

**First Regular Session
Seventy-first General Assembly
STATE OF COLORADO**

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

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
Finance
Appropriations

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 AND MAKING AN**
106 **APPROPRIATION.**

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

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.

SENATE
Amended 2nd Reading
April 13, 2017

Committee. The bill implements many of the recommendations of the 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.;~~

1 (28) (a) THE FOLLOWING AGENCIES, FUNCTIONS, OR BOTH, ARE
2 SCHEDULED FOR REPEAL ON SEPTEMBER 1, 2027:

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

8 (b) THIS SUBSECTION (28) IS REPEALED, EFFECTIVE SEPTEMBER 1,
9 2029.

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

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 Repeal of article.** ~~This article is repealed, effective July~~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

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

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 Repeal of part.** THIS PART 1 IS REPEALED, EFFECTIVE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

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

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 Repeal of part.** THIS PART 2 IS REPEALED, EFFECTIVE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

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

1 **12-6-304. Repeal of part.** THIS PART 3 IS REPEALED, EFFECTIVE
2 SEPTEMBER 1, 2027. BEFORE ITS REPEAL, THIS PART 3 IS SCHEDULED FOR
3 REVIEW IN ACCORDANCE WITH SECTION 24-34-104.

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

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 Repeal of part.** ~~This part 5 is repealed, effective July~~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

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

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

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

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

20 ~~(1) (Deleted by amendment, L. 92, p. 1841, § 2, effective July 1,~~
21 ~~1992.)~~

22 ~~(1.5)~~(1) "ADVERTISE" OR "advertisement" means any commercial
23 message in any newspaper, magazine, leaflet, flyer, or catalog, on radio,
24 television, or a public address system, in direct mail literature or other
25 printed material, on any interior or exterior sign or display, in any window
26 display, on a computer display, or in any point-of-transaction literature or
27 price tag that is delivered or made available to a customer or prospective

1 customer in any manner; ~~whatsoever~~; except that ~~such~~ THE term does not
2 include materials required to be displayed by federal or state law.

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

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

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

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

19 (b) (I) "Buyer agent" does not include a person whose business
20 includes the purchase of motor vehicles primarily for resale or lease;
21 except that nothing in this subsection ~~(2.5)~~ shall be construed to prohibit
22 (4) PROHIBITS a buyer agent from assisting a consumer regarding the
23 disposal of a trade-in motor vehicle that is incident to the purchase or
24 lease of a vehicle if the buyer agent does not advertise the sale of, or sell,
25 ~~such~~ THE vehicle to the general public, directs interested dealers and
26 wholesalers to communicate their offers directly to the consumer or to the
27 consumer via the buyer agent, does not handle or transfer titles or funds

1 between the consumer and the purchaser, receives no compensation from
2 a dealer or wholesaler purchasing a consumer's vehicle, and identifies
3 himself or herself as a buyer agent to dealers and wholesalers interested
4 in the consumer's vehicle.

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

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

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

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

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

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

1 care of farm products.

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

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

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

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

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

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

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

23 ~~(10)~~(13) "Good faith" means the duty of each party to any
24 franchise and all officers, employees, or agents thereof to act in a fair and
25 equitable manner toward each other so as to guarantee the one party
26 freedom from coercion, intimidation, or threats of coercion or
27 intimidation from the other party. Recommendation, endorsement,

1 exposition, persuasion, urging, or argument shall not be deemed to
2 constitute a lack of good faith.

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

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

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

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

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

21 ~~(12)~~ (17) "Motor vehicle" means every vehicle intended primarily
22 for use ~~and operation~~ on the public highways that is self-propelled and
23 every vehicle intended primarily for operation on the public highways that
24 is not ~~driven or propelled by its own power~~ SELF-PROPELLED but is
25 designed to be attached to, or become a part of, or to be drawn by a
26 self-propelled vehicle, not including farm tractors and other machines and
27 tools used in the production, harvesting, and care of farm products.

