

CHAPTER 223

**MOTOR VEHICLES AND TRAFFIC REGULATION**

SENATE BILL 05-038

BY SENATOR(S) Takis and May R.;  
also REPRESENTATIVE(S) Cadman, Carroll T., Gallegos, Merrifield, Todd, and Ragsdale.

**AN ACT**

**CONCERNING THE CLARIFICATION OF STATUTES ADDRESSING THE TITLING OF MOTOR VEHICLES.**

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

**SECTION 1.** 42-6-102, Colorado Revised Statutes, is amended to read:

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

(1) "Authorized agents" means the county clerk and recorder in each of the counties of the state, including the city and county of Broomfield, ~~except in the city and county of Denver, and therein~~ AND the manager of revenue or such other official of the city and county of Denver as may be appointed by the mayor to perform functions related to the registration of motor vehicles. ~~is the authorized agent.~~

(2) "Dealer" means any person, firm, partnership, corporation, or association licensed under the laws of this state to engage in the business of buying, selling, exchanging, or otherwise trading in motor vehicles.

(3) "Department" means the department of revenue.

(4) "Director" means the executive director of the department of revenue.

~~(4.2)~~ (5) (a) "Electronic record" ~~has the same meaning as defined in section 24-71.1-103 (3), C.R.S., and shall have the same effect as set forth in section 24-71.1-105, C.R.S.~~ MEANS A RECORD GENERATED, CREATED, COMMUNICATED, RECEIVED, SENT, OR STORED BY ELECTRONIC MEANS.

(b) A RECORD COVERED BY THIS ARTICLE MAY NOT BE DENIED LEGAL EFFECT,

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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.*

VALIDITY, OR ENFORCEABILITY SOLELY BECAUSE IT IS IN THE FORM OF AN ELECTRONIC RECORD. EXCEPT AS OTHERWISE PROVIDED IN THIS ARTICLE, IF A RULE OF LAW REQUIRES A RECORD TO BE IN WRITING OR PROVIDES CONSEQUENCES IF IT IS NOT, AN ELECTRONIC RECORD SATISFIES THAT RULE OF LAW.

~~(4.4)~~ (6) "File" means the creation of or addition to an electronic record maintained for a certificate of title by the director or an authorized agent of the director, as defined in section 42-6-105.

(7) "LIEN" MEANS A SECURITY INTEREST IN A MOTOR VEHICLE UNDER ARTICLE 9 OF TITLE 4, C.R.S., AND THIS ARTICLE .

~~(5)~~ (8) "Manufacturer" means a person, firm, partnership, corporation, or association engaged in the manufacture of new motor vehicles, trailers, or semitrailers.

~~(6)~~ (9) "~~Mortgages~~" or "Mortgage" or "chattel mortgage" means ~~chattel mortgages, conditional sales contracts, or any other like instrument intended to operate as a mortgage or to create a lien on a motor vehicle as security for an undertaking of the owner thereof or some other person~~ A SECURITY AGREEMENT AS DEFINED IN SECTION 4-9-102 (76), C.R.S.

~~(7)~~ (10) "Motor vehicle" means any self-propelled vehicle ~~which~~ THAT is designed primarily for travel on the public highways and ~~which~~ is generally and commonly used to transport persons and property over the public highways, INCLUDING trailers, semitrailers, and trailer coaches, without motive power. ~~except:~~ "MOTOR VEHICLE" DOES NOT INCLUDE motorized bicycles, as defined in section 42-1-102 (59) (b); vehicles ~~which~~ THAT operate only upon rails or tracks laid in place on the ground or that travel through the air or that derive their motive power from overhead electric lines; farm tractors, farm trailers, and other machines and tools used in the production, harvesting, and care of farm products; and mobile machinery, self-propelled construction equipment, or industrial machinery not designed primarily for highway transportation.

~~(8)~~ (11) "New vehicle" means ~~any~~ A motor vehicle being transferred for the first time from a manufacturer or importer, or dealer or agent of a manufacturer or importer, ~~and which motor vehicle had previously not been used and is what is commonly known as a new motor vehicle~~ TO THE END USER OR CUSTOMER. A motor vehicle that has been used by a dealer ~~solely~~ for the purpose of demonstration to prospective customers shall be considered a "new vehicle" unless such demonstration use has been for more than one thousand five hundred miles. Motor vehicles having a gross vehicle weight rating of sixteen thousand pounds or more shall be exempt from this definition.

~~(9)~~ (12) "Owner" means ~~any~~ A person ~~association of persons,~~ OR firm ~~or corporation~~ in whose name the title to a motor vehicle is registered.

~~(10)~~ (13) "Person" means natural persons, associations of persons, firms, LIMITED LIABILITY COMPANIES, partnerships, ~~and~~ OR corporations.

~~(10.5)~~ (14) "Record" ~~has the same meaning as defined in section 24-71.1-103 (9);~~

~~C.R.S.~~ MEANS INFORMATION THAT IS INSCRIBED ON A TANGIBLE MEDIUM OR THAT IS STORED IN AN ELECTRONIC OR OTHER MEDIUM AND IS RETRIEVABLE IN A PERCEIVABLE FORM.

~~(11)~~ (15) "Roadworthy" means a condition in which a motor vehicle has sufficient power and is fit to operate on the roads and highways of this state after visual inspection by appropriate law enforcement authorities. In order to be roadworthy, such vehicle, in accord with its design and use, shall have all major parts and systems permanently attached and functioning and shall not ~~appear to have been~~ BE repaired in such a manner as to make the vehicle unsafe. For purposes of this subsection ~~(11)~~ (15), "major parts and systems" shall include, but not be limited to, the body of a motor vehicle with related component parts, engine, transmission, tires, wheels, seats, exhaust, BRAKES, and all other equipment required by Colorado law for the particular vehicle.

~~(12)~~ (16) "Salvage certificate of title" means a document issued under the authority of the director to indicate ownership of a salvage vehicle.

~~(13)~~ (17) (a) "Salvage vehicle" means a vehicle that is damaged by collision, fire, flood, accident, trespass, or other occurrence, excluding hail damage, to the extent that the cost of repairing the vehicle to a roadworthy condition and 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. When assessing the repairs, the assessor shall consider the actual retail cost of the needed parts and the reasonable and customary labor rates for needed labor.

(c) This ~~section~~ SUBSECTION (17) shall not apply to a vehicle whose model year of manufacture is six years or older at the time of damage.

~~(13.5)~~ (18) "Signature" means either a written signature or an electronic signature. ~~as described in section 24-71.1-106, C.R.S.~~

~~(14)~~ (19) "State" includes the territories and the federal districts of the United States.

~~(15)~~ (20) "Street rod vehicle" means a vehicle manufactured in 1948 or earlier with a body design ~~which~~ THAT has been modified for safe road use, including, but not limited to, modifications of the drive train, suspension, and brake systems, modifications to the body through the use of materials such as steel or fiberglass, and MODIFICATIONS TO any other safety or comfort features.

(21) "TRANSFER BY INHERITANCE" MEANS THE TRANSFER OF OWNERSHIP AFTER THE DEATH OF AN OWNER BY MEANS OF A WILL, A WRITTEN STATEMENT, A LIST AS DESCRIBED IN SECTION 15-11-513, C.R.S., OR UPON LAWFUL DESCENT AND

## DISTRIBUTION UPON THE DEATH INTESTATE OF THE OWNER OF THE VEHICLE.

~~(16)~~ (22) "Used vehicle" means ~~any~~ A motor vehicle that has been sold, bargained, exchanged, or given away, or HAS HAD the title ~~thereto~~ transferred from the person who first took title ~~thereto~~ from the manufacturer or importer, dealer, or agent of the manufacturer or importer, or HAS BEEN so used as to have become what is commonly known as a secondhand motor vehicle. A motor vehicle that has been used by a dealer for the purpose of demonstration to prospective customers shall be considered a "used vehicle" if such demonstration use has been for more than one thousand five hundred miles.

