in section 18-8-503, C.R.S. Thereupon, EXCEPT AS OTHERWISE PROVIDED IN SECTION 38-29-112 (1.7), the holder of the mortgage so released shall dispose of the certificate of title as follows:

**SECTION 4. Effective date.** This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution (August 4, 2004, if adjournment sine die is on May 5, 2004); except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

Approved: May 21, 2004