1 "Motor vehicle" includes ~~without limitation,~~ a low-power scooter or
2 autocycle as either is defined in section 42-1-102. ~~C.R.S.~~

3 ~~(12.5) (Deleted by amendment, L. 92, p. 1841, § 2, effective July~~
4 ~~1, 1992.)~~

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

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

23 "Motor vehicle dealer" includes an owner of real property who allows
24 more than three new or new and used motor vehicles to be offered for
25 sale or lease on ~~such~~ THE property during one calendar year unless said
26 property is leased to a licensed motor vehicle dealer. "Motor vehicle
27 dealer" does not include:

1 (a) Receivers, trustees, administrators, executors, guardians, or
2 other persons appointed by or acting under the judgment or order of any
3 court;

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

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

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

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

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

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

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

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

1 ~~(16)~~ (23) "Principal place of business" means a site or location
2 devoted exclusively to the business for which the motor vehicle dealer or
3 used motor vehicle dealer is licensed, and businesses incidental thereto,
4 sufficiently designated to admit of definite description, with ADEQUATE
5 CONTIGUOUS space ~~thereon or contiguous thereto adequate~~ to permit the
6 display of one or more new or used motor vehicles, ~~and on which there~~
7 ~~shall be located or erected~~ WITH a permanent enclosed building or
8 structure large enough to accommodate the office of the dealer and to
9 provide a safe place to keep the books and other records of the business
10 of ~~such~~ THE dealer, at which site or location the principal portion of ~~such~~
11 THE dealer's business shall be conducted and the books and records
12 thereof kept and maintained; except that a dealer may keep its books and
13 records at an off-site location in Colorado after notifying the board in
14 writing of ~~such~~ THE location at least thirty days in advance.

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

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

1 agreement.

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

6 (a) Control the use and development of the real property;

7 (b) Require the franchisee to establish or maintain an exclusive
8 dealership facility at the real property; or

9 (c) Restrict the franchisee from transferring, selling, leasing,
10 developing, or changing the use of the real property.

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

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

1 court;

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

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

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

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

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

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

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

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

27 ~~(18)~~ (29) "Wholesaler" means a person who, for commission or

1 with intent to make a profit or gain of money or other thing of value,
2 sells, exchanges, or offers or attempts to negotiate a sale, lease, or
3 exchange of an interest in new or new and used motor vehicles solely to
4 motor vehicle dealers or used motor vehicle dealers.

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

8 **12-6-104. Board - oath - meetings - powers and duties - rules.**

9 (3) The board is authorized and empowered:

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

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

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

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

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

26 (II) After an investigation by the ~~executive~~ director or the
27 ~~executive~~ director's designee, if the board determines that there is

1 probable cause to believe a violation of this ~~article~~ ARTICLE 6 has
2 occurred, it may order that an administrative hearing be held pursuant to
3 section 24-4-105, ~~C.R.S.~~, or may designate one of the board's members
4 as a hearing officer to conduct a hearing pursuant to section 24-4-105,
5 ~~C.R.S.~~

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

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

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

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

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

1 (+) (2) The executive director is hereby charged with the
2 administration, enforcement, and issuance or denial of the licensing of
3 buyer agents, distributors, manufacturer representatives, and ~~motor~~
4 ~~vehicle~~ manufacturers, and ~~shall have~~ HAS the following powers and
5 duties:

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

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

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

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

1 ~~part 1 of any of the terms and provisions of this part 1 or of any rule or~~
2 ~~regulation promulgated by the executive director under the authority~~
3 ~~conferred upon the executive director in this section;~~

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

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

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

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

1 (III) To impose a fine, not to exceed one thousand dollars per day,
2 for each violation of section 12-6-120 (1) after a notice and hearing
3 subject to section 24-4-105. ~~C.R.S.~~

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

6 (3) (a) THE DIRECTOR MAY:

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

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

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

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

1 continued violation of such order. In any such suit, the final proceedings
2 of the executive director, based upon evidence in record, ~~shall be~~ ARE
3 prima facie evidence of the facts found therein.

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

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

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

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

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

1 **SECTION 13.** In Colorado Revised Statutes, 12-6-108, **amend**
2 (1) introductory portion and (1)(c) as follows:

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

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

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

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

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

1 dealer's license ~~shall be~~ IS effective for up to sixty days or until the board
2 acts on ~~such~~ THE licensee's application for a motor vehicle dealer's
3 license, whichever is sooner.

