

First Regular Session
Seventy-first General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 17-0307.02 Jery Payne x2157

SENATE BILL 17-240

SENATE SPONSORSHIP

Jahn and Tate,

HOUSE SPONSORSHIP

Winter,

Senate Committees

Business, Labor, & Technology

House Committees

A BILL FOR AN ACT

101 CONCERNING THE CONTINUATION OF THE REGULATION OF PERSONS
102 WHO SELL VEHICLES IN THE ORDINARY COURSE OF BUSINESS,
103 AND, IN CONNECTION THEREWITH, IMPLEMENTING THE
104 RECOMMENDATIONS OF THE SUNSET REPORT OF THE
105 DEPARTMENT OF REGULATORY AGENCIES.

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://leg.colorado.gov/>.)

Sunset Process - Senate Business, Labor, and Technology Committee. The bill implements many of the recommendations of the

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.

department of regulatory agencies, as contained in the department's sunset review of motor vehicle and powersports vehicle sellers, as follows:

- ! Continues the regulation of motor vehicle and powersports vehicle sales until September 1, 2027;
- ! Codifies the auto industry division in statute under the department of revenue and changes the authority to enforce the regulation of the licensing of vehicle sellers from the executive director of the department of revenue to the director of the division;
- ! Requires a licensing application when a licensed business entity acquires a new owner;
- ! Subjects the license of a dealer to discipline when the owner is acting as a salesperson and violates the law governing salespersons;
- ! Repeals the statute that makes a salesperson's license dependent on employment by a dealer;
- ! Requires a fingerprint-based criminal history record check for all licensees; and
- ! Requires people who have had licenses revoked to wait one year before applying for a new license.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-34-104, **repeal**
3 (12)(a)(II) and (12)(a)(III); and **add** (28) as follows:

4 **24-34-104. General assembly review of regulatory agencies**
5 **and functions for repeal, continuation, or reestablishment - legislative**
6 **declaration - repeal.** (12) (a) The following agencies, functions, or both,
7 will repeal on July 1, 2017:

8 (II) ~~The motor vehicle dealer board created in section 12-6-103,~~
9 ~~C.R.S., and the functions of the executive director of the department of~~
10 ~~revenue, including licensing, specified in part 1 of article 6 of title 12,~~
11 ~~C.R.S.;~~

12 (III) ~~The regulation of powersports vehicles by the motor vehicle~~
13 ~~dealer board created in section 12-6-103, C.R.S.;~~

14 (28) (a) THE FOLLOWING AGENCIES, FUNCTIONS, OR BOTH, ARE

1 SCHEDULED FOR REPEAL ON SEPTEMBER 1, 2027:

2 (I) THE REGULATION OF MOTOR VEHICLE AND POWERSPORTS
3 VEHICLE SALES BY THE MOTOR VEHICLE DEALER BOARD AND THE
4 DIRECTOR OF THE AUTO INDUSTRY DIVISION, UNDER THE SUPERVISION OF
5 THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF REVENUE, IN
6 ACCORDANCE WITH PARTS 1, 2, 3, AND 5 OF ARTICLE 6 OF TITLE 12.

7 (b) THIS SUBSECTION (28) IS REPEALED, EFFECTIVE SEPTEMBER 1,
8 2029.

9 **SECTION 2.** In Colorado Revised Statutes, **repeal** 12-6-124 as
10 follows:

11 **12-6-124. Repeal of article.** ~~This article is repealed, effective July~~
12 ~~1, 2017. Prior to such repeal, the motor vehicle dealer board and the~~
13 ~~functions of the executive director, including licensing, shall be reviewed~~
14 ~~as provided for in section 24-34-104, C.R.S.~~

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

17 **12-6-132. Repeal of part.** THIS PART 1 IS REPEALED, EFFECTIVE
18 SEPTEMBER 1, 2027. BEFORE ITS REPEAL, THIS PART 1 IS SCHEDULED FOR
19 REVIEW IN ACCORDANCE WITH SECTION 24-34-104.

20 **SECTION 4.** In Colorado Revised Statutes, **add** 12-6-214 as
21 follows:

22 **12-6-214. Repeal of part.** THIS PART 2 IS REPEALED, EFFECTIVE
23 SEPTEMBER 1, 2027. BEFORE ITS REPEAL, THIS PART 2 IS SCHEDULED FOR
24 REVIEW IN ACCORDANCE WITH SECTION 24-34-104.

25 **SECTION 5.** In Colorado Revised Statutes, **add** 12-6-304 as
26 follows:

27 **12-6-304. Repeal of part.** THIS PART 3 IS REPEALED, EFFECTIVE

1 SEPTEMBER 1, 2027. BEFORE ITS REPEAL, THIS PART 3 IS SCHEDULED FOR
2 REVIEW IN ACCORDANCE WITH SECTION 24-34-104.

3 **SECTION 6.** In Colorado Revised Statutes, **repeal** 12-6-533 as
4 follows:

5 **12-6-533. Repeal of part.** ~~This part 5 is repealed, effective July~~
6 ~~1, 2017. Prior to the repeal, the functions of the motor vehicle dealer~~
7 ~~board and the executive director under this part 5, including licensing,~~
8 ~~shall be reviewed as provided for in section 24-34-104, C.R.S.~~

9 **SECTION 7.** In Colorado Revised Statutes, **add** 12-6-538 as
10 follows:

11 **12-6-538. Repeal of part.** THIS PART 5 IS REPEALED, EFFECTIVE
12 SEPTEMBER 1, 2027. BEFORE ITS REPEAL, THIS PART 5 IS SCHEDULED FOR
13 REVIEW IN ACCORDANCE WITH SECTION 24-34-104.

14 **SECTION 8.** In Colorado Revised Statutes, **amend** 12-6-102 as
15 follows:

16 **12-6-102. Definitions.** As used in this part 1, and in part 5 of this
17 ~~article~~ ARTICLE 6, unless the context or section 12-6-502 otherwise
18 requires:

19 ~~(1) (Deleted by amendment, L. 92, p. 1841, § 2, effective July 1,~~
20 ~~1992.)~~

21 ~~(1.5)~~(1) "ADVERTISE" OR "advertisement" means any commercial
22 message in any newspaper, magazine, leaflet, flyer, or catalog, on radio,
23 television, or a public address system, in direct mail literature or other
24 printed material, on any interior or exterior sign or display, in any window
25 display, on a computer display, or in any point-of-transaction literature or
26 price tag that is delivered or made available to a customer or prospective
27 customer in any manner; ~~whatsoever;~~ except that ~~such~~ THE term does not

1 include materials required to be displayed by federal or state law.

2 (2) "Board" means the motor vehicle dealer board.

3 ~~(2.4)~~(3) "Business incidental thereto" means a business owned by
4 the motor vehicle dealer or used motor vehicle dealer related to the sale
5 of motor vehicles, including ~~without limitation~~, motor vehicle part sales,
6 motor vehicle repair, motor vehicle recycling, motor vehicle security
7 interest assignment, and motor vehicle towing.

8 ~~(2.5)(a)(I)~~ (4) (a) "Buyer agent" means any person required to be
9 licensed pursuant to this part 1 who is retained or hired by a consumer for
10 a fee or other thing of value to assist, represent, or act on behalf of ~~such~~
11 THE consumer in connection with the purchase or lease of a motor
12 vehicle.

13 ~~(H) "Consumer", as used in this subsection (2.5), means a~~
14 ~~purchaser or lessee of a motor vehicle, which vehicle is primarily used for~~
15 ~~business, personal, family, or household purposes. "Consumer" does not~~
16 ~~include a purchaser of motor vehicles who purchases said motor vehicles~~
17 ~~primarily for resale.~~

18 (b) (I) "Buyer agent" does not include a person whose business
19 includes the purchase of motor vehicles primarily for resale or lease;
20 except that nothing in this subsection ~~(2.5) shall be construed to prohibit~~
21 (4) PROHIBITS a buyer agent from assisting a consumer regarding the
22 disposal of a trade-in motor vehicle that is incident to the purchase or
23 lease of a vehicle if the buyer agent does not advertise the sale of, or sell,
24 ~~such~~ THE vehicle to the general public, directs interested dealers and
25 wholesalers to communicate their offers directly to the consumer or to the
26 consumer via the buyer agent, does not handle or transfer titles or funds
27 between the consumer and the purchaser, receives no compensation from

1 a dealer or wholesaler purchasing a consumer's vehicle, and identifies
2 himself or herself as a buyer agent to dealers and wholesalers interested
3 in the consumer's vehicle.

4 (II) A "buyer agent" licensed pursuant to UNDER this part 1 shall
5 not be employed by or receive a fee from a person whose business
6 includes the purchase of motor vehicles primarily for resale or lease, a
7 motor vehicle manufacturer, a motor vehicle dealer, or a used motor
8 vehicle dealer.

9 ~~(3)~~ (5) "Coerce" means to compel or attempt to compel by
10 threatening, retaliating, OR EXERTING economic force or by not
11 performing or complying with any terms or provisions of the franchise or
12 agreement; except that recommendation, exposition, persuasion, urging,
13 or argument shall not be deemed to DO NOT constitute coercion.

14 ~~(4)~~ "Community" means a franchisee's area of responsibility as set
15 out in the franchise.

16 (6) "CONSUMER" MEANS A PURCHASER OR LESSEE OF A MOTOR
17 VEHICLE USED FOR BUSINESS, PERSONAL, FAMILY, OR HOUSEHOLD
18 PURPOSES. "CONSUMER" DOES NOT INCLUDE A PURCHASER OF MOTOR
19 VEHICLES PRIMARILY FOR RESALE.

20 ~~(4.5)~~ (7) (a) "Custom trailer" means any motor vehicle which
21 THAT is not driven or propelled by its own power and is designed to be
22 attached to, become a part of, or be drawn by a motor vehicle and which
23 THAT is uniquely designed and manufactured for a specific purpose or
24 customer.

25 (b) "Custom trailer" does not include manufactured housing, farm
26 tractors, and other machines and tools used in the production, harvest, and
27 care of farm products.

1 (8) "DIRECTOR" MEANS THE DIRECTOR OF THE AUTO INDUSTRY
2 DIVISION CREATED IN SECTION 12-6-105.

3 ~~(5)~~(9) "Distributor" means a person, resident or nonresident, who,
4 in whole or in part, sells or distributes new motor vehicles to motor
5 vehicle dealers or who maintains distributor representatives.

6 ~~(6) and (7) (Deleted by amendment, L. 2003, p. 1300, § 1,
7 effective April 22, 2003.)~~

8 ~~(7.5)~~(10) "Executive director" means the executive director of the
9 department of revenue charged with the administration, enforcement, and
10 issuance or denial of the licensing of buyer agents, distributors,
11 manufacturer representatives, and manufacturers.

12 ~~(8) and (9) (Deleted by amendment, L. 2003, p. 1300, § 1,
13 effective April 22, 2003.)~~

14 ~~(9.5)~~(11) "Fire truck" means a vehicle intended for use in the
15 extermination of fires, with features that may include ~~but shall not be~~
16 ~~limited to~~, a fire pump, a water tank, an aerial ladder, an elevated
17 platform, or any combination thereof.

18 ~~(9.7)~~(12) "Franchise" means the authority to sell or service and
19 repair motor vehicles of a designated line-make granted through a sales,
20 service, and parts agreement with a manufacturer, distributor, or
21 manufacturer representative.

22 ~~(10)~~(13) "Good faith" means the duty of each party to any
23 franchise and all officers, employees, or agents thereof to act in a fair and
24 equitable manner toward each other so as to guarantee the one party
25 freedom from coercion, intimidation, or threats of coercion or
26 intimidation from the other party. Recommendation, endorsement,
27 exposition, persuasion, urging, or argument shall not be deemed to

1 constitute a lack of good faith.

2 ~~(10.5)~~ (14) "Line-make" means a group or series of motor vehicles
3 that have the same brand identification or brand name, based upon the
4 manufacturer's trademark, trade name, or logo.

5 ~~(11)~~ (15) "Manufacturer" means any person, firm, association,
6 corporation, or trust, resident or nonresident, who manufactures or
7 assembles new and unused motor vehicles; except that "manufacturer"
8 ~~shall~~ DOES not include:

9 (a) ~~Any~~ A person who only manufactures utility trailers that weigh
10 less than two thousand pounds and does not manufacture any other type
11 of motor vehicle; and

12 (b) ~~Any~~ A person, other than a manufacturer operating a MOTOR
13 VEHICLE dealer ~~pursuant to~~ IN ACCORDANCE WITH section 12-6-120.5,
14 who is a licensed dealer selling motor vehicles that ~~such~~ THE person has
15 manufactured.

