

CHAPTER 380

MOTOR VEHICLES AND TRAFFIC REGULATION

HOUSE BILL 13-1289

BY REPRESENTATIVE(S) Moreno and Dore, Exum, Fields, Fischer, Melton, Pabon, Primavera, Rosenthal, Salazar, Schafer, Singer, Vigil, Young, Hüllinghorst, Pettersen, Saine;
also SENATOR(S) Jahn and Balmer.

AN ACT**CONCERNING AUTHORITY FOR THE ELECTRONIC TRANSMISSION OF INFORMATION RELATING TO MOTOR VEHICLES.**

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

SECTION 1. Legislative declaration. The general assembly finds, determines, and declares that it is not the intent of the general assembly to authorize any entity other than the existing county or local motor vehicle offices or agencies of the department of revenue to register motor vehicles.

SECTION 2. In Colorado Revised Statutes, 42-1-102, **add** (47.5) as follows:

42-1-102. Definitions. As used in articles 1 to 4 of this title, unless the context otherwise requires:

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

SECTION 3. In Colorado Revised Statutes, **add** 42-3-113.5 as follows:

42-3-113.5. Electronic motor vehicle registration and titling - electronic transmission of motor vehicle lien information - authority - rules - cash fund - notice of funding through gifts, grants, and donations - repeal. (1) THE DEPARTMENT MAY ESTABLISH A SYSTEM TO ALLOW THE ELECTRONIC TRANSMISSION OF REGISTRATION, LIEN, AND TITLING INFORMATION FOR MOTOR VEHICLES. THE DEPARTMENT MAY ADOPT RULES NECESSARY FOR THE IMPLEMENTATION OF THIS SECTION. IF THE DEPARTMENT PROMULGATES A RULE REQUIRING LIEN AND TITLE DOCUMENTS TO BE FILED ELECTRONICALLY, A FINANCIAL INSTITUTION WITH LESS

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

THAN FIFTY TRANSACTIONS PER YEAR NEED NOT FILE ELECTRONICALLY.

(2)(a) THE DEPARTMENT IS AUTHORIZED TO SEEK AND ACCEPT GIFTS, GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR THE PURPOSES OF THIS SECTION; EXCEPT THAT THE DEPARTMENT MAY NOT ACCEPT A GIFT, GRANT, OR DONATION THAT IS SUBJECT TO CONDITIONS THAT ARE INCONSISTENT WITH THIS SECTION OR ANY OTHER LAW OF THE STATE. THE DEPARTMENT SHALL ENSURE THAT ANY FUNDS CONTRIBUTED TO THE DEPARTMENT FOR THE IMPLEMENTATION OF THE SYSTEM FOR THE ELECTRONIC TRANSMISSION OF REGISTRATION, LIEN, AND TITLING INFORMATION FOR MOTOR VEHICLES ARE TRACKED SEPARATELY AND USED ONLY FOR THE IMPLEMENTATION OF THE SYSTEM.

(b)(I) IN SEEKING OR ACCEPTING A GIFT, GRANT, OR DONATION, THE DEPARTMENT SHALL NOTIFY THE LEGISLATIVE COUNCIL STAFF WHEN IT HAS RECEIVED ADEQUATE FUNDING THROUGH GIFTS, GRANTS, OR DONATIONS FOR THE IMPLEMENTATION OF THIS SECTION AND SHALL INCLUDE IN THE NOTIFICATION THE INFORMATION SPECIFIED IN SECTION 24-75-1303 (3), C.R.S.

(II) THIS PARAGRAPH (b) IS REPEALED, EFFECTIVE JULY 1, 2016.

(c) NO VENDOR WHO RESPONDS TO A REQUEST FOR PROPOSAL FROM THE DEPARTMENT CONCERNING A SYSTEM FOR THE ELECTRONIC TRANSMISSION OF REGISTRATION, LIEN, AND TITLING INFORMATION FOR MOTOR VEHICLES MAY CONTRIBUTE A GIFT, GRANT, OR DONATION TO THE ELECTRONIC MOTOR VEHICLE REGISTRATION AND TITLING CASH FUND.

SECTION 4. In Colorado Revised Statutes, 42-6-122, **amend** (2) as follows:

42-6-122. Disposition of mortgages by agent. (2) All records of mortgages affecting motor vehicles ~~shall be~~ ARE public and may be inspected and ~~copies thereof made~~ COPIED, as is provided by law respecting public records affecting real property. A DULY CERTIFIED COPY OF THE DEPARTMENT'S ELECTRONIC RECORD OF THE MORTGAGE OR LIEN IS ADMISSIBLE IN ANY CIVIL, CRIMINAL, OR ADMINISTRATIVE PROCEEDING IN THIS STATE AS EVIDENCE OF THE EXISTENCE OF THE MORTGAGE OR LIEN.