~~(17)~~ (23) "Vehicle" means any motor vehicle as defined in subsection ~~(7)~~ (10) of this section.

**SECTION 2.** 42-6-104, Colorado Revised Statutes, is amended to read:

**42-6-104. Administration.** The director is charged with the duty of administering this part 1. For that purpose the director is vested with the power to make such reasonable rules ~~and regulations, prepare, prescribe,~~ and require the use of such forms and ~~provide such~~ procedures as ~~may be~~ ARE reasonably necessary ~~or essential to~~ FOR the efficient administration of this part 1.

**SECTION 3.** 42-6-105, Colorado Revised Statutes, is amended to read:

**42-6-105. Authorized agents.** The county clerk and recorder in each of the counties of the state, including the city and county of Broomfield ~~except in the city and county of Denver~~ AND the manager of revenue or such other official of the city and county of Denver as may be appointed by the mayor to perform functions related to the registration of motor vehicles, is designated to be the authorized agent of the director and, under the direction of the director, is charged with the administration ~~of the terms and provisions~~ of this part 1 and the rules that may ~~from time to time~~ be adopted for the administration ~~thereof~~ OF THIS PART 1 in the county ~~or city and county in which such~~ WHERE THE authorized agent holds office.

**SECTION 4.** 42-6-106, Colorado Revised Statutes, is amended to read:

**42-6-106. Certificates of registration - plates.** (1) No certificate of ~~the~~ registration ~~of any~~ OR LICENSE PLATES SHALL BE ISSUED FOR A motor vehicle ~~required by law or license plates therefor shall be issued~~ by the director or ~~any of the director's~~ AN authorized ~~agents~~ AGENT except in the following cases:

(a) The applicant ~~therefor has procured and~~ exhibits to the director or the ~~director's~~ authorized agent, or the director or the ~~director's~~ authorized agent has on file, an official Colorado certificate of title for such vehicle ~~issued pursuant to the provisions of this part 1, or to a law in force and effect in this state prior to August 1, 1949,~~ in which it appears that the applicant is the owner of the vehicle sought to be registered and licensed.

(b) The applicant submits SATISFACTORY evidence to the director or the ~~director's~~ authorized agent ~~that satisfies such officer or agent~~ that an official Colorado certificate of title to such motor vehicle has been issued or is on file ~~pursuant to the~~

~~provisions of this part 1 or to a law in force and effect prior to August 1, 1949; OR~~ from which it OTHERWISE appears that the applicant is the owner of the vehicle sought to be registered and licensed. Any evidence submitted to the director or the ~~director's~~ authorized agent may be maintained in a paper or electronic version.

(c) The applicant applies for an official certificate of title for such motor vehicle ~~in the manner provided in~~ PURSUANT TO section 42-6-116.

(d) A member of the armed forces of the United States has purchased a vehicle in a foreign country and registered such vehicle in accordance with ~~applicable~~ THE directives of the department of defense of the United States government and is unable to supply proof of ownership in the form customarily required by this state and evidence of ownership is supplied by submitting an executed document prescribed by the secretary of defense concerning the vehicle and authenticated by an officer of the armed forces who has authority to administer oaths under 10 U.S.C. sec. 936.

(e) (I) The vehicle is a commercial vehicle that is registered as part of a fleet based in Colorado and is leased from the owner of such vehicle;

(II) The owner of the commercial vehicle is not a resident of Colorado; and

(III) The applicant applies for apportioned registration pursuant to article 3 of this title and provides the following to the director or authorized agent:

(A) A copy of a current registration or a copy of a current title for such vehicle from a foreign jurisdiction; and

(B) A copy of a lease agreement between the owner and the applicant.

**SECTION 5.** 42-6-107, Colorado Revised Statutes, is amended to read:

**42-6-107. Certificates of title - contents.** (1) (a) All certificates of title to motor vehicles issued under ~~the provisions of this part 1~~ shall be mailed to the applicant, except as provided in section 42-6-124, and information ~~of the facts therein~~ appearing and concerning the issuance thereof shall be retained by the director and appropriately indexed and filed in the director's office. Such certificates may be electronic records pursuant to rules adopted by the director and, in addition to other information that the director may by rule ~~from time to time~~ require, shall contain the make and model of the motor vehicle for which the certificate is issued, or the record is created, where such information is available, together with the motor and ANY serial number of the vehicle ~~if any~~; and a description of such other marks or symbols as may be placed upon the vehicle by the vehicle manufacturer for identification purposes.

(b) The department may require those vehicle-related entities specified by regulation to verify information concerning ~~any~~ A vehicle through the physical inspection of such vehicle. The information required to be verified by such a physical inspection shall include ~~but shall not be limited to,~~ the vehicle identification number or numbers, the make of vehicle, the vehicle model, the type of vehicle, the year of manufacture of such vehicle, the type of fuel used by such vehicle, the odometer reading of such vehicle, and such other information as may be required by the

department. For the purposes of this paragraph (b), "vehicle-related entity" means ~~any county clerk and recorder~~ AN AUTHORIZED AGENT or designated employee of such ~~county clerk and recorder~~, any AGENT, A Colorado law enforcement officer, any A licensed Colorado dealer, any A licensed inspection and readjustment station, or any A licensed diesel inspection station.

(2) The electronic record of the certificate or the paper version of the certificate shall ~~also have noted, in a place to be provided therefor~~, CONTAIN a description of every lien ~~and encumbrance~~ to which the motor vehicle is subject, as appears in the application for the certificate of title or as is noted and shown to be unreleased upon any A certificate of title issued after August 1, 1949, for such vehicle, including the date of such lien, ~~or encumbrance~~; the original amount secured by the vehicle, the person named as lienee, ~~or encumbrancee in the lien or encumbrance~~; and the county in which the lien ~~or encumbrance~~ appears of record if it is of public record. The certificates and electronic records shall be numbered consecutively by counties, beginning with number one. The certificate of title filed with the ~~director's~~ authorized agent shall be prima facie evidence of ~~all of the matters contained in~~ OF THE CONTENTS OF the record and that the person in whose name ~~said~~ THE certificate is registered is the lawful owner of the vehicle. ~~described in the record~~. Except as provided in section 42-6-118, said certificate shall ~~remain in force and effect from~~ and BE EFFECTIVE after the filing thereof until ~~such time as~~ the vehicle described in the record is sold or ~~the title to the vehicle~~ OWNERSHIP is otherwise transferred.

**SECTION 6.** 42-6-108, Colorado Revised Statutes, is amended to read:

**42-6-108. Identification number - title - street rod vehicles.** (1) When ~~application is made to the state~~ A PERSON APPLIES for a certificate of title for a street rod vehicle, the department shall accept the serial number of such street rod vehicle as its vehicle identification number or the special vehicle identification number assigned to such vehicle by the department pursuant to section 42-5-205.