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

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

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

27 (2) Each license issued ~~pursuant to~~ UNDER this part 1 is separate

1 and distinct. It ~~shall be~~ IS a violation of this part 1 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 16.** In Colorado Revised Statutes, 12-6-110, **amend**
6 (2), (2.5), and (3)(b); and **repeal** (3)(d) as follows:

7 **12-6-110. Fees - disposition - expenses - expiration of licenses.**

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

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

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

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

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

1 **12-6-112.7. Notice of claims honored against bond.** (1) ~~Any~~ A
2 corporate surety ~~which~~ THAT has provided a bond to a licensee pursuant
3 to ~~the requirements of~~ section 12-6-111, 12-6-112, or 12-6-112.2 shall
4 provide notice to the board and ~~executive~~ director of any claim ~~which~~
5 THAT is honored against ~~such~~ THE bond ~~Such notice shall be provided to~~
6 ~~the board and executive director~~ within thirty days after a THE claim is
7 honored.

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

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

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

1 authorized dealer who performs work to rectify ~~said~~ THE manufacturer's
2 product or warranty defects.

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

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

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

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

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

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

27 (8) (a) WITH THE SUBMISSION OF AN APPLICATION FOR ANY

1 LICENSE ISSUED UNDER THIS PART 1, EACH APPLICANT SHALL SUBMIT A
2 COMPLETE SET OF FINGERPRINTS TO THE COLORADO BUREAU OF
3 INVESTIGATION FOR THE PURPOSE OF CONDUCTING FINGERPRINT-BASED
4 CRIMINAL HISTORY RECORD CHECKS. THE COLORADO BUREAU OF
5 INVESTIGATION SHALL FORWARD THE FINGERPRINTS TO THE FEDERAL
6 BUREAU OF INVESTIGATION FOR THE PURPOSE OF CONDUCTING
7 FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECKS. THE BOARD
8 SHALL USE THE INFORMATION RESULTING FROM THE FINGERPRINT-BASED
9 CRIMINAL HISTORY RECORD CHECK TO INVESTIGATE AND DETERMINE
10 WHETHER AN APPLICANT IS QUALIFIED TO BE LICENSED. THE BOARD MAY
11 VERIFY THE INFORMATION AN APPLICANT IS REQUIRED TO SUBMIT. THE
12 APPLICANT SHALL PAY THE COSTS ASSOCIATED WITH THE
13 FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK TO THE
14 COLORADO BUREAU OF INVESTIGATION.

15 (b) THIS SUBSECTION (8) DOES NOT APPLY TO A PUBLICLY TRADED
16 COMPANY OR THE COMPANY'S SUBSIDIARY.

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

19 **12-6-116. Notice of change of address or status.** (2) (a) ~~Should~~
20 ~~the~~ IF A motor vehicle dealer ~~change~~ CHANGES to a new ~~line~~ LINE-MAKE
21 of motor vehicles, ~~add~~ ADDS another franchise for the sale of new motor
22 vehicles, or ~~cancel~~ CANCELS or, for any cause whatever, otherwise ~~lose~~
23 LOSES a franchise for the sale of new motor vehicles, ~~such~~ THE dealer
24 shall immediately so notify the board. In the case of a cancellation or loss
25 of franchise, the board shall determine whether ~~or not by reason thereof~~
26 ~~such~~ THE dealer WHO LOST THE FRANCHISE should be licensed as a used
27 motor vehicle dealer. ~~in which case~~

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

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

13

==

14 (6) (a) EXCEPT AS SPECIFIED IN SUBSECTION (6)(d) OF THIS
15 SECTION:

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

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

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

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

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

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

17 (III) THIS SUBSECTION (6)(c) DOES NOT AUTHORIZE A PERSON TO
18 HOLD AN INTEREST IN A LICENSED BUSINESS ENTITY WHEN THE PERSON
19 ACQUIRED THE INTEREST AS THE RESULT OF A SALE THAT VIOLATES
20 SUBSECTION (6)(a)(I) OF THIS SECTION.