16 ~~(11.5)~~ (16) "Manufacturer representative" means a representative
17 employed by a person who manufactures or assembles motor vehicles for
18 the purpose of making or promoting the sale of its motor vehicles or for
19 supervising or contacting its dealers or prospective dealers.

20 ~~(12)~~ (17) "Motor vehicle" means every vehicle intended primarily
21 for use ~~and operation~~ on the public highways that is self-propelled and
22 every vehicle intended primarily for operation on the public highways that
23 is not ~~driven or propelled by its own power~~ SELF-PROPELLED but is
24 designed to be attached to, ~~or~~ become a part of, or ~~to~~ be drawn by a
25 self-propelled vehicle, not including farm tractors and other machines and
26 tools used in the production, harvesting, and care of farm products.
27 "Motor vehicle" includes ~~without limitation~~, a low-power scooter or

1 autocycle as either is defined in section 42-1-102. ~~C.R.S.~~

2 ~~(12.5) (Deleted by amendment, L. 92, p. 1841, § 2, effective July~~
3 ~~1, 1992.)~~

4 ~~(12.6)~~ (18) "Motor vehicle auctioneer" means any person, not
5 otherwise required to be licensed pursuant to this part 1, who is engaged
6 in the business of offering to sell, or selling, used motor vehicles owned
7 by persons other than the auctioneer at public auction only. Any
8 auctioning of motor vehicles by an auctioneer ~~shall~~ MUST be incidental to
9 the primary business of auctioning goods.

10 ~~(13)~~ (19) "Motor vehicle dealer" means a person who, for
11 commission or with intent to make a profit or gain of money or other
12 thing of value, sells, leases, exchanges, rents with option to purchase,
13 offers, or attempts to negotiate a sale, lease, or exchange of an interest in
14 new or new and used motor vehicles or who is engaged wholly or in part
15 in the business of selling or leasing new or new and used motor vehicles,
16 whether or not ~~such~~ THE motor vehicles are owned by ~~such~~ THE person.
17 The sale or lease of three or more new or new and used motor vehicles or
18 the offering for sale or lease of more than three new or new and used
19 motor vehicles at the same address or telephone number in any one
20 calendar year ~~shall be~~ IS prima facie evidence that a person is engaged in
21 the business of selling or leasing new or new and used motor vehicles.
22 "Motor vehicle dealer" includes an owner of real property who allows
23 more than three new or new and used motor vehicles to be offered for
24 sale or lease on ~~such~~ THE property during one calendar year unless said
25 property is leased to a licensed motor vehicle dealer. "Motor vehicle
26 dealer" does not include:

27 (a) Receivers, trustees, administrators, executors, guardians, or

1 other persons appointed by or acting under the judgment or order of any
2 court;

3 (b) Public officers while performing their official duties;

4 (c) Employees of ~~persons enumerated in the definition of~~ A motor
5 vehicle dealer when engaged in the specific performance of their duties
6 as ~~such~~ employees;

7 (d) A wholesaler ~~as defined in subsection (18) of this section,~~ or
8 anyone selling motor vehicles solely to wholesalers;

9 (e) Any person engaged in the selling of a fire truck; OR

10 (f) A motor vehicle auctioneer. ~~as defined in subsection (12.6) of~~
11 ~~this section.~~

12 ~~(14)~~ (20) "Motor vehicle salesperson" means a natural person
13 who, for a salary, commission, or compensation of any kind, ~~is employed~~
14 ~~either directly or indirectly, regularly or occasionally, by a motor vehicle~~
15 ~~dealer or used motor vehicle dealer to sell, lease, purchase, or exchange~~
16 ~~or to negotiate~~ SELLS, LEASES, PURCHASES, OR EXCHANGES MOTOR
17 VEHICLES OR WHO NEGOTIATES for the sale, lease, purchase, or exchange
18 of motor vehicles.

19 (21) "NEW MOTOR VEHICLE" MEANS A MOTOR VEHICLE THAT HAS
20 BEEN TRANSFERRED ON A MANUFACTURER'S STATEMENT OF ORIGIN AND
21 THAT HAS SUFFICIENTLY LOW MILEAGE TO BE CONSIDERED NEW, AS
22 DETERMINED BY THE BOARD.

23 ~~(15)~~ (22) "Person" means any natural person, estate, trust, limited
24 liability company, partnership, association, corporation, or other legal
25 entity, including ~~without limitation,~~ a registered limited liability
26 partnership.

27 ~~(16)~~ (23) "Principal place of business" means a site or location

1 devoted exclusively to the business for which the motor vehicle dealer or
2 used motor vehicle dealer is licensed, and businesses incidental thereto,
3 sufficiently designated to admit of definite description, with ADEQUATE
4 CONTIGUOUS space ~~thereon or contiguous thereto~~ adequate to permit the
5 display of one or more new or used motor vehicles, ~~and on which there~~
6 ~~shall be located or erected~~ WITH a permanent enclosed building or
7 structure large enough to accommodate the office of the dealer and to
8 provide a safe place to keep the books and other records of the business
9 of ~~such~~ THE dealer, at which site or location the principal portion of ~~such~~
10 THE dealer's business shall be conducted and the books and records
11 thereof kept and maintained; except that a dealer may keep its books and
12 records at an off-site location in Colorado after notifying the board in
13 writing of ~~such~~ THE location at least thirty days in advance.

14 ~~(16.5)~~ (24) "Recreational vehicle" means a camping trailer, fifth
15 wheel trailer, motor home, recreational park trailer, travel trailer, or truck
16 camper, all as defined in section 24-32-902, ~~C.R.S.~~, or multipurpose
17 trailer, as defined in section 42-1-102. ~~C.R.S.~~

18 ~~(16.6)~~ (25) "Sales, service, and parts agreement" means an
19 agreement between a manufacturer, distributor, or manufacturer
20 representative and a motor vehicle or powersports dealer authorizing the
21 dealer to sell and service a line-make of motor or powersports vehicles or
22 imposing any duty on the dealer in consideration for the right to have or
23 competitively operate a franchise, including any amendments or
24 additional related agreements thereto. Each amendment, modification, or
25 addendum that materially affects the rights, responsibilities, or obligations
26 of the contracting parties creates a new sales, service, and parts
27 agreement.

1 ~~(16.7)~~ (26) "Site control provision" means an agreement that
2 applies to real property owned or leased by ~~the~~ A franchisee and that gives
3 a motor vehicle or powersports vehicle manufacturer, distributor, or
4 manufacturer representative the right to:

- 5 (a) Control the use and development of the real property;
- 6 (b) Require the franchisee to establish or maintain an exclusive
7 dealership facility at the real property; or
- 8 (c) Restrict the franchisee from transferring, selling, leasing,
9 developing, or changing the use of the real property.

10 ~~(17)~~ (27) "Used motor vehicle dealer" means ~~any~~ A person who,
11 for commission or with intent to make a profit or gain of money or other
12 thing of value, sells, exchanges, leases, or offers an interest in used motor
13 vehicles, or attempts to negotiate a sale, exchange, or lease of used ~~and~~
14 ~~new~~ motor vehicles, or who is engaged wholly or in part in the business
15 of selling used motor vehicles, whether or not ~~such~~ THE motor vehicles
16 are owned by ~~such~~ THE person. The sale of three or more used motor
17 vehicles or the offering for sale of more than three used motor vehicles
18 at the same address or telephone number in any one calendar year ~~shall~~
19 ~~be~~ IS prima facie evidence that a person is engaged in the business of
20 selling used motor vehicles. "Used motor vehicle dealer" includes ~~any~~ AN
21 owner of real property who allows more than three used motor vehicles
22 to be offered for sale on ~~such~~ THE property during one calendar year
23 unless said property is leased to a licensed used motor vehicle dealer.

24 "Used motor vehicle dealer" does not include:

- 25 (a) Receivers, trustees, administrators, executors, guardians, or
26 other persons appointed by or acting under the judgment or order of any
27 court;

1 (b) Public officers while performing their official duties;

2 (c) Employees of ~~persons enumerated in the definition of A~~ used
3 motor vehicle dealer when engaged in the specific performance of their
4 duties as ~~such~~ employees;

5 (d) A wholesaler ~~as defined in subsection (18) of this section~~, or
6 anyone selling motor vehicles solely to wholesalers;

7 (e) Mortgagees or secured parties as to sales in any one year of not
8 more than twelve motor vehicles constituting collateral on a mortgage or
9 security agreement, if ~~such~~ THE mortgagees or secured parties ~~shall~~ DO
10 not realize for their own account ~~from such sales~~ any ~~moneys~~ MONEY in
11 excess of the outstanding balance secured by ~~such~~ THE mortgage or
12 security agreement, plus costs of collection;

13 (f) ~~Any~~ A person who only sells or exchanges no more than four
14 motor vehicles that are collector's items under part 3 or 4 of article 12 of
15 title 42; ~~C.R.S.~~;

16 (g) A motor vehicle auctioneer; ~~as defined in subsection (12.6) of~~
17 ~~this section~~; OR

18 (h) An operator, as defined in section 42-4-2102 (5), ~~C.R.S.~~; who
19 sells a motor vehicle pursuant to section 42-4-2104. ~~C.R.S.~~

20 ~~(17.5)~~ (28) "Wholesale motor vehicle auction dealer" means ~~any~~
21 A person or firm that provides auction services in wholesale transactions
22 in which the purchasers are motor vehicle dealers licensed by this state or
23 any other jurisdiction or in consumer transactions of government vehicles
24 at a time and place that does not conflict with a wholesale motor vehicle
25 auction conducted by that licensee.

26 ~~(18)~~ (29) "Wholesaler" means a person who, for commission or
27 with intent to make a profit or gain of money or other thing of value,

1 sells, exchanges, or offers or attempts to negotiate a sale, lease, or
2 exchange of an interest in new or new and used motor vehicles solely to
3 motor vehicle dealers or used motor vehicle dealers.

4 **SECTION 9.** In Colorado Revised Statutes, 12-6-104, **amend**
5 (3)(a.5), (3)(d)(II), (3)(e)(I), (3)(f), (3)(k)(IV), and (3)(m)(I)(A) as
6 follows:

7 **12-6-104. Board - oath - meetings - powers and duties - rules.**

8 (3) The board is authorized and empowered:

9 (a.5) To delegate to the board's executive secretary, employed
10 pursuant to section 12-6-105 ~~(1)(b)~~ (2)(b), the authority to execute all
11 actions within the power of the board, carry out the directives of the
12 board, and make recommendations to the board on all matters within the
13 authority of the board;

14 (d) (II) To permit the executive director or the ~~executive director's~~
15 ~~designee~~, DIRECTOR to issue licenses pursuant to rules ~~and regulations~~
16 adopted by the board pursuant to ~~paragraph (a) of this subsection (3)~~
17 SUBSECTION (3)(a) OF THIS SECTION;

18 (e) (I) After due notice and a hearing, to review the findings of an
19 administrative law judge or a hearing officer from a hearing conducted
20 pursuant to this part 1 to revoke and suspend or to order the ~~executive~~
21 director to issue or to reinstate, on such terms and conditions and for such
22 period of time as to the board ~~shall~~ appear fair and just, any license issued
23 under ~~and pursuant to the terms and provisions of this part 1.~~ The board
24 may direct a letter of admonition for minor violations or may issue a letter
25 of reprimand to any licensee for a violation of this part 1. A letter of
26 admonition does not become a part of the licensee's record with the board.
27 A letter of reprimand is a part of the licensee's record with the board for

1 a period of two years after issuance and may be considered in aggravation
2 of any subsequent violation by the licensee. When a letter of reprimand
3 is sent to a licensee of the board, ~~such~~ THE licensee shall be notified in
4 writing regarding the right to request in writing, within twenty days after
5 receipt of such letter, that formal disciplinary proceedings be initiated
6 against ~~such~~ THE licensee to adjudicate the propriety of the conduct upon
7 which the letter of reprimand is based. If a request is made within ~~such~~
8 ~~time~~ THE TWENTY-DAY period, the letter of reprimand is deemed vacated
9 and the matter shall be processed by means of formal disciplinary
10 proceedings.

11 (f) (I) To investigate through the ~~executive~~ director, on its own
12 motion or upon the written and signed complaint of any person, any
13 suspected or alleged violation by ~~any~~ A motor vehicle dealer, motor
14 vehicle salesperson, used motor vehicle dealer, wholesale motor vehicle
15 auction dealer, or wholesaler ~~licensee~~ of any of the terms and provisions
16 of this part 1 or of any rule ~~or regulation~~ promulgated by the board under
17 the authority conferred upon it in this section. The board shall order an
18 investigation of all written and signed complaints, ~~shall have the authority~~
19 ~~to~~ MAY issue subpoenas, and ~~to~~ MAY delegate the authority to issue
20 subpoenas to the ~~executive~~ director, and the ~~executive~~ director shall make
21 an investigation of all ~~such~~ complaints transmitted by the board pursuant
22 to section 12-6-105 ~~(f)(d)~~ (3). The board ~~has the authority to~~ MAY seek
23 to resolve disputes before beginning an investigation or hearing through
24 its own action or by direction to the ~~executive~~ director.