(2) ~~Any applicant~~ A PERSON who applies for a certificate of title for a street rod vehicle having frame and body identification numbers that do not match the manufacturer's numbering system as being originally mated or that is reconstructed from salvage parts or other motor vehicles or reproduction parts ~~must~~ SHALL furnish evidence of ownership, acceptable to the director, of such salvage parts, other motor vehicles, or reproduction components used in the reconstruction of such vehicle. In addition, the applicant ~~must~~ SHALL also furnish an affidavit stating the facts concerning the reconstruction and an affidavit of physical inspection that includes a computer check of the state and national compilations of wanted and stolen vehicles. Such vehicle reconstructed from salvage parts, other motor vehicles, or reproduction parts may then be issued a special vehicle identification number from the department. The street rod vehicle will then be titled as a rebuilt vehicle. The model year and the year of manufacture that are listed on the certificate of title of a street rod vehicle shall be the model year and the year of manufacture that the body of such vehicle resembles.

**SECTION 7.** 42-6-109, Colorado Revised Statutes, is amended to read:

**42-6-109. Sale or transfer of vehicle.** (1) Except as provided in section 42-6-113, no person shall sell or otherwise transfer a motor vehicle to a purchaser or

transferee without delivering to such purchaser or transferee a certificate of title, WHICH MAY BE ELECTRONIC, to such vehicle ~~which certificate may be electronic~~; duly transferred in the manner prescribed in section 42-6-110. ~~and~~ No purchaser or transferee shall acquire any right, title, or interest in and to a motor vehicle purchased by such purchaser or transferee unless and until he or she obtains from the transferor the certificate of title ~~thereto~~, duly transferred ~~to him or to her~~ in accordance with ~~the provisions of~~ this part 1. A lienholder may request either a paper or electronic version of a certificate of title.

(2) A paper copy of a certificate of title shall be necessary for any transaction in which:

- (a) Either party to the transaction is located outside Colorado; or
- (b) The purchaser pays for ~~any~~ A motor vehicle ENTIRELY with cash. ~~only~~.

**SECTION 8.** 42-6-110, Colorado Revised Statutes, is amended to read:

**42-6-110. Certificate of title - transfer.** (1) Upon the sale or transfer of a motor vehicle for which a certificate of title has been issued or filed, the person in whose name ~~said~~ THE certificate of title is registered, if such person is other than a dealer, shall ~~in person or by such person's authorized agent or attorney~~; execute a formal transfer of the vehicle described in the certificate. ~~which~~ SUCH transfer shall be affirmed by a statement signed by the person in whose name ~~said~~ THE certificate of title is registered or by such person's authorized agent or attorney 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. The purchaser or transferee, within ~~forty-five~~ SIXTY days thereafter, shall present such certificate, together with an application for a new certificate of title, to the director or one of the ~~director's~~ authorized agents, accompanied by the fee required in section 42-6-137 to be paid for the filing of a new certificate of title. ~~whereupon, a new certificate of title shall be filed and disposition thereof made as required in this part 1.~~

(2) ~~Any~~ A person who violates ~~any of the provisions of~~ subsection (1) of this section is guilty of a misdemeanor and, upon conviction, ~~thereof~~; shall be punished by a fine of not less than ten dollars nor more than five hundred dollars, or by imprisonment in the county jail for not less than ten days nor more than six months, or by both such fine and imprisonment.

**SECTION 9.** 42-6-111, Colorado Revised Statutes, is amended to read:

**42-6-111. Sale to dealers - certificate need not issue.** (1) Upon the sale or transfer to a dealer of a motor vehicle for which a Colorado certificate of title has been issued, ~~formal transfer and filing of~~ the certificate of title to the motor vehicle shall be ~~made as in other cases~~ TRANSFERRED AND FILED; except that, so long as the vehicle ~~so sold or transferred~~ remains in the dealer's possession and at the dealer's place of business for sale and for no other purpose, such dealer shall not be required to procure ~~the issuance or filing of~~ OR FILE a new certificate of title ~~thereto~~ as is otherwise required in this part 1.

(2) ~~In the event~~ IF a motor vehicle dealer wishes to obtain a new certificate of title

to a motor vehicle, such dealer may present the old certificate of title to the director with a THE fee as prescribed in accordance with IMPOSED BY section 42-6-137 (6) whereupon, said THE director shall issue a new certificate of title to such dealer within one working day of AFTER application. This subsection (2) shall not apply to any A motor vehicle subject to any A lien.

(3) (a) A wholesale motor vehicle auction dealer who does not buy, sell, or own the motor vehicles transferred at auction shall disclose the identity of the wholesale motor vehicle auction dealer, the date of the auction, and the license number of the auction on a form and in a manner provided PRESCRIBED by the executive director. A wholesale motor vehicle auction dealer does not become an owner by reason of such disclosure nor as a result solely of the guarantee of title, guarantee of payment, or reservation of a security interest.

(b) A wholesale motor vehicle auction dealer is not prohibited from buying or selling MAY BUY OR SELL motor vehicles at wholesale in such dealer's own name and in such instances shall be required to comply with the provisions of this part 1 applicable to dealers, including licensing.

**SECTION 10.** 42-6-112, Colorado Revised Statutes, is amended to read:

**42-6-112. Initial registration of a motor vehicle - dealer responsibility to timely forward certificate of title to purchaser or holder of a chattel mortgage.** In order to facilitate initial registration of a vehicle, any A dealer of motor vehicles shall have not more than thirty days from AFTER the date of sale of such vehicle to deliver or facilitate the delivery of the certificate of title to a purchaser or the holder of a chattel mortgage on such motor vehicle, subject to the provisions of section 42-6-109.

**SECTION 11.** 42-6-113, Colorado Revised Statutes, is amended to read:

**42-6-113. New vehicles - bill of sale - certificate of title.** Upon the sale or transfer by a dealer of a new motor vehicle, such dealer shall, upon the delivery, thereof, make, execute, and deliver to the purchaser or transferee a good and sufficient bill of sale therefor, together with AND the manufacturer's certificate of origin. Said THE bill of sale shall be affirmed by a statement signed by such dealer, 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., shall be in such form as the director may prescribe REQUIRE, and shall contain, in addition to other information that the director may by rule from time to time require, the make and model of the motor vehicle so sold or transferred, the identification number placed upon the vehicle by the manufacturer for identification purposes, the manufacturer's suggested retail price, and the date of the sale or transfer, thereof, together with a description of any mortgage OR LIEN on the vehicle given to secure THAT SECURES ANY PART OF the purchase price. or any part thereof. Upon presentation of such a bill of sale to the director or one of the director's authorized agents AN AUTHORIZED AGENT, a new certificate of title for the vehicle described in the bill of sale shall be filed. and disposition thereof made as in other cases. The transfer of A NEW motor vehicle that has been IS used by a dealer for the purpose of demonstration to prospective customers, if such motor vehicle is a new vehicle, as defined in section 42-6-102 (8), shall be made TRANSFERRED in accordance with the

provisions of this section.

**SECTION 12.** 42-6-114, Colorado Revised Statutes, is amended to read:

**42-6-114. Transfers by bequest, descent, law.** Upon the transfer of ownership of a motor vehicle by a bequest contained in the will or a written statement, or a list as described in section 15-11-513, C.R.S., of the person in whose name the certificate of title is registered, or upon the descent and distribution upon the death intestate of the owner of such vehicle, or upon the transfer INHERITANCE OR by operation of law, as in proceedings in bankruptcy, insolvency, replevin, attachment, execution, or other judicial sale, or whenever such vehicle is sold to satisfy storage or repair charges or repossession is had upon default in the performance of the terms of any mortgage REPOSSESSED TO SATISFY A SECURED DEBT, the director or the director's authorized agent, upon the surrender of the ANY AVAILABLE certificate of title if the same is available, upon AND presentation of such proof of ownership of such vehicle as the director may reasonably require or upon presentation of an applicable A court order, and upon presentation of an application for a certificate of title; as required in section 42-6-116, a new certificate of title may be filed on behalf of the person shown by such evidence to be entitled thereto NEW OWNER, and disposition shall be made as in other cases.