SECTION 5. In Colorado Revised Statutes, **amend** 42-6-123 as follows:

42-6-123. Disposition after mortgaging. After a mortgage on a motor vehicle has been filed in the authorized agent's office, the authorized agent shall mail or electronically transfer to the director the certificate of title or ~~bill of sale which~~ OTHER EVIDENCE OF OWNERSHIP SATISFACTORY TO THE DIRECTOR AS SPECIFIED IN RULES ADOPTED UNDER SECTION 42-6-104 THAT the authorized agent has filed in the record. Upon the receipt ~~thereof~~ OF THE CERTIFICATE OF TITLE OR OTHER EVIDENCE OF OWNERSHIP SATISFACTORY TO THE DIRECTOR AS SPECIFIED IN RULES ADOPTED UNDER SECTION 42-6-104, the director shall maintain completed electronic records transferred by the authorized agent. The director shall issue a new certificate of title containing, in addition to the other matters and things required to be set forth in certificates of title, a description of the mortgage and all information respecting ~~said~~ THE mortgage and the filing ~~thereof~~ OF THE MORTGAGE as may appear in the certificate of the authorized agent, and the director or the director's authorized agent

shall thereafter dispose of ~~said~~ THE new certificate of title containing ~~said~~ THE notation as provided in section 42-6-124. WHEN A MOTOR VEHICLE IS SUBJECT TO AN ELECTRONIC MORTGAGE OR LIEN, THE CERTIFICATE OF TITLE FOR THE MOTOR VEHICLE IS CONSIDERED TO BE PHYSICALLY HELD BY THE MORTGAGEE OR LIEN HOLDER FOR ALL LEGAL PURPOSES, INCLUDING COMPLIANCE WITH STATE OR FEDERAL ODOMETER DISCLOSURE REQUIREMENTS.

SECTION 6. In Colorado Revised Statutes, 42-6-125, **add** (3) as follows:

42-6-125. Release of mortgages. (3) MORTGAGE OR LIEN SATISFACTIONS MAY BE ELECTRONICALLY TRANSMITTED TO THE DEPARTMENT'S AUTHORIZED AGENT AS AUTHORIZED BY RULES OF THE DIRECTOR. WHEN ELECTRONIC TRANSMISSION OF MORTGAGES OR LIENS OR MORTGAGE OR LIEN SATISFACTIONS IS USED, A CERTIFICATE OF TITLE NEED NOT BE ISSUED UNTIL THE LAST MORTGAGE OR LIEN IS SATISFIED AND A CLEAR CERTIFICATE OF TITLE IS ISSUED TO THE OWNER OF THE MOTOR VEHICLE UNDER SECTION 42-6-126.

SECTION 7. In Colorado Revised Statutes, 42-6-129, **amend** (2) as follows:

42-6-129. Second or other junior mortgages. (2) ~~Such~~ A second or junior mortgagee or the holder ~~thereof~~ OF A SECOND OR JUNIOR MORTGAGE shall file ~~said~~ THE mortgage pursuant to ~~the requirements of~~ section 42-6-121 with the director's authorized agent of the county wherein the mortgagor of ~~said~~ THE motor vehicle resides or where the motor vehicle is located and shall accompany ~~said~~ THE mortgage with a written request to have the existence ~~thereof~~ OF THE SECOND OR JUNIOR MORTGAGE noted or filed on the certificate of title records of the director's authorized agent pertaining to the motor vehicle covered by the junior or second mortgage. Upon the filing of ~~such~~ the mortgage, the director's authorized agent shall note in the record of the subject vehicle the day and hour on which ~~such~~ THE mortgage was received by the agent and shall make and deliver a receipt for the mortgage to the person filing the mortgage, and shall file the second or junior mortgage as required under section 42-6-122. IF THERE IS MORE THAN ONE MORTGAGE OR LIEN ON THE MOTOR VEHICLE, THE DEPARTMENT'S AUTHORIZED AGENT MAY ELECTRONICALLY TRANSMIT THE MORTGAGE OR LIEN TO THE FIRST MORTGAGE OR LIEN HOLDER AND NOTIFY THE FIRST MORTGAGE OR LIEN HOLDER OF ANY ADDITIONAL MORTGAGES OR LIENS.

SECTION 8. 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: June 5, 2013