25 (II) After an investigation by the ~~executive~~ director or the
26 ~~executive~~ director's designee, if the board determines that there is
27 probable cause to believe a violation of this ~~article~~ ARTICLE 6 has

1 occurred, it may order that an administrative hearing be held pursuant to
2 section 24-4-105, C.R.S., or may designate one of the board's members
3 as a hearing officer to conduct a hearing pursuant to section 24-4-105,
4 C.R.S.

5 (k) (IV) ~~TO~~ THE BOARD MAY require a licensee to include with a
6 consumer sales contract a written notice that provides to the consumer the
7 contact information of the board and information about the board's
8 authority over consumer motor vehicle sales.

9 (m) (I) (A) ~~If a hearing is held before an administrative law judge~~
10 ~~or a hearing officer designated by the board from within the board's~~
11 ~~membership, after due notice and a hearing by such judge or hearing~~
12 ~~officer pursuant to section 24-4-105, C.R.S., to review the findings of law~~
13 ~~and fact and the fairness of any fine imposed and to uphold such fine, to~~
14 ~~impose an administrative fine upon its own initiative, which shall not~~
15 ~~exceed ten thousand dollars for each separate offense by any licensee, or~~
16 ~~to vacate the fine imposed by the judge or hearing officer; except that, for~~
17 ~~motor vehicle dealers who sell primarily vehicles that weigh under one~~
18 ~~thousand five hundred pounds, the fine for each separate offense shall not~~
19 ~~exceed one thousand dollars~~ AFTER FINAL ACTION IS TAKEN ON A HEARING
20 HELD BEFORE AN ADMINISTRATIVE LAW JUDGE OR A HEARING OFFICER, TO
21 REVIEW THE FINDINGS OF LAW AND FACT AND THE FAIRNESS OF ANY FINE
22 IMPOSED AND TO UPHOLD THE FINE, TO IMPOSE AN ADMINISTRATIVE FINE
23 UPON ITS OWN INITIATIVE, NOT TO EXCEED TEN THOUSAND DOLLARS FOR
24 EACH OFFENSE BY ANY LICENSEE, OR TO VACATE THE FINE IMPOSED BY
25 THE JUDGE OR HEARING OFFICER; EXCEPT THAT, FOR MOTOR VEHICLE
26 DEALERS WHO SELL PRIMARILY MOTOR VEHICLES THAT WEIGH UNDER ONE
27 THOUSAND FIVE HUNDRED POUNDS, THE FINE FOR EACH OFFENSE MUST

1 NOT EXCEED ONE THOUSAND DOLLARS. Whenever a hearing is heard by
2 an administrative law judge, the maximum fine that may be imposed is
3 ten thousand dollars for each ~~separate~~ offense by any person licensed by
4 the board ~~pursuant to~~ UNDER this part 1; except that, for motor vehicle
5 dealers who sell primarily vehicles that weigh under one thousand five
6 hundred pounds, the fine for each ~~separate~~ offense ~~may~~ MUST not exceed
7 one thousand dollars. Whenever a licensing hearing is conducted by a
8 hearing officer, the sanctions that may be recommended by the hearing
9 officer are limited to the denial or grant of an unrestricted license or a
10 restricted license under such terms as the hearing officer deems
11 appropriate. Whenever a disciplinary hearing is conducted by a hearing
12 officer, the hearing officer may only recommend a probationary period of
13 no more than twelve months, a fine of no more than five hundred dollars,
14 or both ~~such~~ A probationary period and fine for each ~~separate~~ violation
15 committed by a person licensed by the board.

16 **SECTION 10.** In Colorado Revised Statutes, **amend** 12-6-105 as
17 follows:

18 **12-6-105. Auto industry division - creation - powers and duties**
19 **of executive director and director.** (1) THERE IS HEREBY CREATED IN
20 THE DEPARTMENT OF REVENUE THE AUTO INDUSTRY DIVISION, THE HEAD
21 OF WHICH IS THE DIRECTOR OF THE DIVISION. THE DIRECTOR IS APPOINTED
22 BY THE EXECUTIVE DIRECTOR OF THE DEPARTMENT AND SERVES AT THE
23 PLEASURE OF THE EXECUTIVE DIRECTOR. THE DIVISION SHALL EXERCISE
24 ITS POWERS AND PERFORM ITS DUTIES AND FUNCTIONS UNDER THE
25 DEPARTMENT AS IF THE DIVISION WERE TRANSFERRED TO THE
26 DEPARTMENT BY A **TYPE 2** TRANSFER AS DESCRIBED IN SECTION 24-1-105.

27 (†) (2) The executive director is hereby charged with the

1 administration, enforcement, and issuance or denial of the licensing of
2 buyer agents, distributors, manufacturer representatives, and ~~motor~~
3 ~~vehicle~~ manufacturers, and ~~shall have~~ HAS the following powers and
4 duties:

5 (a) To promulgate, amend, and repeal reasonable rules ~~and~~
6 ~~regulations~~ relating to those functions the executive director is mandated
7 to carry out pursuant to this part 1 and the laws of the state of Colorado
8 that the executive director deems necessary to ~~carry out the duties of the~~
9 ~~office of the executive director pursuant to~~ IMPLEMENT this part 1;

10 (b) To employ, subject to the laws of the state of Colorado and
11 after consultation with the board, an executive secretary for the board,
12 ~~The executive secretary shall be~~ WHO IS accountable to the board and
13 shall, pursuant to delegation by the board, discharge the responsibilities
14 of the board under this part 1; ~~The executive director may also employ~~
15 ~~such clerks, deputies, and assistants as the executive director considers~~
16 ~~necessary to discharge the duties imposed upon the executive director by~~
17 ~~this part 1 and to designate the duties of such clerks, deputies, and~~
18 ~~assistants.~~

19 (c) To issue and, for reasonable cause shown or upon satisfactory
20 proof of the unfitness of the applicant under standards established and set
21 forth in this part 1, to refuse to issue to any applicant any license the
22 executive director is authorized to issue by this part 1;

23 ~~(d) (I) To investigate upon the executive director's own initiative,~~
24 ~~upon the written and signed complaint of any person, or upon request by~~
25 ~~the board pursuant to section 12-6-104 (3)(f)(I), any suspected or alleged~~
26 ~~violation by any person licensed by the executive director pursuant to this~~
27 ~~part 1 of any of the terms and provisions of this part 1 or of any rule or~~

1 regulation promulgated by the executive director under the authority
2 conferred upon the executive director in this section;

3 ~~(H) The investigators and their supervisors utilized by the~~
4 ~~executive director, pursuant to subparagraph (I) of this paragraph (d),~~
5 ~~while actually engaged in performing their duties, shall have the authority~~
6 ~~as delegated by the executive director to issue subpoenas in relation to~~
7 ~~performance of their duties relating to licensees who are under the~~
8 ~~jurisdiction of the executive director and the authority as delegated by the~~
9 ~~executive director to issue summonses for violations of sections 12-6-120~~
10 ~~(2) and 42-6-142, C.R.S., to issue misdemeanor summonses for violations~~
11 ~~of section 12-6-119.5 (1)(a), and to procure criminal records during an~~
12 ~~investigation.~~

13 (e) (d) To prescribe the forms to be used for applications for
14 licenses to be issued by the executive director under the provisions of this
15 part 1 and to require of such applicants, as a condition precedent to the
16 issuance of such licenses, such information concerning the applicant's
17 fitness to be licensed under this part 1 as the executive director considers
18 necessary;

19 (f) (e) (I) To summarily issue cease-and-desist orders on such
20 terms and conditions and for such period of time as to the executive
21 director appears fair and just to any person who is licensed by the
22 executive director pursuant to this part 1 if such orders are followed by
23 notice and a hearing pursuant to section 12-6-104 (3)(e)(I);

24 (II) To issue cease-and-desist orders to persons acting as ~~motor~~
25 ~~vehicle~~ manufacturers without the manufacturer's license required by this
26 part 1; AND

27 (III) To impose a fine, not to exceed one thousand dollars per day,

1 for each violation of section 12-6-120 (1) after a notice and hearing
2 subject to section 24-4-105. C.R.S.

3 ~~(g) (Deleted by amendment, L. 92, p. 1847, § 5, effective July 1,~~
4 ~~1992.)~~

5 (3) (a) THE DIRECTOR MAY:

6 (I) EMPLOY SUCH CLERKS, DEPUTIES, AND ASSISTANTS AS THE
7 DIRECTOR CONSIDERS NECESSARY TO DISCHARGE THE DUTIES IMPOSED
8 UPON THE DIRECTOR OR EXECUTIVE DIRECTOR BY THIS PART 1 AND TO
9 DESIGNATE THE DUTIES OF SUCH CLERKS, DEPUTIES, AND ASSISTANTS;

10 (II) INVESTIGATE, UPON THE DIRECTOR'S OWN INITIATIVE, UPON
11 THE WRITTEN AND SIGNED COMPLAINT OF ANY PERSON, OR UPON REQUEST
12 BY THE BOARD UNDER SECTION 12-6-104 (3)(f)(I), ANY SUSPECTED OR
13 ALLEGED VIOLATION BY A PERSON LICENSED UNDER THIS PART 1 OR OF
14 ANY RULE PROMULGATED UNDER THIS ARTICLE 6.

15 (b) THE INVESTIGATORS AND THEIR SUPERVISORS UTILIZED BY THE
16 DIRECTOR, WHILE ACTUALLY ENGAGED IN PERFORMING THEIR DUTIES,
17 HAVE THE AUTHORITY AS DELEGATED BY THE DIRECTOR TO ISSUE
18 SUBPOENAS IN RELATION TO PERFORMANCE OF THEIR DUTIES ENFORCING
19 THIS PART 1 AND THE AUTHORITY AS DELEGATED BY THE DIRECTOR TO
20 ISSUE SUMMONSES FOR VIOLATIONS OF SECTIONS 12-6-120 (2) AND
21 42-6-142, TO ISSUE MISDEMEANOR SUMMONSES FOR VIOLATIONS OF
22 SECTION 12-6-119.5 (1)(a), AND TO PROCURE CRIMINAL RECORDS DURING
23 AN INVESTIGATION.

24 ~~(2) (4) In the event~~ IF any person fails to comply with a
25 cease-and-desist order issued pursuant to this section, the executive
26 director may bring a suit for injunction to prevent any further and
27 continued violation of such order. In any such suit, the final proceedings

1 of the executive director, based upon evidence in record, ~~shall be~~ ARE
2 prima facie evidence of the facts found therein.

3 (3) (5) The executive director may impose a civil fine of not less
4 than ten thousand dollars and not more than twenty-five thousand dollars
5 on a ~~motor vehicle~~ manufacturer, distributor, or manufacturer
6 representative who knowingly violates section 12-6-120.3 (5). Each day
7 that a manufacturer, distributor, or manufacturer representative violates
8 section 12-6-120.3 (5) by failing to offer the right of first refusal or
9 failing to make a payment required by section 12-6-120.3 (5) is a separate
10 offense.

11 **SECTION 11.** In Colorado Revised Statutes, **amend** 12-6-106 as
12 follows:

13 **12-6-106. Records as evidence.** Copies of all records and papers
14 in the office of the board, DIRECTOR, or executive director, duly
15 authenticated under the hand and seal of the board, DIRECTOR, or
16 executive director, shall be received in evidence in all cases equally and
17 with like effect as the original thereof.

18 **SECTION 12.** In Colorado Revised Statutes, 12-6-107, **amend**
19 (1) as follows:

20 **12-6-107. Attorney general to advise and represent.** (1) The
21 attorney general of this state shall represent the board, DIRECTOR, and
22 executive director and shall give opinions on all questions of law relating
23 to the interpretation of this part 1 or arising out of the administration
24 thereof and shall appear for and in behalf of the board, DIRECTOR, and
25 executive director in all actions brought by or against them, whether
26 under ~~the provisions of~~ this part 1 or otherwise.

27 **SECTION 13.** In Colorado Revised Statutes, 12-6-108, **amend**

1 (1) introductory portion and (1)(c) as follows:

2 **12-6-108. Classes of licenses.** (1) THE FOLLOWING CLASSES OF
3 licenses ARE issued under ~~the provisions of this part 1: shall be of the~~
4 ~~following classes:~~

5 (c) A motor vehicle salesperson's license ~~shall permit~~ PERMITS the
6 licensee to engage in the activities of a motor vehicle salesperson WHILE
7 EMPLOYED BY A LICENSED MOTOR VEHICLE DEALER OR USED MOTOR
8 VEHICLE DEALER.