**SECTION 13.** 42-6-115, Colorado Revised Statutes, is amended to read:

**42-6-115. Furnishing bond for certificates.** (1) ~~In cases where~~ IF the applicant for a certificate of title to a motor vehicle is unable to provide the director or the director's authorized agent with a certificate of title thereto, duly transferred to such applicant, a bill of sale, therefor, or other evidence of the ownership thereof that satisfies the director of the right of the applicant to have a certificate of title filed on behalf of the applicant, as provided in section 42-6-107 THAT THE APPLICANT OWNS THE VEHICLE, a certificate of title for such vehicle may nevertheless be filed by the director or the director's authorized agent upon the applicant for the certificate of title furnishing the director or the director's authorized agent with a statement, in such form as REQUIRED BY the director. may prescribe. ~~There shall appear~~ THE STATEMENT SHALL CONTAIN a recital of the facts and circumstances by which the applicant acquired the ownership and possession of such vehicle, the source of the title to the vehicle, and such other information as the director may require to enable the director or the director's authorized agent to determine what WHETHER ANY liens or encumbrances are outstanding against ATTACHED TO such motor vehicle, if any, the date of the liens, or encumbrances; the amount secured by the vehicle, where said SUCH liens or encumbrances are of public record, if they are of public record; and the right of the applicant to have a certificate of title filed on behalf of the applicant. The statement 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., and shall accompany the formal application for the certificate as required in section 42-6-116. Any evidence submitted to and maintained by the director or the director's authorized agent may be maintained in a paper or electronic version.

(2) ~~If from the affidavit of the applicant and such other evidence as may be submitted to the director or the director's authorized agent he or she finds that the applicant is the same person to whom a certificate of title for said THE vehicle has previously been issued or filed and to whom a license was issued for the year during~~

which the application for such certificate of title is made and that a certificate of title should be filed on behalf of the applicant, such certificate may be filed ~~in which event~~ AND disposition of such certificate shall be made as in other cases.

(3) (a) EXCEPT AS PROVIDED BY PARAGRAPH (b) OF THIS SUBSECTION (3), no certificate of title shall be filed ~~as provided in~~ UNDER this section ~~unless and~~ until the applicant furnishes evidence of a savings account, deposit, or certificate of deposit meeting the requirements of section 11-35-101, C.R.S., or a good and sufficient bond with a corporate surety, to ~~the people of the state,~~ in an amount to be fixed by the director, not less than twice the reasonable value of the vehicle ~~for which the certificate is filed,~~ determined as of the time OF application. ~~for the certificate is made, conditioned that~~ The applicant and the applicant's surety shall hold harmless any person who suffers ~~any~~ loss or damage by reason of the filing thereof, ~~except that,~~ OF A CERTIFICATE UNDER THIS SECTION.

(b) If the vehicle for which the certificate is filed is twenty-five years old or older, the applicant has had a certified vehicle identification number inspection performed on the vehicle, and the applicant presents a notarized bill of sale within forty-five days ~~of~~ AFTER such sale with the title application, then the applicant shall not be required to furnish ~~such savings account, deposit, certificate of deposit, or bond.~~ ~~In order~~ SURETY PURSUANT TO THIS SUBSECTION (3). To be excepted from the ~~savings account, deposit, certificate of deposit, or bond~~ SURETY requirement, an applicant shall submit an affidavit to the department that is sworn to under penalty of perjury that states such required documents submitted are true and correct.

(4) If any person suffers ~~any~~ loss or damage by reason of the filing of the certificate of title as provided in this section, such person shall have a right of action against the applicant and the surety on the applicant's bond against either of whom the person damaged may proceed independently of the other.

**SECTION 14.** 42-6-116, Colorado Revised Statutes, is amended to read:

**42-6-116. Applications for filing of certificates of title.** ~~In any case under the provisions of this part 1 wherein~~ IF a person who desires or who is entitled to a filing of a certificate of title to a motor vehicle is required to ~~make formal application~~ APPLY to the director or the ~~director's~~ authorized agent, ~~therefor,~~ such applicant shall ~~make application~~ APPLY upon a form provided by the director in which appears a description of the motor vehicle including the make and model, the manufacturer's number, the date ~~on which said~~ THAT THE motor vehicle was first sold by the dealer or manufacturer ~~of the motor vehicle~~ to the initial user of the motor vehicle, and a description of any other distinguishing mark, number, or symbol placed on said vehicle by the vehicle manufacturer for identification purposes, as may by rule be required by the director. Such application shall also show the name and correct address of the owner determined pursuant to section 42-6-139 and the applicant's source of title and shall include a description of all known mortgages and liens upon ~~said~~ THE motor vehicle, ~~each including the name of the legal holder thereof~~ OF THE LIEN, the amount originally secured, the amount outstanding on the obligation secured ~~at the time such~~ WHEN THE application is made, and the name of the county ~~city and county,~~ and state in which such mortgage or lien ~~instrument~~ is recorded or filed. Such application shall be verified by a statement signed by the applicant 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.

**SECTION 15.** 42-6-117, Colorado Revised Statutes, is amended to read:

**42-6-117. Filing of certificate.** (1) The director or the ~~director's~~ authorized agent shall use reasonable diligence ~~in ascertaining~~ TO ASCERTAIN whether the facts stated in ~~any~~ AN application and ~~the facts contained in~~ other documents submitted to the director or the ~~director's~~ authorized agent ~~with said application~~ are true. ~~and;~~ In appropriate cases, THE DIRECTOR OR AUTHORIZED AGENT may require the applicant to furnish ~~other and~~ additional information regarding ownership of the vehicle and the right to ~~have filed~~ FILE on behalf of the applicant a certificate of title for the vehicle. The director or the ~~director's~~ authorized agent may refuse to file a certificate of title to such vehicle if ~~from an investigation~~ the director or the ~~director's~~ authorized agent determines that the applicant is not entitled ~~thereto~~ TO SUCH CERTIFICATE.

(2) No certificate of title may be filed for a vehicle required to have its vehicle identification number inspected pursuant to section 42-5-202 unless a vehicle identification number inspection form has been transmitted to the director or the ~~director's~~ authorized agent showing the number recorded from the vehicle or the number assigned to the vehicle pursuant to section 42-5-205.

(3) At the request of the title owner, lienholder, or mortgagee, a paper copy of a filed certificate of title may be issued by the director or the ~~director's~~ authorized agent.

**SECTION 16.** 42-6-118, Colorado Revised Statutes, is amended to read:

**42-6-118. Amended certificate.** If the owner of ~~any~~ A motor vehicle for which a Colorado certificate of title has been issued or filed replaces any part of ~~said~~ THE motor vehicle on which appears the identification number or symbol described in the certificate of title and ~~by which said vehicle is known and identified, by reason whereof~~ such identification number or symbol no longer appears on the motor vehicle, or incorporates the part containing the identification number or symbol into ~~a~~ ANOTHER motor vehicle, ~~other than the motor vehicle for which the original certificate of title was issued or filed, immediately thereafter;~~ such owner shall ~~make application~~ IMMEDIATELY APPLY to the director or ~~one of the director's~~ AN authorized ~~agents~~ AGENT for an assigned identification number and an amended filing of a certificate of title to such vehicle.

**SECTION 17.** 42-6-119, Colorado Revised Statutes, is amended to read:

**42-6-119. Certificates for vehicles registered in other states.** (1) ~~Whenever~~ ~~any~~ WHEN A resident of the state acquires the ownership of ~~any~~ A motor vehicle ~~by purchase, gift, or otherwise;~~ for which a certificate of title has been issued ~~under the laws of~~ BY a state other than ~~the state of~~ Colorado, the person ~~so~~ acquiring such vehicle ~~upon acquiring the same shall make application~~ SHALL APPLY to the director or ~~the director's~~ AN authorized agent for the filing of a certificate of title as in other cases.

