

Second Regular Session
Seventieth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 16-0885.01 Jery Payne x2157

HOUSE BILL 16-1342

HOUSE SPONSORSHIP

Moreno,

SENATE SPONSORSHIP

Cooke,

House Committees
Transportation & Energy

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE SALE OF MOTOR VEHICLES THAT ARE REQUIRED TO
102 BE ISSUED CERTAIN BRANDED CERTIFICATES OF TITLE.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill creates a state reporting database program (program) that is similar to and reports to the national motor vehicle title information system (NMVTIS). The program creates a database that will report state sales of motor vehicles with titles branded as salvage vehicles, junk motor vehicles, flood-damaged motor vehicles, nonrepairable motor vehicles, or similar brands to the national database. The department of revenue will

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

administer the program through a third-party data consolidator.

Each seller and purchaser of a motor vehicle with one of the mentioned branded titles must report the sale to the database. In addition, licensed dealers must keep records of sales, vehicle information, and certain seller and purchaser information. These records must be kept for 3 years. A licensed dealer must report sales once each month.

A fee of up to 50 cents for the sale will be set and collected by a consolidator to implement the bill. The fee must be approved by the department of revenue. Law enforcement may use the database.

Failure to report a purchase or sale as required is a class 1 misdemeanor.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 12-6-132 as
3 follows:

4 **12-6-132. State NMVTIS reporting database program - fund**
5 **- definitions. (1) Sale of motor vehicle required to have a branded**
6 **certificate of title - record keeping.** EVERY PERSON LICENSED UNDER
7 THIS PART 1 WHO SELLS A SALVAGE VEHICLE, NONREPAIRABLE MOTOR
8 VEHICLE, FLOOD-DAMAGED MOTOR VEHICLE, JUNK MOTOR VEHICLE, OR
9 SIMILARLY BRANDED MOTOR VEHICLE, WHETHER OR NOT THE MOTOR
10 VEHICLE HAS BEEN ISSUED A BRANDED CERTIFICATE OF TITLE, SHALL:

11 (a) KEEP AN ELECTRONIC RECORD OF EACH SALE OF THE MOTOR
12 VEHICLE WITH THE FOLLOWING INFORMATION:

13 (I) THE MOTOR VEHICLE'S MAKE, MODEL, YEAR, AND VEHICLE
14 IDENTIFICATION NUMBER; AND

15 (II) THE NAME AND ADDRESS OF BOTH THE PURCHASER AND
16 SELLER OF THE MOTOR VEHICLE;

17 (b) OBTAIN FROM THE PURCHASER A COPY OF THE PURCHASER'S
18 DRIVER'S LICENSE;

19 (c) OBTAIN FROM THE PURCHASER DOCUMENTED PROOF OF ANY

1 REQUIRED LICENSE TO BUY OR SELL MOTOR VEHICLES UNDER THIS PART 1
2 OR ANY EQUIVALENT LICENSE IN ANOTHER JURISDICTION; AND

3 (d) MAINTAIN A COPY, FOR THREE YEARS AFTER THE SALE, OF THE
4 PURCHASER'S IDENTIFICATION DOCUMENT AND DOCUMENTED PROOF OF
5 ANY REQUIRED LICENSE OBTAINED UNDER PARAGRAPHS (b) AND (c) OF
6 THIS SUBSECTION (1).

7 (2) **The state NMVTIS reporting database.** (a) THE STATE
8 NMVTIS REPORTING DATABASE IS HEREBY CREATED IN THE DEPARTMENT
9 TO TRACK ALL TRANSACTIONS OF SALVAGE VEHICLES, JUNK MOTOR
10 VEHICLES, FLOOD-DAMAGED MOTOR VEHICLES, NONREPAIRABLE MOTOR
11 VEHICLES, OR SIMILARLY BRANDED MOTOR VEHICLES AND TO FACILITATE
12 TRANSACTIONS UNDER THIS PART 1.

13 (b) THE DEPARTMENT SHALL CONTRACT WITH AN ENTITY
14 APPROVED BY THE NMVTIS AS A THIRD-PARTY DATA CONSOLIDATOR FOR
15 THE DEVELOPMENT OF THE DATABASE TO HOLD AND SUBMIT THE
16 INFORMATION COLLECTED IN ACCORDANCE WITH SUBSECTION (1) OF THIS
17 SECTION TO THE NMVTIS. THE DEPARTMENT SHALL USE THE DATABASE
18 TO MAINTAIN AN ACCURATE RECORD OF ALL TRANSACTIONS REQUIRED TO
19 BE REPORTED IN THIS SECTION. THE CONSOLIDATOR SHALL REPORT THE
20 INFORMATION TO THE NMVTIS ON BEHALF OF THE REPORTING ENTITY.