9 **SECTION 14.** In Colorado Revised Statutes, **amend** 12-6-108.5
10 as follows:

11 **12-6-108.5. Temporary motor vehicle dealer license.** (1) (a) If
12 a licensed MOTOR vehicle dealer has entered into a written agreement to
13 sell a dealership to a purchaser and the purchaser has been awarded a new
14 dealership franchise, the board may issue a temporary motor vehicle
15 dealer's license to ~~such~~ THE purchaser or prospective purchaser. The
16 ~~executive~~ director shall issue the temporary license only after the board
17 has received the applications for both a temporary motor vehicle dealer's
18 license and a motor vehicle dealer's license, the appropriate application
19 fee for the motor vehicle dealer's application, evidence of a passing test
20 score, and evidence that the franchise has been awarded to the applicant
21 by the manufacturer. ~~Such~~

22 (b) A temporary motor vehicle dealer's license ~~shall authorize~~
23 AUTHORIZES the licensee to act as a motor vehicle dealer. ~~Such~~
24 Temporary licensees ~~shall be~~ ARE subject to ~~all the provisions of this~~
25 ~~article~~ ARTICLE 6 and to all applicable rules ~~and regulations~~ adopted by
26 the executive director or the board. ~~Such~~ A temporary motor vehicle
27 dealer's license ~~shall be~~ IS effective for up to sixty days or until the board

1 acts on ~~such~~ THE licensee's application for a motor vehicle dealer's
2 license, whichever is sooner.

3 (2) For the purpose of enabling an out-of-state dealer to sell
4 vehicles on a temporary basis during specifically identified events, the
5 ~~executive~~ director may issue, upon direction by the board, a temporary
6 MOTOR VEHICLE dealer's license, which ~~shall be~~ IS effective for thirty
7 days. ~~Such~~ THE temporary license ~~shall~~ LICENSEE IS subject ~~the licensee~~
8 ~~to compliance with~~ TO THE rules and regulations adopted by the executive
9 director or the board.

10 **SECTION 15.** In Colorado Revised Statutes, **amend** 12-6-109 as
11 follows:

12 **12-6-109. Display, form, custody, and use of licenses.** (1) The
13 board and the executive director shall prescribe the form of the license to
14 be issued by the executive director and ~~each license shall have imprinted~~
15 ~~thereon~~ IMPRINT ON EACH LICENSE the seal of their offices. ~~The license of~~
16 Each motor vehicle salesperson shall ~~be mailed to the business address~~
17 ~~where the salesperson is licensed under this article and shall be kept by~~
18 ~~the salesperson at such~~ KEEP A COPY OF THE LICENSE AT THE salesperson's
19 place of employment for inspection by employers, consumers, THE
20 DIRECTOR, the executive director, or the board. ~~It is the duty of~~ Each
21 motor vehicle dealer, manufacturer, distributor, wholesaler, manufacturer
22 representative, wholesale motor vehicle auction dealer, or used motor
23 vehicle dealer ~~to~~ SHALL display conspicuously ~~such~~ EACH person's ~~own~~
24 ~~license in such person's~~ LICENSE AT THE place of business FOR WHICH THE
25 LICENSE WAS ISSUED.

26 (2) Each license issued ~~pursuant to~~ UNDER this part 1 is separate
27 and distinct. It ~~shall be~~ IS a violation of this part 1 for a person to exercise

1 any of the privileges granted under a license that ~~such~~ THE person does
2 not hold, or for a licensee to knowingly allow such an exercise of
3 privileges.

4 **SECTION 16.** In Colorado Revised Statutes, 12-6-110, **amend**
5 (2), (2.5), and (3)(b); and **repeal** (3)(d) as follows:

6 **12-6-110. Fees - disposition - expenses - expiration of licenses.**

7 (2) All ~~such~~ fees shall be paid to the state treasurer, who shall credit the
8 ~~same~~ FEES to the auto dealers license fund CREATED IN SECTION 12-6-123.

9 (2.5) If an application for a buyer agent's, motor vehicle dealer's,
10 used motor vehicle dealer's, wholesaler's, or MOTOR VEHICLE
11 salesperson's license is withdrawn by the applicant prior to issuance of the
12 license, THE DIRECTOR SHALL REFUND one-half of the license fee. ~~shall be~~
13 ~~refunded.~~

14 (3) (b) Thirty days ~~prior to~~ BEFORE the expiration of ~~such~~ licenses
15 A MOTOR VEHICLE SALESPERSON LICENSE, the ~~executive~~ director shall mail
16 to ~~any such~~ BOTH THE licensee's business address of record AND THE
17 LICENSEE'S PERSONAL ADDRESS OF RECORD a notice stating when ~~such~~
18 THE person's license is due to expire and the fee necessary to renew ~~such~~
19 THE license. For a salesperson or manufacturer representative, the notice
20 shall be mailed to the address of the dealer or manufacturer where ~~such~~
21 THE person is licensed.

22 (d) ~~A transition procedure for licensees licensed prior to July 1,~~
23 ~~1992, shall be established by the board or the executive director by rule~~
24 ~~and regulation.~~

25 **SECTION 17.** In Colorado Revised Statutes, **amend** 12-6-112.7
26 as follows:

27 **12-6-112.7. Notice of claims honored against bond.** (1) Any A

1 corporate surety ~~which~~ THAT has provided a bond to a licensee pursuant
2 to ~~the requirements of~~ section 12-6-111, 12-6-112, or 12-6-112.2 shall
3 provide notice to the board and ~~executive~~ director of any claim ~~which~~
4 THAT is honored against ~~such~~ THE bond ~~Such notice shall be provided to~~
5 ~~the board and executive director~~ within thirty days after a THE claim is
6 honored.

7 (2) A notice provided by a corporate surety pursuant to ~~the~~
8 ~~requirement of~~ subsection (1) of this section ~~shall~~ MUST be in ~~such~~ THE
9 form as required by the ~~executive~~ director, subject to approval by the
10 board, and ~~shall~~ MUST include ~~but shall not be limited to~~, the name of the
11 licensee, the name and address of the claimant, the amount of the honored
12 claim, and the nature of the claim against the licensee.

13 **SECTION 18.** In Colorado Revised Statutes, **amend** 12-6-114 as
14 follows:

15 **12-6-114. Filing of written warranties.** ~~All~~ EACH licensed
16 ~~manufacturers~~ MANUFACTURER shall file with the ~~executive~~ director all
17 written warranties and changes in written warranties that ~~such~~ THE
18 manufacturer makes on any motor vehicle or parts thereof. ~~All~~ EACH
19 licensed ~~manufacturers~~ MANUFACTURER shall file with the ~~executive~~
20 director a copy of the delivery and preparation obligations of a
21 ~~manufacturer's dealer~~ ITS DEALERS, and these warranties and obligations
22 ~~shall~~ constitute the dealer's only responsibility for product liability as
23 between the dealer and the manufacturer. Any mechanical, body, or parts
24 defects arising from any express or implied warranties of the
25 manufacturer ~~shall~~ constitute the manufacturer's product or warranty
26 liability, and the manufacturer shall reasonably compensate any
27 authorized dealer who performs work to rectify ~~said~~ THE manufacturer's

1 product or warranty defects.

2 **SECTION 19.** In Colorado Revised Statutes, 12-6-115, **amend**
3 (4), (5)(a) introductory portion, (5)(a)(I), (5)(b), and (7)(h); and **add** (8)
4 as follows:

5 **12-6-115. Application - prelicensing education -**
6 **fingerprint-based background check - rules.** (4) ~~All persons applying~~
7 ~~for a motor~~ TO BE LICENSED AS A MOTOR vehicle ~~dealer's license shall~~
8 DEALER, A PERSON MUST file with the board a certified copy of a
9 certificate of appointment as a dealer from a manufacturer.

10 (5) (a) Each person applying for a manufacturer's or distributor's
11 license ~~shall~~ MUST:

12 (I) File with the ~~executive~~ director a certified copy of ~~their~~ A
13 typical sales, service, and parts agreement with all motor vehicle dealers;
14 and

15 (b) Within sixty days after amending or modifying or adding an
16 addendum to the sales, service, or parts agreement of more than one
17 motor vehicle dealer, a licensed manufacturer or distributor shall file a
18 certified copy of the new sales, service, and parts agreement, including
19 the changes, with the ~~executive~~ director if the amendment, modification,
20 or addendum materially alters the rights and obligations of the contracting
21 parties.

22 (7) (h) An approved prelicensing program provider shall submit
23 a certificate to the ~~executive~~ director for each person who successfully
24 completes the prelicensing education program. The certificate may be
25 transmitted electronically.

26 (8) WITH THE SUBMISSION OF AN APPLICATION FOR ANY LICENSE
27 ISSUED UNDER THIS PART 1, EACH APPLICANT SHALL SUBMIT A COMPLETE

1 SET OF FINGERPRINTS TO THE BOARD. THE BOARD SHALL SUBMIT THE
2 FINGERPRINTS TO THE COLORADO BUREAU OF INVESTIGATION FOR THE
3 PURPOSE OF CONDUCTING FINGERPRINT-BASED CRIMINAL HISTORY RECORD
4 CHECKS. THE COLORADO BUREAU OF INVESTIGATION SHALL FORWARD THE
5 FINGERPRINTS TO THE FEDERAL BUREAU OF INVESTIGATION FOR THE
6 PURPOSE OF CONDUCTING FINGERPRINT-BASED CRIMINAL HISTORY RECORD
7 CHECKS. THE BOARD MAY ACQUIRE A NAME-BASED CRIMINAL HISTORY
8 RECORD CHECK FOR AN APPLICANT OR A LICENSE HOLDER WHO HAS TWICE
9 SUBMITTED TO A FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK
10 AND WHOSE FINGERPRINTS ARE UNCLASSIFIABLE. THE BOARD SHALL USE
11 THE INFORMATION RESULTING FROM THE FINGERPRINT-BASED CRIMINAL
12 HISTORY RECORD CHECK TO INVESTIGATE AND DETERMINE WHETHER AN
13 APPLICANT IS QUALIFIED TO BE LICENSED. THE BOARD MAY VERIFY THE
14 INFORMATION AN APPLICANT IS REQUIRED TO SUBMIT. THE APPLICANT
15 SHALL PAY THE COSTS ASSOCIATED WITH THE FINGERPRINT-BASED
16 CRIMINAL HISTORY RECORD CHECK TO THE COLORADO BUREAU OF
17 INVESTIGATION.

18 **SECTION 20.** In Colorado Revised Statutes, 12-6-116, **amend**
19 **(2); repeal (3); and add (6)** as follows:

20 **12-6-116. Notice of change of address or status.** (2) (a) ~~Should~~
21 ~~the~~ IF A motor vehicle dealer ~~change~~ CHANGES to a new ~~line~~ LINE-MAKE
22 of motor vehicles, ~~add~~ ADDS another franchise for the sale of new motor
23 vehicles, or ~~cancel~~ CANCELS or, for any cause whatever, otherwise ~~lose~~
24 LOSES a franchise for the sale of new motor vehicles, ~~such~~ THE dealer
25 shall immediately so notify the board. In the case of a cancellation or loss
26 of franchise, the board shall determine whether ~~or not by reason thereof~~
27 ~~such~~ THE dealer WHO LOST THE FRANCHISE should be licensed as a used

1 motor vehicle dealer. ~~in which case~~

2 (b) IF THE MOTOR VEHICLE DEALER NO LONGER POSSESSES A
3 FRANCHISE TO SELL NEW MOTOR VEHICLES, the board shall take up, and
4 the motor vehicle dealer shall deliver to ~~it such~~ THE BOARD, THE dealer's
5 license, and the board shall direct the ~~executive~~ director to ~~thereupon~~
6 issue ~~to such~~ THE dealer a used motor vehicle dealer's license.

7 (c) Upon the cancellation or loss of a franchise to sell new motor
8 vehicles and the relicensing of ~~such~~ A dealer as a used motor vehicle
9 dealer, ~~such~~ THE dealer may continue in the business ~~for which~~ OF a
10 motor vehicle dealer is ~~licensed~~ for a time, not exceeding six months ~~from~~
11 AFTER the date of the relicensing of ~~such~~ THE dealer, to enable ~~such~~ THE
12 dealer to dispose of the stock of new motor vehicles on hand at the time
13 of ~~such~~ relicensing, but not otherwise.