(2) If ~~any~~ A dealer acquires the ownership OF A MOTOR VEHICLE by ~~any~~ lawful means ~~whatsoever of a motor vehicle, the title to which~~ AND THE MOTOR VEHICLE is

~~registered~~ TITLED under the laws of ~~and in~~ a state other than ~~the state of~~ Colorado, such dealer shall not be required to file a Colorado certificate of title ~~therefor~~ FOR THE VEHICLE so long as such vehicle remains in the dealer's possession and at the dealer's place of business SOLELY for THE PURPOSE OF sale. ~~and for no other purpose.~~

(3) Upon the sale by a dealer of ~~any~~ A motor vehicle, the certificate of title to which was issued in a state other than Colorado, the dealer shall, within thirty days after the date of sale, ~~of the vehicle,~~ deliver or facilitate the delivery to the purchaser ~~or transferee~~ such certificate of title from a state other than Colorado duly and properly endorsed or assigned to the purchaser ~~or transferee,~~ together with a statement by the dealer ~~which~~ THAT 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., and ~~which~~ THAT shall set forth the following:

(a) That such dealer has warranted and, by the execution of such affidavit, does warrant to the purchaser ~~or transferee~~ and all persons ~~claiming or~~ who shall claim ~~under, by, or through the purchaser or transferee~~ named that, at the time of the sale, transfer, and delivery ~~thereof~~ by the dealer, the vehicle ~~therein~~ described was free and clear of all liens and mortgages ~~whatsoever, save and~~ except as might therein ~~otherwise~~ appear;

(b) That the vehicle ~~therein described~~ is not a stolen vehicle; and

(c) That such dealer had good, sure, and adequate title ~~thereto~~ TO, and full right and authority to sell and transfer, the ~~same~~ VEHICLE.

(4) If the purchaser ~~or transferee~~ of ~~said~~ THE vehicle completes and includes the vehicle identification number inspection form as part of the application for filing of a Colorado certificate of title to such vehicle and accompanies the application with the affidavit required by subsection (3) of this section and the duly endorsed or assigned certificate of title from a state other than Colorado, a Colorado certificate of title ~~therefor~~ may be filed in the same manner as upon the sale or transfer of a motor vehicle for which a Colorado certificate of title has been issued or filed. Upon the filing by the director or the ~~director's~~ authorized agent of such certificate of title, the director or the ~~director's~~ authorized agent may dispose of such certificate of title and ~~said~~ SHALL RECORD SUCH certificate of title ~~shall be recorded~~ as provided in section 42-6-124.

~~(5) (Deleted by amendment, L. 95, p. 158, § 1, effective July 1, 1995.)~~

**SECTION 18.** 42-6-120 (1), Colorado Revised Statutes, is amended to read:

**42-6-120. Security interests upon motor vehicles.** (1) Except as provided in this section, the provisions of the "Uniform Commercial Code", title 4, C.R.S., relating to the filing, recording, releasing, renewal, and extension of chattel mortgages, as the term is defined in section 42-6-102 (6), shall not ~~be applicable~~ APPLY to motor vehicles. Any mortgage or refinancing of a mortgage intended by the parties to the mortgage or refinancing to encumber or create a lien on a motor vehicle, OR to be effective as a valid lien against the rights of third persons, purchasers for value without notice, mortgagees, or creditors of the owner, shall be filed for public record. ~~and~~ The fact of filing SHALL BE noted on the owner's certificate of title or bill

of sale substantially in the manner provided in section 42-6-121. ~~and~~ The filing of such A mortgage with ~~the director's~~ AN authorized agent ~~and the notation by the agent of that fact in the filing of the certificate of title or bill of sale~~ substantially in the manner provided in section 42-6-121 shall constitute notice to the world of each and every right of the person secured by such mortgage. SUCH NOTICE SHALL BE EFFECTIVE ON THE DATE ACCEPTED AS NOTED ON THE CERTIFICATE OF TITLE.

**SECTION 19.** 42-6-130, Colorado Revised Statutes, is amended to read:

**42-6-130. Priority of secured interests.** The liens ~~of~~ OR mortgages filed for record or noted on a certificate of title to a motor vehicle, as provided in section 42-6-121, shall take priority in the same order that ~~the mortgages creating such liens~~ THEY were filed in the office of the ~~director's~~ authorized agent.

**SECTION 20.** 42-6-131, Colorado Revised Statutes, is amended to read:

**42-6-131. Mechanics', warehouse, and other liens.** Nothing in this part 1 shall be construed to impair the rights of lien claimants arising under any mechanics' lien law ~~in force and effect in this state~~ or the lien of ~~any warehouseman~~ A WAREHOUSE or ~~any~~ other person claimed for repairs on or storage of any motor vehicle, when a mechanic's lien or storage lien ~~has~~ originated prior to ~~the time any~~ A mortgage OR LIEN on ~~said~~ THE motor vehicle ~~has been~~ BEING filed for record as provided in section ~~42-6-120~~; and such motor vehicle has remained continuously in the possession of the person claiming such mechanic's lien or lien for storage. ~~notwithstanding that no notation of such lien is made upon the certificate of title to the vehicle in respect of which it is claimed.~~

**SECTION 21.** 42-6-132, Colorado Revised Statutes, is amended to read:

**42-6-132. Existing mortgages not affected.** Nothing in this part 1 shall be construed to impair the rights of the holder of any lien on a motor vehicle created by mortgage or otherwise prior to August 1, 1949, which remains unreleased and the undertaking ~~which~~ THAT the lien ~~thereof~~ secures remains undischarged. Nothing in this part 1 shall be construed to relieve the holders of such liens of the duty to file such instruments respecting the undertakings secured thereby as may be required by law to preserve the liens of such mortgages unimpaired.

**SECTION 22.** 42-6-133, Colorado Revised Statutes, is amended to read:

**42-6-133. Foreign mortgages and liens.** No mortgage OR LIEN on a motor vehicle filed for record in ~~any~~ A state other than ~~the state of~~ Colorado shall be valid and enforceable against the rights of subsequent purchasers for value, creditors, LIEN HOLDERS, or mortgagees having no actual notice of the existence of ~~said~~ SUCH mortgage OR LIEN. If the certificate of title for such vehicle ~~whether issued under the laws of this state or any other state~~, bears any notation adequate to apprise a purchaser, creditor, LIEN HOLDER, or mortgagee of the existence of ~~such mortgage~~ A MORTGAGE OR LIEN at the time ~~any~~ A third party acquires a right in the motor vehicle, ~~covered by such mortgage~~, such mortgage OR LIEN and the rights of the holder of the mortgage OR LIEN shall be enforceable in this state ~~the same and with like effect~~ as though such mortgage were filed in ~~the state of~~ Colorado and noted on the certificate of title or noted in the record of the ~~director's~~ authorized agent pertaining to that

vehicle in the manner prescribed in PURSUANT TO section 42-6-121.

