

CHAPTER 182

MOTOR VEHICLES AND TRAFFIC REGULATION

SENATE BILL 09-150

BY SENATOR(S) Heath, Foster, Kester, Tapia;
also REPRESENTATIVE(S) Levy, Ryden.**AN ACT****CONCERNING THE PRIORITY OF A PURCHASE-MONEY LIEN FOR A MOTOR VEHICLE.***Be it enacted by the General Assembly of the State of Colorado:***SECTION 1.** 4-9-317 (e), Colorado Revised Statutes, is amended to read:

4-9-317. Interests that take priority over or take free of security interest or agricultural lien. (e) Except as otherwise provided in sections 4-9-320 and 4-9-321, if a person files a financing statement with respect to a purchase-money security interest before or within twenty days after the debtor receives delivery of the collateral, OR IF A PERSON PERFECTS UNDER ARTICLE 6 OF TITLE 42, C.R.S., A PURCHASE-MONEY SECURITY INTEREST IN A MOTOR VEHICLE, OTHER THAN INVENTORY, BEFORE OR WITHIN THIRTY DAYS AFTER THE DEBTOR RECEIVES DELIVERY OF THE MOTOR VEHICLE, the security interest takes priority over the rights of a buyer, lessee, or lien creditor which arise between the time the security interest attaches and the time of filing.

SECTION 2. 4-9-324 (a), Colorado Revised Statutes, is amended to read:

4-9-324. Priority of purchase-money security interests. (a) Except as otherwise provided in subsection (g) of this section, a perfected purchase-money security interest in goods other than inventory or livestock has priority over a conflicting security interest in the same goods, and, except as otherwise provided in section 4-9-327, a perfected security interest in its identifiable proceeds also has priority, if the purchase-money security interest is perfected when the debtor receives possession of the collateral or within twenty days thereafter, OR, IF THE COLLATERAL IS A MOTOR VEHICLE, AS DEFINED IN SECTION 42-6-102, C.R.S., WITHIN THIRTY DAYS THEREAFTER.

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

SECTION 3. 42-6-120 (1), Colorado Revised Statutes, is amended, and the said 42-6-120 is further amended BY THE ADDITION OF A NEW SUBSECTION, to read:

42-6-120. Security interests upon motor vehicles. (1) Except as provided in this section AND SECTION 42-6-130, the provisions of the "Uniform Commercial Code", title 4, C.R.S., relating to the filing, recording, releasing, renewal, PRIORITY, and extension of chattel mortgages, as the term is defined in section 42-6-102 (9), 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 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.

(4) THE RIGHTS OF A BUYER, LESSEE, OR LIEN CREDITOR THAT ARISE AFTER A MORTGAGE ATTACHES TO A MOTOR VEHICLE AND BEFORE PERFECTION UNDER THIS ARTICLE SHALL BE DETERMINED BY SECTION 4-9-317, C.R.S.

SECTION 4. 42-6-130, Colorado Revised Statutes, is amended to read:

42-6-130. Priority of secured interests. The liens 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 they were filed in the office of the authorized agent; EXCEPT THAT THE PRIORITY OF A PURCHASE-MONEY SECURITY INTEREST, AS DEFINED IN SECTION 4-9-103, C.R.S., SHALL BE DETERMINED IN ACCORDANCE WITH SECTIONS 4-9-317 (e) AND 4-9-324 (a), C.R.S.

SECTION 5. Effective date - applicability. This act shall take effect upon passage and shall apply to documents filed on or after the applicable effective date of this act.

SECTION 6. 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 22, 2009