14 (3) ~~If a motor vehicle salesperson is discharged, leaves an~~
15 ~~employer, or changes a place of employment, the motor vehicle dealer or~~
16 ~~used motor vehicle dealer who last employed the salesperson shall~~
17 ~~confiscate and return such salesperson's license to the board. Upon being~~
18 ~~reemployed as a motor vehicle salesperson, the motor vehicle salesperson~~
19 ~~shall notify the board. Upon receiving such notification, the board shall~~
20 ~~issue a new license for the unexpired portion of such returned license~~
21 ~~after collecting a fee set pursuant to section 12-6-110 (5). It shall be~~
22 ~~unlawful for such salesperson to act as a motor vehicle salesperson until~~
23 ~~a new license is procured.~~

24 (6) (a) EXCEPT AS SPECIFIED IN SUBSECTION (6)(d) OF THIS
25 SECTION:

26 (I) A PERSON HOLDING AN OWNERSHIP INTEREST IN A LICENSED
27 CORPORATION, LIMITED LIABILITY COMPANY, LIMITED LIABILITY

1 PARTNERSHIP, OR OTHER BUSINESS ENTITY SHALL NOT SELL THE INTEREST
2 TO A PERSON WHO DOES NOT ALREADY OWN AN INTEREST IN THE BUSINESS
3 ENTITY UNTIL THE OWNER APPLIES TO THE BOARD TO BE APPROVED TO
4 HOLD AN OWNERSHIP INTEREST IN THE BUSINESS ENTITY AND THE BOARD
5 APPROVES THE PERSON TO HOLD THE INTEREST.

6 (II) A LICENSED CORPORATION, LIMITED LIABILITY COMPANY,
7 LIMITED LIABILITY PARTNERSHIP, OR OTHER BUSINESS ENTITY SHALL
8 NOTIFY THE BOARD WITHIN TEN DAYS AFTER A TRANSFER, OTHER THAN A
9 SALE, OF ANY OWNERSHIP THAT RESULTS IN A NEW PERSON HOLDING AN
10 INTEREST IN THE BUSINESS ENTITY. TO CONTINUE TO HOLD OWNERSHIP IN
11 THE BUSINESS, THE TRANSFEREE SHALL APPLY TO THE BOARD FOR
12 APPROVAL TO CONTINUE HOLDING AN OWNERSHIP INTEREST IN THE
13 BUSINESS ENTITY.

14 (b) TO BE APPROVED BY THE BOARD TO HOLD AN OWNERSHIP
15 INTEREST IN A LICENSED BUSINESS ENTITY, THE NEW OWNER MUST
16 DEMONSTRATE THE QUALIFICATIONS NECESSARY FOR INITIAL LICENSING,
17 INCLUDING A FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK, IN
18 ACCORDANCE WITH THIS PART 1.

19 (c) (I) IF THE BOARD DOES NOT APPROVE A PERSON TO HOLD AN
20 OWNERSHIP INTEREST IN A LICENSED BUSINESS ENTITY, THE PERSON SHALL
21 TRANSFER THE INTEREST WITHIN SIX MONTHS AFTER ACQUIRING THE
22 OWNERSHIP INTEREST.

23 (II) UNTIL A PERSON IS APPROVED BY THE BOARD TO HOLD AN
24 OWNERSHIP INTEREST IN A LICENSED BUSINESS ENTITY, THE PERSON SHALL
25 NOT ACT AS A MOTOR VEHICLE SALESPERSON OR PARTICIPATE IN THE
26 MANAGEMENT OF THE LICENSED BUSINESS ENTITY.

27 (III) THIS SUBSECTION (6)(c) DOES NOT AUTHORIZE A PERSON TO

1 HOLD AN INTEREST IN A LICENSED BUSINESS ENTITY WHEN THE PERSON
2 ACQUIRED THE INTEREST AS THE RESULT OF A SALE THAT VIOLATES
3 SUBSECTION (6)(a)(I) OF THIS SECTION.

4 (d) (I) THIS SUBSECTION (6) DOES NOT APPLY TO THE SALE OF AN
5 INTEREST OF LESS THAN FIVE PERCENT OF A BUSINESS ENTITY THAT IS
6 SUBJECT TO THE REPORTING REQUIREMENTS OF THE "SECURITIES
7 EXCHANGE ACT OF 1934", 15 U.S.C. SEC. 78a ET SEQ., AS AMENDED.

8 (II) THIS SUBSECTION (6) DOES NOT APPLY TO THE SALE OF AN
9 INTEREST TO AN INSTITUTIONAL INVESTOR OF A BUSINESS ENTITY THAT IS
10 SUBJECT TO THE REPORTING REQUIREMENTS OF THE "SECURITIES
11 EXCHANGE ACT OF 1934", 15 U.S.C. SEC. 78a ET SEQ., AS AMENDED. FOR
12 THE PURPOSES OF THIS SUBSECTION (6)(d)(II), "INSTITUTIONAL INVESTOR"
13 MEANS AN ENTITY, SUCH AS A PENSION FUND, ENDOWMENT FUND,
14 INSURANCE COMPANY, COMMERCIAL BANK, OR MUTUAL FUND, THAT
15 INVESTS MONEY ON BEHALF OF ITS MEMBERS OR CLIENTS AND THAT IS
16 REQUIRED BY THE UNITED STATES SECURITIES AND EXCHANGE
17 COMMISSION TO FILE A FORM 13F, OR ITS SUCCESSOR FORM, TO REPORT
18 QUARTERLY HOLDINGS.

19 **SECTION 21.** In Colorado Revised Statutes, 12-6-118, **add** (4.5)
20 and (9) as follows:

21 **12-6-118. Licenses - grounds for denial, suspension, or**
22 **revocation.** (4.5) THE LICENSE OF A MOTOR VEHICLE DEALER MAY BE
23 DENIED, REVOKED, SUSPENDED, OR OTHERWISE SUBJECT TO DISCIPLINE
24 IMPOSED UNDER THIS PART 1 IF AN OWNER IS ACTING AS A SALESPERSON
25 WITHOUT A MOTOR VEHICLE SALESPERSON LICENSE AND THE OWNER
26 COMMITS ANY OF THE ACTS OR OMISSIONS THAT SUBJECT A SALESPERSON'S
27 LICENSE TO DENIAL, REVOCATION, OR SUSPENSION UNDER SUBSECTION (5)

1 OF THIS SECTION.

2 (9) A PERSON WHOSE LICENSE ISSUED UNDER THIS PART 1 IS
3 REVOKED OR WHO SURRENDERS A LICENSE TO AVOID DISCIPLINE IS
4 INELIGIBLE TO APPLY FOR A NEW LICENSE UNDER THIS PART 1 FOR ONE
5 YEAR AFTER THE DATE OF REVOCATION OR SURRENDER OF THE LICENSE.

6 **SECTION 22.** In Colorado Revised Statutes, 12-6-120, **amend**
7 (2) as follows:

8 **12-6-120. Unlawful acts.** (2) It is unlawful for any person to act
9 as a motor vehicle dealer, manufacturer, distributor, wholesaler,
10 manufacturer representative, used motor vehicle dealer, buyer agent,
11 wholesale motor vehicle auction dealer, or motor vehicle salesperson
12 unless ~~such~~ THE person has been duly licensed under ~~the provisions of~~
13 this part 1, except for persons exempt from licensure as a manufacturer
14 ~~pursuant to~~ UNDER section 12-6-102 ~~(H)~~ (15); however, ~~such persons~~
15 MANUFACTURERS EXEMPT FROM LICENSING shall comply with all other
16 applicable requirements for manufacturers, including ~~but not limited to,~~
17 those pertaining to vehicle identification numbers and manufacturers'
18 statements of origin.

19 **SECTION 23.** In Colorado Revised Statutes, 12-6-120.3, **amend**
20 (4)(a) introductory portion, (4)(b)(I) introductory portion, (4)(b)(I)(A),
21 (4)(b)(I)(C), and (4)(b)(I)(D) as follows:

22 **12-6-120.3. New, reopened, or relocated dealer - notice**
23 **required - grounds for refusal of dealer license - definitions - rules.**

24 (4) (a) If a licensee or former licensee whose franchise was terminated,
25 cancelled, or not renewed by the manufacturer, distributor, or
26 manufacturer representative in the previous five years due to the
27 insolvency of the manufacturer or distributor brings an action or

1 proceeding before the executive director ~~or a court~~ pursuant to this part
2 ~~†~~ SECTION, the manufacturer ~~shall have~~ HAS the burden of proof on the
3 following issues:

4 (b) (I) In addition to the powers specified in section 12-6-105, the
5 executive director has jurisdiction to resolve actions or proceedings
6 brought before the executive director pursuant to this part 1 that allege a
7 violation of this part 1 or rules promulgated pursuant to this part 1. The
8 executive director may promulgate rules to facilitate the administration
9 of such actions or proceedings, including provisions specifying
10 procedures for the executive director or the ~~executive director's designee~~
11 DIRECTOR to:

12 (A) Conduct an investigation pursuant to section 12-6-105 ~~(†)(d)~~
13 (3) of an alleged violation of this part 1 or rules promulgated pursuant to
14 this part 1, including issuance of a notice of violation;

15 (C) Issue an order, including a cease-and-desist order issued
16 pursuant to section 12-6-105 ~~(†)(f)~~ (1)(e), to resolve the notice of
17 violation; and

18 (D) Impose a fine pursuant to section 12-6-105 ~~(†)(f)(HH)~~
19 (1)(e)(III).

20 **SECTION 24.** In Colorado Revised Statutes, 12-6-123, **amend**
21 (1) introductory portion as follows:

22 **12-6-123. Disposition of fees - auto dealers license fund -**
23 **created.** (1) All ~~moneys~~ MONEY received under this part 1, except fines
24 awarded pursuant to ~~section~~ SECTIONS 12-6-121.5 AND 12-6-121.6 (2),
25 shall be deposited with the state treasurer by the department of revenue,
26 subject to ~~the provisions of~~ section 24-35-101, ~~C.R.S.~~, together with a
27 detailed statement of such receipts, and ~~such funds~~ THE MONEY deposited

1 with the state treasurer ~~shall constitute~~ CONSTITUTES a fund to be known
2 as the auto dealers license fund, which fund is hereby created. ~~and which~~
3 THE FUND shall be used under the direction of the board in the following
4 manner:

5 **SECTION 25.** In Colorado Revised Statutes, **amend** 12-6-125 as
6 follows:

7 **12-6-125. Advertisement - inclusion of dealer name.** ~~No motor~~
8 A MOTOR vehicle dealer or used motor vehicle dealer or any agent of
9 ~~either of said~~ THE dealers shall NOT advertise any offer for the sale, lease,
10 or purchase of a motor vehicle or a used motor vehicle ~~which~~ THAT
11 creates the false impression that the vehicle is being offered by a private
12 party or by a ~~motor vehicle~~ BUYER'S agent or ~~which~~ THAT does not
13 contain the name of the dealer or the word "dealer" or, if the name is
14 contained in the offer and does not clearly reflect that the business is a
15 dealer, both the name of the dealer and the word "dealer".

16 **SECTION 26.** In Colorado Revised Statutes, **amend** 12-6-131 as
17 follows:

18 **12-6-131. Termination appeal.** (1) A motor vehicle dealer who
19 has reason to believe that a manufacturer, distributor, or manufacturer
20 representative has violated section 12-6-120 (1)(d) or (1)(w) may appeal
21 to the board by filing a complaint with the executive director. Upon
22 receiving the complaint and upon a showing of specific facts that a
23 violation has occurred, the executive director shall summarily issue a
24 cease-and-desist order under section 12-6-105 ~~(1)(f)~~ (2)(e) staying the
25 termination, elimination, modification, or nonrenewal of the franchise
26 agreement.

27 (2) The cease-and-desist order remains in effect until the hearing

1 required by section 12-6-105 ~~(1)(f)~~ (2)(e) is held. If a determination is
2 made at the hearing required by section 12-6-105 ~~(1)(f)~~ (2)(e) that a
3 violation occurred, the executive director shall make the cease-and-desist
4 order permanent and take any actions authorized by section 12-6-104 (3).

5 (3) A motor vehicle dealer who appeals to the executive director
6 maintains all rights under the franchise agreement until the later of the
7 executive director issuing a decision or ninety days after the
8 manufacturer, distributor, or ~~manufacturer's~~ MANUFACTURER
9 representative provides the notice of termination unless the executive
10 director finds that the termination, cancellation, or nonrenewal was for
11 fraud, a misrepresentation, or committing a crime within the scope of the
12 franchise agreement or in the operation of the dealership. ~~in which case~~
13 IF THE EXECUTIVE DIRECTOR FINDS FRAUD, MISREPRESENTATION, OR A
14 CRIME, the franchise rights terminate immediately.