**SECTION 23.** 42-6-134, Colorado Revised Statutes, is amended to read:

**42-6-134. Where application for certificates of title made.** Except as otherwise provided in this part 1, all applications for recording of certificates of title upon the sale or transfer of ~~any~~ A motor vehicle described in the certificate of title shall be directed to and filed with the ~~director's~~ authorized agent of the county ~~or city and county in which~~ WHERE such vehicle will be registered and licensed for operation. ~~upon the highways of this state.~~

**SECTION 24.** 42-6-135, Colorado Revised Statutes, is amended to read:

**42-6-135. Lost certificates of title.** (1) ~~In the event of any loss of data transmission of any~~ IF DATA IS LOST TRANSMITTING AN application for a certificate of title ~~to a motor vehicle and accompanying papers or files that~~ DOCUMENTATION, WHICH may be sent ~~or~~ transmitted by the ~~director's~~ authorized agent to the director and upon an appropriate application of the owner or other person entitled to such certificate of title, ~~directed to the director's authorized agent therefor,~~ such certificate of title may be reissued or recorded bearing such notations respecting existing UNRELEASED mortgages OR LIENS on the vehicle ~~therein described as the records of the director's authorized agent and of the director may indicate are unreleased and constitute an encumbrance upon the vehicle which~~ AS INDICATED BY THE DIRECTOR'S OR AUTHORIZED AGENT'S RECORDS. SUCH certificate of title shall be issued without charge.

(2) If the title owner, lienholder, or mortgagee of ~~any~~ A certificate of title loses, misplaces, or accidentally destroys ~~any~~ A certificate of title to a motor vehicle ~~which~~ THAT such person holds ~~whether as the holder of a mortgage or as the owner of the vehicle~~ AS described in the certificate of title, upon application, ~~therefor to the director or the director's authorized agent,~~ the director or the ~~director's~~ authorized agent may issue a duplicate copy of the recorded certificate of title as in other cases.

(3) Upon the issuance of ~~any~~ A copy of the recorded certificate of title as provided in this section, the director or the ~~director's~~ authorized agent shall note on the copy every mortgage shown to be unreleased and the lien ~~of which~~ THAT is in ~~force and~~ effect as ~~may be~~ disclosed by the records ~~in~~ OF the ~~director's or the director's authorized agent's office~~ DIRECTOR OR AUTHORIZED AGENT and shall dispose of such certificate as in other cases.

**SECTION 25.** 42-6-136, Colorado Revised Statutes, is amended to read:

**42-6-136. Surrender and cancellation of certificate - penalty for violation.**

(1) The owner of ~~any~~ A motor vehicle for which a Colorado certificate of title has been issued, upon the destruction or dismantling of said motor vehicle, upon its being changed ~~in such manner~~ SO that it is no longer a motor vehicle, or upon its being sold or otherwise disposed of as salvage, shall surrender the certificate of title to the motor vehicle to the director or the ~~director's~~ authorized agent to be canceled or notify the director or the ~~director's~~ authorized agent on director-approved forms indicating the loss, destruction or dismantling, or sale for salvage. ~~and;~~ Upon ~~said~~ THE owner's procuring the consent of the holders of any ~~mortgages~~ UNRELEASED MORTGAGES OR

LIENS noted on or recorded as part of the certificate of title, ~~and shown to be unreleased in the office of the director~~, such certificate shall be canceled. ~~Any~~ A person who violates ~~any of the provisions of~~ this section commits a class 1 petty offense and shall be punished as provided in section 18-1.3-503, C.R.S.

(2) Upon the sale or transfer of ~~any~~ A motor vehicle for which a current Colorado certificate of title has been issued or filed ~~which motor vehicle~~ AND THAT has become a salvage vehicle, as defined in section 42-6-102 (17), the purchaser or transferee shall ~~make application~~ APPLY for a salvage certificate of title. The owner of ~~any~~ such A motor vehicle may ~~make application~~ APPLY for a salvage certificate of title before the sale or transfer of such vehicle. ~~Any~~ AN owner ~~making application~~ APPLYING for a salvage certificate of title shall provide the director evidence of ownership that satisfies the director of the right of the applicant to have a salvage certificate of title filed in favor of the owner.

(3) (a) An owner of a salvage motor vehicle that has been made roadworthy who applies for a certificate of title as provided in section 42-6-116 shall include such information regarding the vehicle as the director may require by rule. The owner shall provide to the director evidence of ownership that satisfies the director that the applicant is entitled to filing of a certificate of title. The director or the authorized agent shall designate in a conspicuous place in the record for a vehicle that it is a salvage vehicle that has been made roadworthy. Such designation shall include the words "REBUILT FROM SALVAGE" and shall become a permanent part of the certificate of title for such vehicle and shall appear on all subsequent certificates of title for such vehicle.

(b) (I) An owner of a salvage motor vehicle that has been made roadworthy who applies for a certificate of title as provided in section 42-6-116 shall include a certified VIN inspection, DR2704, performed by a law enforcement officer certified as a VIN inspector.

(II) Prior to the inspection, the applicant shall stamp into the motor vehicle the words "REBUILT FROM SALVAGE" with each letter being not less than one-fourth inch in size. Such words shall be a salvage brand and be stamped in the following locations:

(A) In a motorcycle, on the frame in a visible location;

(B) In a class A manufactured motor home, on the main entrance door jamb;

(C) In a trailer, adjacent to the public vehicle identification number;

(D) In all other motor vehicles, on the body post to which the driver's door latches, also known as the driver's door B pillar.

(III) The law enforcement officer shall not complete the inspection required by this paragraph (b) unless the salvage brand complies with this paragraph (b).

(c) (I) Except as provided in subparagraph (II) of this paragraph (c), a person commits a class 1 misdemeanor and, upon conviction, shall be punished as provided in section 18-1.3-501, C.R.S., if such person:

(A) Intentionally removes or alters a salvage brand; or

(B) Possesses a motor vehicle without retitling the vehicle with a salvage brand for forty-five days after learning that the motor vehicle's salvage brand may have been removed or altered.

(II) A person may remove or alter a salvage brand if necessary to legitimately repair a motor vehicle. Such person shall provide evidence of such repair to the investigating law enforcement authority, including pre-repair and post-repair photographs of the affected motor vehicle part and the salvage brand and a signed affidavit describing the repairs. Upon repair, or subsequent repair, the vehicle shall be restamped.

**SECTION 26.** 42-6-137, Colorado Revised Statutes, is amended to read:

**42-6-137. Fees - repeal.** (1) (a) Upon filing with the authorized agent ~~any~~ AN application for a certificate of title, the applicant shall pay to the agent a fee of seven dollars and twenty cents, which ~~charge~~ shall be in addition to the fees ~~provided by law~~ for the registration of such motor vehicle.

(b) (I) In addition to the fee ~~provided~~ IMPOSED in paragraph (a) of this subsection (1), ~~effective July 1, 2001~~, upon filing with the authorized agent any application for a certificate of title, the applicant shall pay to the authorized agent an additional fee of two dollars and thirty cents.

(II) Fees collected pursuant to this paragraph (b) shall be used to administer the Colorado state titling and registration system, including, but not limited to, upgrading such system.

(III) This paragraph (b) is repealed, effective September 1, 2006.

(2) Upon the receipt by ~~the director's~~ AN authorized agent of ~~any~~ A mortgage for filing under ~~the provisions of~~ section 42-6-121, 42-6-125, or 42-6-129, the authorized agent shall be paid such fees as are ~~prescribed~~ IMPOSED by law for the filing of like instruments in the office of the county clerk and recorder in the county ~~or city and county wherein~~ WHERE such mortgage is filed and shall ALSO receive ~~in addition thereto~~, a fee of seven dollars and twenty cents for the issuance or recording of the certificate of title and the notation in the record of the director or the authorized agent of the existence of ~~said~~ THE mortgage.

(3) Upon application to the ~~director's~~ authorized agent to have noted or recorded on a certificate of title the extension of ~~any~~ A mortgage described in the certificate of title and noted or recorded on ~~said~~ THE certificate, such authorized agent shall receive a fee of one dollar and fifty cents.

