

CHAPTER 164

MOTOR VEHICLES AND TRAFFIC REGULATION

SENATE BILL 06-163

BY SENATOR(S) Kester, Lamborn, May R., Mitchell, Spence, and Taylor; also REPRESENTATIVE(S) Jahn, McFadyen, Stengel, and Todd.

AN ACT

CONCERNING THE DATE ON WHICH A LIEN ON A MOTOR VEHICLE IS PERFECTED.

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

SECTION 1. 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 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 PERFECTED 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. 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. The filing of a mortgage with an authorized agent 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 2. 42-6-121, Colorado Revised Statutes, is amended to read:

42-6-121. Filing of mortgage. (1) The holder of any A chattel mortgage on a motor vehicle desiring to secure the rights provided for in this part 1 and to have the existence of the mortgage and the fact of the filing of the mortgage for public record noted in the filing of the certificate of title to the encumbered motor vehicle shall

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

present the signed original or signed duplicate ~~original of said~~ THE mortgage or copy thereof certified by the holder of the mortgage or the holder's agent to be a true copy of the signed original mortgage and the certificate of title or application for certificate of title to the motor vehicle encumbered to the authorized agent of the director in the county or city and county in which the mortgagor of such motor vehicle resides or where the property is located. The filings may be either with paper documents or electronically. ~~Said~~ THE mortgage or refinancing of a LOAN SECURED BY A mortgage shall state the name and address of the debtor; the name AND ADDRESS of the ~~secured party~~ MORTGAGEE or name of the ~~secured party's~~ MORTGAGEE'S assignee; ~~a complete description of the vehicle, including~~ THE MAKE, MODEL, vehicle identification number, and color OF THE MORTGAGED VEHICLE; and the DATE AND amount of the LOAN SECURED BY THE mortgage.

(2) Upon the receipt of ~~said~~ THE electronic, ~~or~~ original, or duplicate mortgage or certified copy thereof and certificate of title or application for certificate of title, the authorized agent, if satisfied that the vehicle described in the mortgage is the same as that described in the certificate of title or filed title, shall file within the director's authorized agent's motor vehicle database notice of such mortgage or lien in which shall appear the day ~~and hour~~ on which ~~said~~ THE mortgage was received for filing, the name and address of the mortgagee named and the name and address of the holder of such mortgage, if such person is other than the mortgagee named, the amount secured by the vehicle, the date of the mortgage, the day and year on which ~~said~~ THE mortgage was filed for public record, and such other information regarding the filing of the mortgage in the office of the director's authorized agent as may be required by the director by rule. The director's authorized agent shall electronically transmit, when the director's authorized agent uses an electronic filing system, the certificate of title, application for certificate of title, and mortgage information to the database of the director for maintenance of a central registry of motor vehicle title information pursuant to section 42-6-147.

(3) A mortgage is deemed to be a signed original or a signed duplicate ~~original~~ if the signature appearing on a certificate of title or application for certificate of title was affixed personally by the mortgagor or the mortgagor's attorney-in-fact, in ink, in carbon, or by any other means.

(4) For purposes of liens created pursuant to section 14-10-122 (1.5), C.R.S., the lien shall contain the information set forth in this section as well as any ~~such~~ additional information required in section 14-10-122 (1.5) (f), C.R.S.

(5) THE LIEN OR MORTGAGE SHALL BE PERFECTED PURSUANT TO SECTION 42-6-120 ON THE DATE ALL DOCUMENTS REQUIRED BY SUBSECTION (1) OF THIS SECTION, INCLUDING, WITHOUT LIMITATION, THE SIGNED ORIGINAL OR SIGNED DUPLICATE OF THE MORTGAGE OR A COPY CONTAINING THE INFORMATION REQUIRED BY SUBSECTION (1) OF THIS SECTION, ARE RECEIVED BY THE AUTHORIZED AGENT AND PAYMENT IS TENDERED ON THE FEE IMPOSED BY SECTION 42-6-137 (2).

**SECTION 3. Effective date - applicability.** This act shall take effect July 1, 2006, and shall apply to mortgages or liens filed with an authorized agent on or after said date.

**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: April 24, 2006