15 **SECTION 27.** In Colorado Revised Statutes, 24-1-117, **amend**
16 (4)(a)(VII) and (4)(a)(IX); and **add** (4)(a)(X) as follows:

17 **24-1-117. Department of revenue - creation.** (4) (a) The
18 department of revenue shall consist of the following divisions:

19 (VII) Division of gaming, including the Colorado limited gaming
20 control commission; ~~and~~

21 (IX) Such other groups, divisions, sections, and units as the
22 executive director of the department of revenue may create pursuant to
23 section 24-35-103; AND

24 (X) THE AUTO INDUSTRY DIVISION CREATED IN SECTION 12-6-105.
25 THE DIVISION SHALL EXERCISE ITS POWERS AND PERFORM ITS DUTIES AND
26 FUNCTIONS UNDER THE DEPARTMENT OF REVENUE AS IF THE DIVISION
27 WERE TRANSFERRED TO THE DEPARTMENT BY A **TYPE 2** TRANSFER AS

1 DESCRIBED IN SECTION 24-1-105.

2 **SECTION 28.** In Colorado Revised Statutes, 12-6-502, **add** (4.5)
3 as follows:

4 **12-6-502. Definitions.** As used in this part 5, unless the context
5 otherwise requires:

6 (4.5) "DIRECTOR" MEANS THE DIRECTOR OF THE AUTO INDUSTRY
7 DIVISION CREATED IN SECTION 12-6-105.

8 **SECTION 29.** In Colorado Revised Statutes, 12-6-504, **amend**
9 (1)(b), (1)(d)(II), (1)(e)(I)(B), and (1)(f) as follows:

10 **12-6-504. Board - oath - meetings - powers and duties - rules.**

11 (1) In addition to the duties and powers of the board under section
12 12-6-104, the board may:

13 (b) Delegate to the board's executive secretary, employed pursuant
14 to section 12-6-105 ~~(1)(b)~~ (2)(b), the authority to execute all actions
15 within the power of the board, carry out the directives of the board, and
16 make recommendations to the board on all matters within the authority of
17 the board;

18 (d) (II) Permit the ~~executive~~ director to issue licenses pursuant to
19 rules adopted by the board under ~~paragraph (a) of this subsection~~ (1)
20 SUBSECTION (1)(a) OF THIS SECTION;

21 (e) (I) After due notice and a hearing:

22 (B) Revoke and suspend or order the ~~executive~~ director to issue
23 or to reinstate, on such terms and conditions and for such period of time
24 as the board deems fair and just, any license issued pursuant to this part
25 5;

26 (f) (I) Investigate, with the assistance of the ~~executive~~ director, on
27 its own motion or upon a written and signed complaint from any person,

1 a suspected or alleged violation by a wholesaler, powersports vehicle
2 dealer, used powersports vehicle dealer, or powersports vehicle
3 salesperson of this part 5 or a rule promulgated by the board;

4 (II) Issue subpoenas or delegate the authority to issue subpoenas
5 to the ~~executive~~ director;

6 (III) Require the ~~executive~~ director to investigate complaints
7 transmitted by the board pursuant to section 12-6-505 ~~(1)(e) and (1)(f)~~
8 (3)(b) AND (3)(c);

9 (IV) Seek to resolve disputes before beginning an investigation or
10 hearing through its own action or by direction of the ~~executive~~ director;

11 (V) If the board determines that there is probable cause to believe
12 a violation of this ~~article~~ ARTICLE 6 has occurred after an investigation by
13 the ~~executive~~ director, order an administrative hearing be held pursuant
14 to section 24-4-105. ~~C.R.S., or designate one of the board's members as~~
15 ~~a hearing officer to conduct a hearing pursuant to section 24-4-105,~~
16 ~~C.R.S.;~~

17 **SECTION 30.** In Colorado Revised Statutes, 12-6-505, **amend**
18 (1) introductory portion; **repeal** (1)(c), (1)(e), and (1)(f); and **add** (3) as
19 follows:

20 **12-6-505. Powers and duties of executive director and**
21 **director.** (1) The executive director is hereby charged with the
22 administration, enforcement, and issuance or denial of the licensing of
23 powersports vehicle distributors, powersports vehicle manufacturer
24 representatives, and powersports vehicle manufacturers, and ~~shall have~~
25 HAS the following powers and duties:

26 (c) ~~To employ and assign duties to clerks, deputies, and assistants,~~
27 ~~which duties the executive director considers necessary to discharge the~~

1 ~~duties imposed upon the executive director by this part 5;~~

2 ~~(e) To investigate, upon the executive director's own initiative,~~
3 ~~upon the written and signed complaint of any person, or upon request by~~
4 ~~the board pursuant to section 12-6-504 (1)(f)(I), any suspected or alleged~~
5 ~~violation of this part 5, or of any rule promulgated by the executive~~
6 ~~director under this section, by any person licensed by the executive~~
7 ~~director pursuant to this part 5;~~

8 ~~(f) To delegate authority to persons for the purpose of~~
9 ~~investigating alleged or suspected violations of this part 5. The~~
10 ~~investigators and their supervisors utilized by the executive director,~~
11 ~~while actually engaged in performing their duties, shall have the authority~~
12 ~~as delegated by the executive director:~~

13 ~~(I) To issue subpoenas, in accordance with the performance of~~
14 ~~their duties, to licensees who are under the jurisdiction of the executive~~
15 ~~director;~~

16 ~~(II) To issue summonses for violations of section 12-6-523 (2);~~

17 ~~(III) To issue misdemeanor summonses for violations of section~~
18 ~~12-6-522 (1)(a); and~~

19 ~~(IV) To procure criminal records during an investigation;~~

20 (3) THE DIRECTOR MAY:

21 (a) EMPLOY SUCH CLERKS, DEPUTIES, AND ASSISTANTS AS THE
22 DIRECTOR CONSIDERS NECESSARY TO DISCHARGE THE DUTIES IMPOSED
23 UPON THE DIRECTOR OR EXECUTIVE DIRECTOR BY THIS PART 5 AND TO
24 DESIGNATE THE DUTIES OF SUCH CLERKS, DEPUTIES, AND ASSISTANTS;

25 (b) INVESTIGATE, UPON THE DIRECTOR'S OWN INITIATIVE, UPON
26 THE WRITTEN AND SIGNED COMPLAINT OF ANY PERSON, OR UPON REQUEST
27 BY THE BOARD UNDER SECTION 12-6-504 (1)(f)(I), ANY SUSPECTED OR

1 ALLEGED VIOLATION OF THIS PART 5 OR OF ANY RULE PROMULGATED
2 UNDER THIS ARTICLE 6;

3 (c) DELEGATE AUTHORITY TO PERSONS FOR THE PURPOSE OF
4 INVESTIGATING ALLEGED OR SUSPECTED VIOLATIONS OF THIS PART 5. THE
5 INVESTIGATORS AND THEIR SUPERVISORS UTILIZED BY THE DIRECTOR,
6 WHILE ACTUALLY ENGAGED IN PERFORMING THEIR DUTIES, HAVE THE
7 AUTHORITY AS DELEGATED BY THE DIRECTOR:

8 (I) TO ISSUE SUBPOENAS, IN ACCORDANCE WITH THE
9 PERFORMANCE OF THEIR DUTIES, TO LICENSEES WHO ARE UNDER THE
10 JURISDICTION OF THE EXECUTIVE DIRECTOR;

11 (II) TO ISSUE SUMMONSES FOR VIOLATIONS OF SECTION 12-6-523
12 (2);

13 (III) TO ISSUE MISDEMEANOR SUMMONSES FOR VIOLATIONS OF
14 SECTION 12-6-522 (1)(a); AND

15 (IV) TO PROCURE CRIMINAL RECORDS DURING AN INVESTIGATION.

16 **SECTION 31.** In Colorado Revised Statutes, **amend** 12-6-506 as
17 follows:

18 **12-6-506. Records as evidence.** Copies of all records and papers
19 in the office of the board, DIRECTOR, or ~~the~~ executive director, duly
20 authenticated under the hand and seal of the board, DIRECTOR, or
21 executive director, shall be received in evidence in all cases equally and
22 with like effect as the original.

23 **SECTION 32.** In Colorado Revised Statutes, 12-6-507, **amend**
24 (1) as follows:

25 **12-6-507. Attorney general to advise and represent.** (1) The
26 attorney general shall represent the board, DIRECTOR, and executive
27 director and shall give opinions on questions of law relating to the

1 interpretation of this part 5 or arising out of the administration thereof and
2 shall appear for and on behalf of the board, DIRECTOR, and executive
3 director in all actions brought by or against them, whether under ~~the~~
4 ~~provisions of~~ this part 5 or otherwise.

5 **SECTION 33.** In Colorado Revised Statutes, 12-6-508, **amend**
6 (1) introductory portion and (1)(c) as follows:

7 **12-6-508. Classes of licenses.** (1) THE FOLLOWING CLASSES OF
8 licenses ARE issued under this part 5: ~~shall be of the following classes:~~

9 (c) A powersports vehicle salesperson's license ~~shall permit~~
10 PERMITS the licensee to engage in the activities of a powersports vehicle
11 salesperson WHILE EMPLOYED BY A LICENSED POWERSPORTS VEHICLE
12 DEALER OR USED POWERSPORTS VEHICLE DEALER.

13 **SECTION 34.** In Colorado Revised Statutes, **amend** 12-6-509 as
14 follows:

15 **12-6-509. Temporary powersports vehicle dealer license.**

16 (1) (a) If a licensed powersports vehicle dealer has entered into a written
17 agreement to sell a dealership to a purchaser and the purchaser has been
18 awarded a new franchise, the board may issue a temporary powersports
19 vehicle dealer's license to ~~such~~ THE purchaser or prospective purchaser.
20 The ~~executive~~ director shall issue the temporary license only after the
21 board has received the applications for both a temporary powersports
22 vehicle dealer's license and a powersports vehicle dealer's license, the
23 appropriate application fee for the powersports vehicle dealer's
24 application, evidence of a passing score of the written examination
25 described in section 12-6-515, and evidence that the franchise has been
26 awarded to the applicant by the powersports vehicle manufacturer.

27 (b) A temporary powersports vehicle dealer's license ~~shall~~

1 ~~authorize~~ AUTHORIZES the licensee to act as a powersports vehicle dealer
2 and ~~subject~~ SUBJECTS the licensee to this ~~article~~ ARTICLE 6 and to all rules
3 adopted by the executive director or the board. A temporary powersports
4 vehicle dealer's license ~~shall be~~ IS effective for up to sixty days or until
5 the board acts on ~~such~~ THE licensee's application for a powersports
6 vehicle dealer's license, whichever is sooner.

7 (2) For the purpose of enabling an out-of-state dealer to sell
8 powersports vehicles on a temporary basis during specifically identified
9 events, the ~~executive~~ director may issue, upon direction by the board, a
10 temporary powersports vehicle dealer's license that ~~shall be~~ IS effective
11 for thirty days. The temporary ~~license shall~~ LICENSEE IS subject ~~the~~
12 ~~licensee to compliance with~~ TO THE rules adopted by the executive
13 director or the board.

14 **SECTION 35.** In Colorado Revised Statutes, **amend** 12-6-510 as
15 follows:

16 **12-6-510. Display, form, custody, and use of licenses.** (1) The
17 board and the executive director shall prescribe the form of the license to
18 be issued by the executive director, and ~~each license shall have imprinted~~
19 ~~thereon~~ IMPRINT ON EACH LICENSE the seal of their offices. ~~The license of~~
20 Each powersports vehicle salesperson shall ~~be mailed to the business~~
21 ~~address where the salesperson is licensed and shall be kept by the~~
22 ~~salesperson at such~~ KEEP A COPY OF THE LICENSE AT THE salesperson's
23 place of employment for inspection by employers, consumers, THE
24 DIRECTOR, the executive director, or the board. A powersports vehicle
25 dealer or wholesaler shall display conspicuously the person's license in
26 the person's place of business.

27 (2) Each license issued ~~pursuant to~~ UNDER this part 5 is separate

1 and distinct. It ~~shall be~~ IS a violation of this part 5 for a person to exercise
2 any of the privileges granted under a license that ~~such~~ THE person does
3 not hold, or for a licensee to knowingly allow such an exercise of
4 privileges.

5 **SECTION 36.** In Colorado Revised Statutes, 12-6-511, **amend**
6 (4)(b) as follows:

7 **12-6-511. Fees - disposition - expenses - expiration of licenses.**

8 (4) (b) Thirty days ~~prior to~~ BEFORE the expiration of a license, the
9 ~~executive~~ director shall mail BOTH to the licensee's business address of
10 record AND THE LICENSEE'S PERSONAL ADDRESS OF RECORD a notice
11 stating when the person's license is due to expire and the fee necessary to
12 renew ~~such~~ THE license. For a powersports vehicle salesperson or
13 powersports vehicle manufacturer representative, the notice shall be
14 mailed to the address of the powersports vehicle dealer, used powersports
15 vehicle dealer, or powersports vehicle manufacturer where the person is
16 licensed.