(4) Upon the release and satisfaction of a mortgage and upon application to the authorized agent for the notation on the certificate of title ~~in the manner prescribed in~~ PURSUANT TO section 42-6-125, such authorized agent shall be paid a fee of seven dollars and twenty cents.

(5) For the issuance of ~~any~~ A copy of a recorded certificate of title, except as may

be otherwise provided in this part 1, the ~~director's~~ authorized agent shall be paid a fee of eight dollars and twenty cents. ~~and, in all cases wherein~~ IF the department assigns a new identifying number to any motor vehicle, the fee charged for such assignment shall be three dollars and fifty cents.

(6) Upon filing with the director ~~any~~ AN application for a certificate of title, a motor vehicle dealer who applies to receive a certificate of title within one working day ~~of~~ AFTER application shall pay to ~~said~~ SUCH director a fee of twenty-five dollars.

(7) ~~Using the increases in title issuance fees that became effective on July 1, 1998,~~ a ~~director's~~ AN authorized agent shall, if possible, provide the following recording of titles on the same day as the date of request by an applicant:

(a) ~~On and after July 1, 1998,~~ any A title issued pursuant to a transfer of a motor vehicle currently titled in Colorado;

(b) ~~On and after January 1, 1999,~~ any A title issued for a new motor vehicle upon filing of a manufacturer's statement of origin without ~~any~~ liens; and

(c) ~~After the department of revenue and the county clerks have reviewed and agreed upon a plan for the issuance or recording of other titles, but no later than July 1, 2001,~~ Any other title issued or recorded by the director or the ~~director's~~ authorized agent. The ~~plan~~ DIRECTOR AND AUTHORIZED AGENTS shall take into account ~~the~~ provision of the best service for citizens in the most cost-effective manner, the use of electronic issuance of titles, and consideration of the business plan for issuing titles at county offices.

(8) Notwithstanding the amount specified for any fee in this section, the director by rule or as otherwise provided by law may reduce the amount of one or more of the fees if necessary pursuant to section 24-75-402 (3), C.R.S., to reduce the uncommitted reserves of the fund to which all or any portion of one or more of the fees is credited. After the uncommitted reserves of the fund are sufficiently reduced, the director by rule or as otherwise provided by law may increase the amount of one or more of the fees as provided in section 24-75-402 (4), C.R.S.

**SECTION 27.** 42-6-138, Colorado Revised Statutes, is amended to read:

**42-6-138. Disposition of fees - repeal.** (1) (a) All fees received by the authorized agent under ~~the provisions of~~ section 42-6-137 (1) (a), (2), or (4) or 38-29-138 (1) (a), (2), or (4), C.R.S., upon application ~~being made~~ for a certificate of title, shall be disposed of as follows: Four dollars shall be retained by the authorized agent and disposition made as provided by law; three dollars and twenty cents shall be credited to the special purpose account established by section 42-1-211.

(b) (I) Notwithstanding paragraph (a) of this subsection (1), the fees received by the authorized agent under ~~the provisions of~~ section 42-6-137 (1) (b), upon application ~~being made~~ for a certificate of title, shall be credited to the special purpose account established by section 42-1-211.

(II) This paragraph (b) is repealed, effective September 1, 2006.

(2) All fees collected by the ~~director's~~ authorized agent under ~~the provisions of~~ section 42-6-137 (5) or 38-29-138 (5), C.R.S., shall be disposed of as follows:

(a) For a copy of a recorded certificate of title, six dollars and fifty cents shall be retained by the authorized agent and disposition made as provided by law; and one dollar and seventy cents shall be credited to the special purpose account established by section 42-1-211; and

(b) For assignment of a new identifying number to a motor vehicle or manufactured home, two dollars and fifty cents shall be retained by the authorized agent and disposition made as provided by law; and one dollar shall be credited to the special purpose account established by section 42-1-211. All fees collected by the department under the provisions of section 42-6-137 (1) (a), (4), or (5) or 38-29-138 (1) (a), (4), or (5), C.R.S., shall be credited to such special purpose account.

(3) All fees paid to the ~~director's~~ authorized agent under section 42-6-137 (3) for the extension of ~~any~~ A mortgage OR LIEN on a motor vehicle filed in the authorized agent's office shall be ~~kept and~~ retained by ~~said~~ THE authorized agent to defray the cost of such extension or release and shall be disposed of by the authorized agent as provided by law; except that fees for this service ~~which may be~~ THAT ARE paid to the authorized agent in the city and county of Denver shall, by such agent, be disposed of in the same manner as fees retained by the agent ~~which~~ THAT were paid upon application being made for a certificate of title.

(4) The fee paid by a motor vehicle dealer to the director pursuant to section 42-6-137 (6) for a certificate of title issued within one working day of application shall be credited to the special purpose account established by section 42-1-211 (2). ~~and shall be appropriated in accordance therewith.~~

**SECTION 28.** 42-6-139, Colorado Revised Statutes, is amended to read:

**42-6-139. Registration - where made.** (1) For purposes of this section, a person's residence shall be the person's principal or primary home or place of abode, to be determined in the same manner as residency for voter registration purposes as provided in sections 1-2-102 and 31-10-201, C.R.S.; except that "voter registration" shall be substituted for "motor vehicle registration" as a circumstance to be taken into account in determining such principal or primary home or place of abode.

(2) Except as may be otherwise provided by rule ~~or regulation~~ of the director, it is unlawful for any person who is a resident of the state to register, ~~any motor vehicle owned by that person or~~ to obtain a license ~~therefor~~ FOR, or to procure a certificate of title ~~thereto~~ TO, A MOTOR VEHICLE at any address other than:

(a) For a motor vehicle ~~which~~ THAT is owned by a business and operated primarily for business purposes, the address ~~from which~~ WHERE such vehicle is principally operated and maintained; or

(b) For any motor vehicle for which the provisions of paragraph (a) of this subsection (2) do not apply, the address of the owner's residence; except that, if a motor vehicle is permanently ~~operated and~~ maintained at an address other than the address of the owner's residence, such motor vehicle shall be registered at the address

~~from which~~ WHERE such motor vehicle is permanently ~~operated and~~ maintained.

(3) ~~Any~~ A person who knowingly violates any of the provisions of subsection (2) of this section, section 42-3-103 (4) (a), ~~section 42-3-105 (1) (c) (H);~~ section 42-6-140, or any rule or regulation of the director relating thereto made pursuant to the authority conferred upon the director in PROMULGATED PURSUANT TO this part 1 is guilty of a misdemeanor and, upon conviction, ~~thereof;~~ shall be punished by a fine of five hundred dollars.

(4) In addition to any other applicable penalty, a person who registers a motor vehicle in violation of the provisions of subsection (2) of this section, section 42-3-103 (4) (a), ~~section 42-3-105 (1) (c) (H);~~ or section 42-6-140 shall be subject to a civil penalty of five hundred dollars. Such violation shall be determined by, ~~and such penalty shall be~~ assessed by, and paid to the municipality or county ~~in which such~~ WHERE THE motor vehicle is or should have been registered, subject to judicial review pursuant to rule 106 (a) (4) of the Colorado rules of civil procedure.

(5) ~~Any~~ A person subject to the penalties ~~provided~~ IMPOSED by this section continues to be liable for ~~any~~ unpaid registration fees, specific ownership taxes, or other taxes and fees ~~connected with~~ CONCERNING the registration of a vehicle ~~that are~~ owed by such person.

