

CHAPTER 122

MOTOR VEHICLES AND TRAFFIC REGULATION

HOUSE BILL 11-1185

BY REPRESENTATIVE(S) Ramirez, DelGrosso, Kerr J., Labuda, Liston, Nikkel, Priola, Schafer S., Stephens, Tyler, Waller, Wilson, McNulty, Brown, Summers, Todd, Williams A.;
also SENATOR(S) Mitchell, Aguilar, Jahn, King S., Spence, Williams S.

AN ACT

CONCERNING THE IMPOSITION OF A TIME LIMIT WITHIN WHICH A LIENHOLDER MUST PROVIDE THE CERTIFICATE OF TITLE TO A MOTOR VEHICLE WITH EVIDENCE OF RELEASE OF A LIEN THAT HAS BEEN SATISFIED.

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

SECTION 1. 42-6-125, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

42-6-125. Release of mortgages. (2) (a) (I) EXCEPT WHEN A LIENHOLDER CAN SHOW EXTENUATING CIRCUMSTANCES, WITHIN FIFTEEN CALENDAR DAYS AFTER A LIEN OR MORTGAGE ON A MOTOR VEHICLE IS PAID AND SATISFIED, A LIENHOLDER SHALL RELEASE THE LIEN OR MORTGAGE AS REQUIRED BY SUBSECTION (1) OF THIS SECTION.

(II) AS USED IN THIS SUBSECTION (2), "EXTENUATING CIRCUMSTANCES" MEANS A SITUATION WHERE ACCESS TO THE TITLE IS IMPAIRED, MAKING GOOD FAITH COMPLIANCE WITH THIS SUBSECTION (2) IMPOSSIBLE WITHIN THE TIME FRAME REQUIRED BY THIS PARAGRAPH (a). "EXTENUATING CIRCUMSTANCES" DOES NOT INCLUDE INTENTIONAL OR NEGLIGENT ACTS BY A LIENHOLDER THAT RESULT IN DELAY BEYOND THE TIME FRAME REQUIRED IN THIS SUBSECTION (2).

(b) ANY PERSON AGGRIEVED BY A VIOLATION OF THIS SUBSECTION (2) MAY BRING A CIVIL ACTION IN A COURT OF COMPETENT JURISDICTION TO BRING ABOUT COMPLIANCE WITH THIS SUBSECTION (2) AND FOR ANY DAMAGES ARISING FROM THE VIOLATION.

SECTION 2. Effective date - applicability. This act shall take effect upon

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

passage and shall apply to certificates of title for motor vehicles on or after said date.

SECTION 3. 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 20, 2011