17 **SECTION 37.** In Colorado Revised Statutes, **amend** 12-6-514 as
18 follows:

19 **12-6-514. Notice of claims honored against bond.** (1) A
20 corporate surety that has provided a bond to a licensee pursuant to section
21 12-6-512 or 12-6-513 shall provide notice to the board and ~~executive~~
22 director of any claim that is honored against the bond ~~The notice shall be~~
23 ~~provided to the board and executive director~~ within thirty days after a THE
24 claim is honored.

25 (2) A notice provided by a corporate surety pursuant to subsection
26 (1) of this section ~~shall~~ MUST be in the form required by the ~~executive~~
27 director, subject to approval by the board, and ~~shall~~ MUST include ~~without~~

1 ~~limitation~~, the name of the licensee, the name and address of the claimant,
2 the amount of the honored claim, and the nature of the claim against the
3 licensee.

4 **SECTION 38.** In Colorado Revised Statutes, **amend** 12-6-516 as
5 follows:

6 **12-6-516. Filing of written warranties.** A licensed powersports
7 vehicle manufacturer shall file with the ~~executive~~ director all written
8 warranties and changes in written warranties the manufacturer makes on
9 powersports ~~vehicle~~ VEHICLES or parts thereof. A licensed powersports
10 vehicle manufacturer shall file with the ~~executive~~ director a copy of the
11 delivery and preparation obligations of a powersports vehicle
12 manufacturer's dealer, and these warranties and obligations ~~shall~~
13 constitute the powersports vehicle dealer's only responsibility for product
14 liability as between the powersports vehicle dealer and the powersports
15 vehicle manufacturer. Any mechanical, body, or parts defects arising from
16 express or implied warranties of the powersports vehicle manufacturer
17 ~~shall~~ constitute the powersports vehicle manufacturer's product or
18 warranty liability, and the powersports vehicle manufacturer shall
19 reasonably compensate any authorized powersports vehicle dealer who
20 performs work to rectify a powersports vehicle manufacturer's product or
21 warranty defects.

22 **SECTION 39.** In Colorado Revised Statutes, 12-6-517, **amend**
23 (2), (5)(a) introductory portion, (5)(a)(I), (5)(b), and (7)(h); and **add** (8)
24 as follows:

25 **12-6-517. Application - fingerprint-based background check**
26 **- rules.** (2) An application for a powersports vehicle distributor,
27 powersports vehicle manufacturer representative, or powersports vehicle

1 manufacturer license shall be submitted to the ~~executive~~ director.

2 (5) (a) A person applying for a powersports vehicle manufacturer's
3 or distributor's license ~~shall~~ MUST:

4 (I) File with the ~~executive~~ director a certified copy of a typical
5 sales, service, and parts agreement with all powersports vehicle dealers;
6 and

7 (b) Within sixty days after amending or modifying or adding an
8 addendum to the sales, service, or parts agreement of more than one
9 powersports dealer, a licensed manufacturer or distributor shall file a
10 certified copy of the new sales, service, and parts agreement, including
11 the changes, with the ~~executive~~ director if the amendment, modification,
12 or addendum materially alters the rights and obligations of the contracting
13 parties.

14 (7) (h) An approved preclicensing program provider shall submit
15 a certificate to the ~~executive~~ director for each person who successfully
16 completes the preclicensing education program. The certificate may be
17 transmitted electronically.

18 (8) WITH THE SUBMISSION OF AN APPLICATION FOR ANY LICENSE
19 ISSUED UNDER THIS PART 5, EACH APPLICANT SHALL SUBMIT A COMPLETE
20 SET OF FINGERPRINTS TO THE BOARD. THE BOARD SHALL SUBMIT THE
21 FINGERPRINTS TO THE COLORADO BUREAU OF INVESTIGATION FOR THE
22 PURPOSE OF CONDUCTING FINGERPRINT-BASED CRIMINAL HISTORY RECORD
23 CHECKS. THE COLORADO BUREAU OF INVESTIGATION SHALL FORWARD THE
24 FINGERPRINTS TO THE FEDERAL BUREAU OF INVESTIGATION FOR THE
25 PURPOSE OF CONDUCTING FINGERPRINT-BASED CRIMINAL HISTORY RECORD
26 CHECKS. THE BOARD MAY ACQUIRE A NAME-BASED CRIMINAL HISTORY
27 RECORD CHECK FOR AN APPLICANT OR A LICENSE HOLDER WHO HAS TWICE

1 SUBMITTED TO A FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK
2 AND WHOSE FINGERPRINTS ARE UNCLASSIFIABLE. THE BOARD SHALL USE
3 THE INFORMATION RESULTING FROM THE FINGERPRINT-BASED CRIMINAL
4 HISTORY RECORD CHECK TO INVESTIGATE AND DETERMINE WHETHER AN
5 APPLICANT IS QUALIFIED TO BE LICENSED. THE BOARD MAY VERIFY THE
6 INFORMATION AN APPLICANT IS REQUIRED TO SUBMIT. THE APPLICANT
7 SHALL PAY THE COSTS ASSOCIATED WITH THE FINGERPRINT-BASED
8 CRIMINAL HISTORY RECORD CHECK TO THE COLORADO BUREAU OF
9 INVESTIGATION.

10 **SECTION 40.** In Colorado Revised Statutes, 12-6-518, **amend**
11 **(2); repeal (3); and add (5)** as follows:

12 **12-6-518. Notice of change of address or status.** (2) (a) ~~Should~~
13 ~~the~~ IF A powersports vehicle dealer ~~change~~ CHANGES to a new ~~line~~
14 LINE-MAKE of powersports vehicles, ~~add~~ ADDS another franchise for the
15 sale of new powersports vehicles, or ~~cancel~~ CANCELS or otherwise ~~lose~~
16 LOSES a franchise for the sale of new powersports vehicles, the dealer
17 shall immediately notify the board. If a franchise is canceled or lost, the
18 board shall determine whether the dealer should be licensed as a used
19 powersports vehicle dealer.

20 (b) If ~~so~~ THE POWERSPORTS VEHICLE DEALER NO LONGER
21 POSSESSES A FRANCHISE TO SELL NEW POWERSPORTS VEHICLES, the board
22 shall cancel and the powersports vehicle dealer shall deliver to it the
23 dealer's license, and the board shall direct the ~~executive~~ director to issue
24 to the dealer a used powersports vehicle dealer's license.

25 (c) Upon the cancellation or loss of a franchise to sell new
26 powersports vehicles and the relicensing of the dealer as a used
27 powersports vehicle dealer, the dealer may continue in the business ~~for~~

1 ~~which~~ OF a powersports vehicle dealer is licensed for a time, not
2 exceeding six months after the relicensing of the dealer, to enable the
3 dealer to dispose of the stock of new powersports vehicles on hand at the
4 time of the relicensing, but not otherwise.

5 (3) ~~If a powersports vehicle salesperson is discharged, leaves an~~
6 ~~employer, or changes a place of employment, the powersports vehicle~~
7 ~~dealer who last employed the salesperson shall confiscate and return the~~
8 ~~salesperson's license to the board. Upon being reemployed as a~~
9 ~~powersports vehicle salesperson, the powersports vehicle salesperson~~
10 ~~shall notify the board. Upon receiving the notification, the board shall~~
11 ~~issue a new license for the unexpired portion of the returned license after~~
12 ~~collecting a fee set pursuant to section 12-6-511 (5). It shall be unlawful~~
13 ~~for the salesperson to act as a powersports vehicle salesperson until a new~~
14 ~~license is procured.~~

15 (5) (a) EXCEPT AS SPECIFIED IN SUBSECTION (5)(d) OF THIS
16 SECTION:

17 (I) A PERSON HOLDING AN OWNERSHIP INTEREST IN A LICENSED
18 CORPORATION, LIMITED LIABILITY COMPANY, LIMITED LIABILITY
19 PARTNERSHIP, OR OTHER BUSINESS ENTITY SHALL NOT SELL THE INTEREST
20 TO A PERSON WHO DOES NOT ALREADY OWN AN INTEREST IN THE BUSINESS
21 ENTITY UNTIL THE OWNER APPLIES TO THE BOARD TO BE APPROVED TO
22 HOLD AN OWNERSHIP INTEREST IN THE BUSINESS ENTITY AND THE BOARD
23 APPROVES THE PERSON TO HOLD THE INTEREST.

24 (II) A LICENSED CORPORATION, LIMITED LIABILITY COMPANY,
25 LIMITED LIABILITY PARTNERSHIP, OR OTHER BUSINESS ENTITY SHALL
26 NOTIFY THE BOARD WITHIN TEN DAYS AFTER A TRANSFER, OTHER THAN A
27 SALE, OF ANY OWNERSHIP THAT RESULTS IN A NEW PERSON HOLDING AN

1 INTEREST IN THE BUSINESS ENTITY. TO CONTINUE TO HOLD OWNERSHIP IN
2 THE BUSINESS, THE TRANSFEREE SHALL APPLY TO THE BOARD FOR
3 APPROVAL TO CONTINUE HOLDING AN OWNERSHIP INTEREST IN THE
4 BUSINESS ENTITY.

5 (b) TO BE APPROVED BY THE BOARD TO HOLD AN OWNERSHIP
6 INTEREST IN A LICENSED BUSINESS ENTITY, THE NEW OWNER MUST
7 DEMONSTRATE THE QUALIFICATIONS NECESSARY FOR INITIAL LICENSING,
8 INCLUDING A FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK, IN
9 ACCORDANCE WITH THIS PART 5.

10 (c) (I) IF THE BOARD DOES NOT APPROVE A PERSON TO HOLD AN
11 OWNERSHIP INTEREST IN A LICENSED BUSINESS ENTITY, THE PERSON SHALL
12 TRANSFER THE INTEREST WITHIN SIX MONTHS AFTER ACQUIRING THE
13 OWNERSHIP INTEREST.

14 (II) UNTIL A PERSON IS APPROVED BY THE BOARD TO HOLD AN
15 OWNERSHIP INTEREST IN A LICENSED BUSINESS ENTITY, THE PERSON SHALL
16 NOT ACT AS A POWERSPORTS VEHICLE SALESPERSON OR PARTICIPATE IN
17 THE MANAGEMENT OF THE LICENSED BUSINESS ENTITY.

18 (III) THIS SUBSECTION (5)(c) DOES NOT AUTHORIZE A PERSON TO
19 HOLD AN INTEREST IN A LICENSED BUSINESS ENTITY WHEN THE PERSON
20 ACQUIRED THE INTEREST AS THE RESULT OF A SALE THAT VIOLATES
21 SUBSECTION (5)(a)(I) OF THIS SECTION.

22 (d) (I) THIS SUBSECTION (5) DOES NOT APPLY TO THE SALE OF AN
23 INTEREST OF LESS THAN FIVE PERCENT OF A BUSINESS ENTITY THAT IS
24 SUBJECT TO THE REPORTING REQUIREMENTS OF THE "SECURITIES
25 EXCHANGE ACT OF 1934", 15 U.S.C. SEC. 78a ET SEQ., AS AMENDED.

26 (II) THIS SUBSECTION (5) DOES NOT APPLY TO THE SALE OF AN
27 INTEREST TO AN INSTITUTIONAL INVESTOR OF A BUSINESS ENTITY THAT IS

1 SUBJECT TO THE REPORTING REQUIREMENTS OF THE "SECURITIES
2 EXCHANGE ACT OF 1934", 15 U.S.C. SEC. 78a ET SEQ., AS AMENDED. FOR
3 THE PURPOSES OF THIS SUBSECTION (5)(d)(II), "INSTITUTIONAL INVESTOR"
4 MEANS AN ENTITY, SUCH AS A PENSION FUND, ENDOWMENT FUND,
5 INSURANCE COMPANY, COMMERCIAL BANK, OR MUTUAL FUND, THAT
6 INVESTS MONEY ON BEHALF OF ITS MEMBERS OR CLIENTS AND THAT IS
7 REQUIRED BY THE UNITED STATES SECURITIES AND EXCHANGE
8 COMMISSION TO FILE A FORM 13F, OR ITS SUCCESSOR FORM, TO REPORT
9 QUARTERLY HOLDINGS.

10 **SECTION 41.** In Colorado Revised Statutes, 12-6-520, **add** (5.5)
11 and (7) as follows:

12 **12-6-520. Licenses - grounds for denial, suspension, or**
13 **revocation.** (5.5) THE LICENSE OF A POWERSPORTS VEHICLE DEALER MAY
14 BE DENIED, REVOKED, SUSPENDED, OR OTHERWISE SUBJECT TO DISCIPLINE
15 IMPOSED UNDER THIS PART 5 IF AN OWNER IS ACTING AS A SALESPERSON
16 WITHOUT A MOTOR VEHICLE SALESPERSON LICENSE AND THE OWNER
17 COMMITS ANY OF THE ACTS OR OMISSIONS THAT SUBJECT A SALESPERSON'S
18 LICENSE TO DENIAL, REVOCATION, OR SUSPENSION UNDER SUBSECTION (5)
19 OF THIS SECTION.