**SECTION 29.** 42-6-140, Colorado Revised Statutes, is amended to read:

**42-6-140. Registration upon becoming resident.** ~~If any person who is a resident of a state other than Colorado is the owner of a motor vehicle for which a certificate of title has been issued by a state other than Colorado or if such vehicle is registered under the laws of and licensed for operation in a state other than Colorado, such person upon changing his or her place of residence to Colorado, within thirty days thereafter, shall make application~~ WITHIN THIRTY DAYS AFTER BECOMING A RESIDENT OF COLORADO, THE OWNER OF A MOTOR VEHICLE SHALL APPLY for a Colorado certificate of title, ~~to such~~ A LICENSE, AND REGISTRATION FOR THE vehicle ~~in the manner prescribed in this article and shall register the same and procure a Colorado license therefor as is provided by law~~ THAT IS REGISTERED, THAT IS LICENSED, OR FOR WHICH A CERTIFICATE OF TITLE IS ISSUED IN ANOTHER STATE. Any person who violates the provisions of this section is subject to the penalties provided in section 42-6-139.

**SECTION 30.** 42-6-141, Colorado Revised Statutes, is amended to read:

**42-6-141. Director's records to be public.** All records in the director's office pertaining to the title to ~~any~~ A motor vehicle shall be public records and shall be subject to the provisions of section 42-1-206. This shall include any records regarding ownership of and mortgages OR LIENS on ~~any~~ A vehicle for which a Colorado certificate of title has been issued.

**SECTION 31.** 42-6-142, Colorado Revised Statutes, is amended to read:

**42-6-142. Penalties.** (1) No person may sell, transfer, or in any manner dispose of a motor vehicle in this state without complying with ~~the requirements of~~ this part 1.

(2) ~~Any~~ A person who violates ~~any of the provisions of~~ subsection (1) of this section for which no other penalty is expressly provided is guilty of a misdemeanor and, upon conviction, ~~thereof~~, shall be punished by a fine of not less than one hundred dollars nor more than five hundred dollars, or by imprisonment in the county jail for not less than ten days nor more than six months, or by both such fine and imprisonment.

**SECTION 32.** 42-6-143, Colorado Revised Statutes, is amended to read:

**42-6-143. Altering or using altered certificate.** ~~Any~~ A person who ~~alters or forges or~~ causes to be altered or forged ~~any~~ A certificate of title issued by the director pursuant to ~~the provisions of~~ this part 1, or ~~any~~ A written transfer ~~thereof~~ OF A TITLE, or any other notation placed ~~thereon~~ ON THE TITLE by the director or under the director's authority ~~respecting the mortgaging of the motor vehicle therein described~~ CONCERNING A MORTGAGE OR LIEN or who uses or attempts to use any such certificate ~~for the~~ TO transfer ~~thereof~~ THE VEHICLE, knowing ~~the same~~ IT to ~~have been~~ BE altered or forged, commits a class 6 felony and shall be punished as provided in section 18-1.3-401, C.R.S.

**SECTION 33.** 42-6-144, Colorado Revised Statutes, is amended to read:

**42-6-144. False oath.** ~~Any~~ A person who ~~makes any application~~ APPLIES for a certificate of title, written transfer ~~thereof~~ OF A TITLE, satisfaction and release, oath, affirmation, affidavit, statement, report, or deposition required to be made or taken under any of the provisions of this article, and who, upon such application, transfer, satisfaction and release, oath, affirmation, affidavit, statement, report, or deposition, swears or affirms willfully and falsely in a matter material to any issue, point, or subject matter in question, in addition to any other penalties provided in this article, is guilty of perjury in the second degree, as defined in section 18-8-503, C.R.S.

**SECTION 34.** 42-6-145, Colorado Revised Statutes, is amended to read:

**42-6-145. Use of vehicle identification numbers in applications.** (1) ~~Any~~ A person required to ~~make an application~~ APPLY for a certificate of title or registration of ~~any~~ A motor vehicle shall use the identification number placed upon the motor vehicle by the manufacturer ~~thereof~~ or the special vehicle identification number assigned to the motor vehicle by the department pursuant to section 42-5-205. The certificate of title and registration card issued by the department shall use the identification number of the motor vehicle.

(2) ~~On and after February 25, 1954,~~ The identification number provided for in this section shall be accepted in lieu of any motor number or serial number provided for in this title. ~~prior to said date.~~

**SECTION 35.** 42-6-146, Colorado Revised Statutes, is amended to read:

**42-6-146. Repossession of motor vehicle - owner must notify law enforcement agency - penalty.** (1) If ~~any~~ A mortgagee, LIEN HOLDER, or the mortgagee's OR LIEN HOLDER'S assignee or the agent of either repossesses a motor vehicle because of default in the terms of a ~~mortgage~~ SECURED DEBT, the reposessor shall notify, either verbally or in writing, a law enforcement agency, as provided in this section, of the

fact of such repossession, the name of the owner, the name of the reposessor, and the name of the mortgagee, LIEN HOLDER, or assignee. Such notification shall be made at least one hour before or no later than one hour after the repossession occurs. If such repossession takes place in an incorporated city or town, the ~~notification~~ REPOSSESSOR shall ~~be made to~~ NOTIFY the police department, town marshal, or other local law enforcement agency of such city or town. ~~and~~; If such repossession takes place in the unincorporated area of a county, the ~~notification~~ REPOSSESSOR shall ~~be made to the~~ NOTIFY THE county sheriff.

(2) A reposessor who violates subsection (1) of this section is guilty of a class 2 misdemeanor and, upon conviction, ~~thereof~~; shall be punished as provided in section 18-1.3-501, C.R.S.

(3) If ~~any such~~ A motor vehicle being repossessed is subject to the "Uniform Commercial Code - Secured Transactions", article 9 of title 4, C.R.S., ~~such~~ THE repossession shall be governed by the provisions of section 4-9-629, C.R.S.

(4) As used in this section, the term "reposessor" means the party who physically takes possession of the motor vehicle and drives, tows, or transports the motor vehicle for delivery to the mortgagee, LIEN HOLDER, or assignee or the agent of ~~either~~ SUCH MORTGAGEE, LIEN HOLDER, OR ASSIGNEE.

**SECTION 36.** 42-6-147, Colorado Revised Statutes, is amended to read:

**42-6-147. Central registry - rules.** (1) The director shall maintain a central registry of electronic files for all certificates of title, mortgages, liens, releases of liens or mortgages, and extensions. ~~thereto~~. The ~~director's~~ authorized agents shall transmit all electronic filing information to the director for maintenance of ~~such~~ THE registry. The director shall promulgate rules:

(a) To determine when an electronic signature is acceptable for the purposes of filing certificate of title documents; and

(b) As may be necessary for the administration of electronic filing of certificates of title and all related documents.

(2) The director shall develop a plan to implement electronic filing on a statewide basis. The director shall encourage participation by the counties in an electronic filing system. The director shall begin the implementation of the electronic filing system no later than July 1, 2001, and shall complete the statewide implementation of electronic filing no later than July 1, 2006. The director may grant an exclusion from participation in the electronic filing system upon application by an individual county that demonstrates reasonable cause why electronic filing would be burdensome to the county.

**SECTION 37.** 42-6-202 (5), Colorado Revised Statutes, is amended to read:

**42-6-202. Prohibited acts.** (5) It is unlawful for any transferor to fail to comply with ~~15 U.S.C. sec. 1988~~ 49 U.S.C. SEC. 32705 and any rule ~~prescribed with respect thereto regarding~~ CONCERNING odometer disclosure requirements or to knowingly give a false statement to a transferee in making any disclosure required by such

public law.

**SECTION 38. 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 10, 2005, if adjournment sine die is on May 11, 2005); 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: June 1, 2005