21 (c) THE DEPARTMENT SHALL ADOPT ANY RULES AS NECESSARY TO
22 ASSIGN A UNIQUE IDENTIFIER TO EACH PURCHASER OF A SALVAGE
23 VEHICLE, NONREPAIRABLE MOTOR VEHICLE, FLOOD-DAMAGED MOTOR
24 VEHICLE, OR JUNK MOTOR VEHICLE TO FACILITATE TRACKING OF
25 PURCHASES AND REPORTING TO THE DATABASE.

26 (3) **Fees.** THE CONSOLIDATOR MAY CHARGE A FEE FOR EACH
27 REPORT OF A MOTOR VEHICLE SALE OR PURCHASE MADE IN ACCORDANCE

1 WITH THIS SECTION IF THE FEE IS APPROVED BY THE DEPARTMENT. THE
2 DEPARTMENT SHALL NOT APPROVE A FEE THAT IS MORE THAN FIFTY CENTS
3 FOR EACH VEHICLE.

4 (4) **The state NMVTIS reporting database fund.** (a) THE STATE
5 NMVTIS REPORTING DATABASE FUND IS HEREBY CREATED IN THE STATE
6 TREASURY. THE FUND CONSISTS OF MONEY COLLECTED IN ACCORDANCE
7 WITH THIS PARAGRAPH (a) AND ANY OTHER MONEY THAT THE GENERAL
8 ASSEMBLY MAY APPROPRIATE OR TRANSFER TO THE FUND.

9 (b) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
10 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
11 FUND TO THE FUND.

12 (c) SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL
13 ASSEMBLY, THE DEPARTMENT MAY EXPEND MONEY FROM THE FUND TO
14 IMPLEMENT THIS SECTION.

15 (5) **Law enforcement use of database.** THE DEPARTMENT SHALL
16 MAKE THE INFORMATION RECEIVED UNDER THIS SECTION AVAILABLE TO
17 A STATE OR LOCAL LAW ENFORCEMENT AGENCY UPON REQUEST.

18 (6) **Required reports.** (a) A SELLER OF A SALVAGE VEHICLE, JUNK
19 MOTOR VEHICLE, FLOOD-DAMAGED MOTOR VEHICLE, NONREPAIRABLE
20 MOTOR VEHICLE, OR SIMILARLY BRANDED MOTOR VEHICLE SHALL REPORT
21 THE SALE TO THE DATABASE WITHIN TWO BUSINESS DAYS AFTER THE SALE.

22 (b) A PERSON WHO IS NOT LICENSED UNDER THIS PART 1 AND WHO
23 PURCHASES A SALVAGE VEHICLE, JUNK MOTOR VEHICLE, FLOOD-DAMAGED
24 MOTOR VEHICLE, NONREPAIRABLE MOTOR VEHICLE, OR SIMILARLY
25 BRANDED MOTOR VEHICLE SHALL REPORT THE SALE TO THE DATABASE
26 WITHIN TWO BUSINESS DAYS AFTER THE SALE.

27 (c) A PERSON LICENSED UNDER THIS PART 1 THAT PURCHASES A

1 SALVAGE VEHICLE, JUNK MOTOR VEHICLE, FLOOD-DAMAGED MOTOR
2 VEHICLE, NONREPAIRABLE MOTOR VEHICLE, OR SIMILARLY BRANDED
3 MOTOR VEHICLE SHALL REPORT ON A MONTHLY BASIS TO THE DATABASE
4 EACH TRANSFER OF THE MOTOR VEHICLE.

5 (7) **Violations.** A PERSON WHO KNOWINGLY VIOLATES SUBSECTION
6 (6) OF THIS SECTION COMMITS A CLASS 1 MISDEMEANOR AND, UPON
7 CONVICTION, SHALL BE PUNISHED AS PROVIDED IN SECTION 18-1.3-501,
8 C.R.S.

9 (8) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT
10 OTHERWISE REQUIRES:

11 (a) "DATABASE" MEANS THE STATE NMVTIS REPORTING
12 DATABASE CREATED IN PARAGRAPH (a) OF SUBSECTION (2) OF THIS
13 SECTION.

14 (b) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.

15 (c) "FUND" MEANS THE STATE NMVTIS REPORTING DATABASE
16 FUND CREATED IN PARAGRAPH (a) OF SUBSECTION (4) OF THIS SECTION.

17 (d) "NMVTIS" MEANS THE NATIONAL MOTOR VEHICLE TITLE
18 INFORMATION SYSTEM.

19 **SECTION 2. Act subject to petition - effective date -**
20 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
21 the expiration of the ninety-day period after final adjournment of the
22 general assembly (August 10, 2016, if adjournment sine die is on May 11,
23 2016); except that, if a referendum petition is filed pursuant to section 1
24 (3) of article V of the state constitution against this act or an item, section,
25 or part of this act within such period, then the act, item, section, or part
26 will not take effect unless approved by the people at the general election
27 to be held in November 2016 and, in such case, will take effect on the

1 date of the official declaration of the vote thereon by the governor.

2 (2) This act applies to motor vehicles sold on or after January 1,

3 2017.