20 (7) A PERSON WHOSE LICENSE ISSUED UNDER THIS PART 5 IS
21 REVOKED OR WHO SURRENDERS A LICENSE TO AVOID DISCIPLINE IS
22 INELIGIBLE TO APPLY FOR A NEW LICENSE UNDER THIS PART 5 FOR ONE
23 YEAR AFTER THE DATE OF REVOCATION OR SURRENDER OF THE LICENSE.

24 **SECTION 42.** In Colorado Revised Statutes, 12-6-524, **amend**
25 (4)(a) introductory portion, (4)(b)(I) introductory portion, and (4)(b)(I)(A)
26 as follows:

27 **12-6-524. New, reopened, or relocated dealer - notice required**

1 **- grounds for refusal of dealer license - definitions - rules.** (4) (a) If
2 a licensee or former licensee whose franchise was terminated, cancelled,
3 or not renewed by the manufacturer, distributor, or manufacturer
4 representative in the previous five years due to the insolvency of the
5 manufacturer or distributor brings an action or proceeding before the
6 executive director ~~or a court~~ pursuant to this ~~part 5~~ SECTION, the
7 powersports vehicle manufacturer ~~shall have~~ HAS the burden of proof on
8 the following issues:

9 (b) (I) In addition to the powers specified in section 12-6-505, the
10 executive director has jurisdiction to resolve actions or proceedings
11 brought before the executive director pursuant to this part 5 that allege a
12 violation of this part 5 or rules promulgated pursuant to this part 5. The
13 executive director may promulgate rules to facilitate the administration
14 of the actions or proceedings, including provisions specifying procedures
15 for the executive director or the ~~executive director's designee~~ DIRECTOR
16 to:

17 (A) Conduct an investigation pursuant to section 12-6-505 ~~(1)(e)~~
18 ~~and (1)(f)~~ (3)(b) AND (3)(c) of an alleged violation of this part 5 or rules
19 promulgated pursuant to this part 5, including issuance of a notice of
20 violation;

21 **SECTION 43.** In Colorado Revised Statutes, 6-1-102, **amend** the
22 introductory portion and (5.5) as follows:

23 **6-1-102. Definitions.** As used in this ~~article~~ ARTICLE 1, unless the
24 context otherwise requires:

25 (5.5) "Motor vehicle" ~~shall have~~ HAS the same meaning as set
26 forth in section 12-6-102. ~~(12), C.R.S.~~

27 **SECTION 44.** In Colorado Revised Statutes, **amend** 16-2.5-121

1 as follows:

2 **16-2.5-121. Executive director of the department of revenue**
3 **- senior director of enforcement for the department of revenue.** The
4 executive director and the senior director of enforcement of the
5 department of revenue are peace officers while engaged in the
6 performance of their duties whose authority includes the enforcement of
7 laws and rules regarding automobile dealers pursuant to section 12-6-105
8 ~~(1)(d)(H), C.R.S.~~ (3), the lottery pursuant to sections 24-35-205 (3) and
9 24-35-206 (7), ~~C.R.S.~~, medical marijuana pursuant to article 43.3 of title
10 12, ~~C.R.S.~~, limited gaming pursuant to section 12-47.1-204, ~~C.R.S.~~, liquor
11 pursuant to section 12-47-904 (1), ~~C.R.S.~~, and racing events pursuant to
12 section 12-60-203 (1), ~~C.R.S.~~, and the enforcement of all laws of the state
13 of Colorado and who may be certified by the P.O.S.T. board.

14 **SECTION 45.** In Colorado Revised Statutes, **amend** 16-2.5-122
15 as follows:

16 **16-2.5-122. Auto industry investigator.** THE DIRECTOR OF THE
17 AUTO INDUSTRY DIVISION OR an auto industry investigator is a peace
18 officer while engaged in the performance of his or her duties whose
19 authority ~~shall be~~ IS limited to the enforcement of section 12-6-105
20 ~~(1)(d)(H), C.R.S.~~ (3).

21 **SECTION 46.** In Colorado Revised Statutes, 38-20-116, **amend**
22 (2.5)(d)(II) as follows:

23 **38-20-116. Abandoned property - notice of sale - definitions.**
24 (2.5) (d) (II) Nothing in this paragraph ~~(d) shall require~~ SUBSECTION
25 (2.5)(d) REQUIRES a repair shop to be a licensed dealer pursuant to PART
26 1 OF article 6 of title 12 ~~C.R.S.~~, for purposes of selling a motor vehicle
27 pursuant to this section.

1 **SECTION 47.** In Colorado Revised Statutes, 39-26-713, **amend**
2 (2) introductory portion and (2)(b)(II) introductory portion as follows:

3 **39-26-713. Tangible personal property.** (2) The following ~~shall~~
4 ~~be~~ ARE exempt from taxation under ~~the provisions of part 2 of this article~~
5 ARTICLE 26:

6 (b) (II) For purposes of this ~~paragraph (b)~~ SUBSECTION (2)(b), any
7 motor vehicle purchased and held for resale in this state by a licensed
8 motor vehicle dealer, as defined in section 12-6-102, ~~(13), C.R.S.~~, who
9 meets the eligibility requirements to receive a full-use dealer plate set
10 forth in section 42-3-116 (6)(a)(I) ~~C.R.S.~~, shall be considered to be in the
11 regular course of business and shall not be subject to taxation under part
12 2 of this ~~article~~ ARTICLE 26. A motor vehicle shall be considered to be
13 purchased and held for resale if:

14 **SECTION 48.** In Colorado Revised Statutes, 42-3-115, **amend**
15 (2)(b)(III)(A) as follows:

16 **42-3-115. Registration upon transfer.** (2) (b) A transferee may
17 operate a motor vehicle on the highway before registering it if:

18 (III) (A) The transferee has purchased the motor vehicle within
19 the last thirty-six hours from a person who is not a motor vehicle dealer
20 under PART 1 OF article 6 of title 12; ~~C.R.S.~~;

21 **SECTION 49.** In Colorado Revised Statutes, 42-3-116, **amend**
22 (6)(e) as follows:

23 **42-3-116. Manufacturers or dealers.** (6) (e) As used in this
24 subsection (6), "motor vehicle dealer or wholesaler" includes motor
25 vehicle dealers, used motor vehicle dealers, and wholesalers as those
26 terms are defined in section 12-6-102. ~~(13), (17), and (18), C.R.S.~~

27 **SECTION 50.** In Colorado Revised Statutes, 42-4-304, **amend**

1 (19)(b)(I) as follows:

2 **42-4-304. Definitions relating to automobile inspection and**
3 **readjustment program.** As used in sections 42-4-301 to 42-4-316,
4 unless the context otherwise requires:

5 (19)(b)(I) Inspections conducted pursuant to section 42-4-309 (3)
6 by a motor vehicle dealer test facility shall only be conducted on used
7 motor vehicles inventoried or consigned in this state for retail sale by a
8 motor vehicle dealer THAT IS licensed pursuant to PART 1 OF article 6 of
9 title 12 ~~C.R.S.~~, and ~~which~~ THAT is a member of the state trade association
10 operating the motor vehicle dealer test facility.

11 **SECTION 51.** In Colorado Revised Statutes, 42-4-309, **amend**
12 (3)(a), (3)(b), (3)(d), and (6)(a) as follows:

13 **42-4-309. Vehicle fleet owners - motor vehicle dealers -**
14 **authority to conduct inspections - fleet inspection stations - motor**
15 **vehicle dealer test facilities - contracts with licensed inspection-only**
16 **entities.** (3) (a) Any person licensed as a motor vehicle dealer pursuant
17 to PART 1 OF article 6 of title 12 ~~C.R.S.~~, in whose name twenty or more
18 motor vehicles are registered or inventoried or consigned for retail sale
19 in this state ~~which~~ THAT are required to be inspected shall comply with
20 the requirements of section 42-4-310 for the issuance of a certificate of
21 emissions compliance at the time of the retail sale of any such vehicle.

22 (b) Within the enhanced emissions program, motor vehicle dealers
23 licensed pursuant to PART 1 OF article 6 of title 12 ~~C.R.S.~~, may contract
24 for used motor vehicle inspection services by a licensed motor vehicle
25 dealer test facility. Pursuant to ~~regulations~~ RULES of the commission,
26 inspection procedures shall include a loaded mode transient dynamometer
27 test cycle in combination with appropriate idle short tests pursuant to

1 rules ~~and regulations~~ of the commission.

2 (d) Within the basic emissions program, any person licensed as a
3 motor vehicle dealer pursuant to PART 1 OF article 6 of title 12 ~~C.R.S.~~,
4 may be licensed to conduct inspections pursuant to subsections (1) and (2)
5 of this section.

6 (6) (a) On and after June 1, 1996, a motor vehicle dealer or a used
7 motor vehicle dealer licensed pursuant to PART 1 OF article 6 of title 12
8 ~~C.R.S.~~, that sells any vehicle subject to ~~the provisions of~~ the enhanced
9 emissions program may comply with ~~the provisions of~~ sections 42-4-304
10 (3)(d) and 42-4-310 by providing the consumer of the vehicle a voucher
11 purchased by the dealer from the contractor for the centralized enhanced
12 emissions program, with or without charge to the consumer, up to the
13 maximum amount charged for an emissions inspection at an enhanced
14 inspection center. ~~Such~~ THE voucher shall cover the cost of an emissions
15 inspection of the vehicle at an enhanced inspection center and shall entitle
16 the consumer to such an emissions inspection.

17 **SECTION 52.** In Colorado Revised Statutes, 42-4-310, **amend**
18 (1)(a)(I) as follows:

19 **42-4-310. Periodic emissions control inspection required.**

20 (1) (a) (I) Subject to subsection (4) of this section, a motor vehicle that
21 is required to be registered in the program area shall not be sold,
22 registered for the first time without a certification of emissions
23 compliance, or reregistered unless such vehicle has passed a clean screen
24 test or has a valid certification of emissions control as required by the
25 appropriate county. The provisions of this ~~paragraph (a) shall~~ SUBSECTION
26 (1)(a) DO not apply to motor vehicle transactions at wholesale between
27 motor vehicle dealers licensed pursuant to PART 1 OF article 6 of title 12.

1 ~~C.R.S.~~ An inspection is not required prior to the sale of a motor vehicle
2 with at least twelve months remaining before the vehicle's certification of
3 emissions compliance expires if such certification was issued when the
4 vehicle was new.

5 **SECTION 53.** In Colorado Revised Statutes, 42-4-1805, **amend**
6 (4)(b) as follows:

7 **42-4-1805. Appraisal of abandoned motor vehicles - sale.**

8 (4) (b) Nothing in this section ~~shall be deemed to require~~ REQUIRES an
9 operator to be licensed pursuant to PART 1 OF article 6 of title 12 ~~C.R.S.~~;
10 for purposes of conducting activities under this part 18.

11 **SECTION 54.** In Colorado Revised Statutes, 42-4-2104, **amend**
12 (1)(b) as follows:

13 **42-4-2104. Appraisal of abandoned motor vehicles - sale.**

14 (1) (b) Nothing in this section ~~shall require~~ REQUIRES that an operator
15 must be a licensed dealer pursuant to PART 1 OF article 6 of title 12
16 ~~C.R.S.~~, for purposes of selling a motor vehicle pursuant to this part 21.

17 **SECTION 55.** In Colorado Revised Statutes, 42-5-105, **amend**
18 (1)(b)(IV) as follows:

19 **42-5-105. Daily record.** (1) (b) The record shall be kept in a
20 good businesslike manner in the form of invoices or in a book by the
21 dealer or proprietor and shall contain the following:

22 (IV) The name, address, and a copy of the identification document
23 of the driver and the owner of a motor vehicle received for any purpose;
24 except that a licensed motor vehicle dealer or used motor vehicle dealer
25 is not required to obtain or retain a copy of an identification document if
26 such dealer complies with PART 1 OF article 6 of title 12; ~~C.R.S.~~;

27 **SECTION 56.** In Colorado Revised Statutes, 42-6-201, **amend**

1 (9) as follows:

2 **42-6-201. Definitions.** As used in this part 2, unless the context
3 otherwise requires:

4 (9) "Used motor vehicle dealer" means any licensed motor vehicle
5 dealer, used motor vehicle dealer, or wholesaler as defined by ~~the~~
6 ~~introductory portions to section 12-6-102. (13) and (17) and section~~
7 ~~12-6-102 (18), C.R.S.~~

8 **SECTION 57. Effective date.** This act takes effect July 1, 2017.

9 **SECTION 58. Safety clause.** The general assembly hereby finds,
10 determines, and declares that this act is necessary for the immediate
11 preservation of the public peace, health, and safety.