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

25 (II) THIS SUBSECTION (6) DOES NOT APPLY TO THE SALE OF AN
26 INTEREST TO AN INSTITUTIONAL INVESTOR OF A BUSINESS ENTITY THAT IS
27 SUBJECT TO THE REPORTING REQUIREMENTS OF THE "SECURITIES

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

9 (III) THIS SUBSECTION (6) DOES NOT APPLY TO A PERSON SELLING
10 NEW MOTOR VEHICLES AND HOLDING AN OWNERSHIP INTEREST IN A
11 LICENSED CORPORATION, LIMITED LIABILITY COMPANY, LIMITED LIABILITY
12 PARTNERSHIP, OR OTHER BUSINESS ENTITY.

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

15 **12-6-118. Licenses - grounds for denial, suspension, or**
16 **revocation.** (4.5) THE LICENSE OF A MOTOR VEHICLE DEALER MAY BE
17 DENIED, REVOKED, SUSPENDED, OR OTHERWISE SUBJECT TO DISCIPLINE
18 IMPOSED UNDER THIS PART 1 IF AN OWNER IS ACTING AS A SALESPERSON
19 WITHOUT A MOTOR VEHICLE SALESPERSON LICENSE AND THE OWNER
20 COMMITS ANY OF THE ACTS OR OMISSIONS THAT SUBJECT A SALESPERSON'S
21 LICENSE TO DENIAL, REVOCATION, OR SUSPENSION UNDER SUBSECTION (5)
22 OF THIS SECTION.

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

27 **SECTION 22.** In Colorado Revised Statutes, 12-6-120, **amend**

1 (2) as follows:

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

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

16 **12-6-120.3. New, reopened, or relocated dealer - notice**
17 **required - grounds for refusal of dealer license - definitions - rules.**

18 (4) (a) If a licensee or former licensee whose franchise was terminated,
19 cancelled, or not renewed by the manufacturer, distributor, or
20 manufacturer representative in the previous five years due to the
21 insolvency of the manufacturer or distributor brings an action or
22 proceeding before the executive director ~~or a court~~ pursuant to this part
23 ~~†~~ SECTION, the manufacturer ~~shall have~~ HAS the burden of proof on the
24 following issues:

25 (b) (I) In addition to the powers specified in section 12-6-105, the
26 executive director has jurisdiction to resolve actions or proceedings
27 brought before the executive director pursuant to this part 1 that allege a

1 violation of this part 1 or rules promulgated pursuant to this part 1. The
2 executive director may promulgate rules to facilitate the administration
3 of such actions or proceedings, including provisions specifying
4 procedures for the executive director or the ~~executive director's designee~~
5 DIRECTOR to:

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

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

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

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

16 **12-6-123. Disposition of fees - auto dealers license fund -**
17 **created.** (1) All ~~moneys~~ MONEY received under this part 1, except fines
18 awarded pursuant to ~~section~~ SECTIONS 12-6-121.5 AND 12-6-121.6 (2),
19 shall be deposited with the state treasurer by the department of revenue,
20 subject to ~~the provisions of~~ section 24-35-101, ~~C.R.S.~~, together with a
21 detailed statement of such receipts, and ~~such funds~~ THE MONEY deposited
22 with the state treasurer ~~shall constitute~~ CONSTITUTES a fund to be known
23 as the auto dealers license fund, which fund is hereby created. ~~and which~~
24 THE FUND shall be used under the direction of the board in the following
25 manner:

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

1 **12-6-125. Advertisement - inclusion of dealer name.** ~~No motor~~
2 A MOTOR vehicle dealer or used motor vehicle dealer or any agent of
3 ~~either of said~~ THE dealers shall NOT advertise any offer for the sale, lease,
4 or purchase of a motor vehicle or a used motor vehicle ~~which~~ THAT
5 creates the false impression that the vehicle is being offered by a private
6 party or by a ~~motor vehicle~~ BUYER'S agent or ~~which~~ THAT does not
7 contain the name of the dealer or the word "dealer" or, if the name is
8 contained in the offer and does not clearly reflect that the business is a
9 dealer, both the name of the dealer and the word "dealer".

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

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

21 (2) The cease-and-desist order remains in effect until the hearing
22 required by section 12-6-105 ~~(1)(f)~~ (2)(e) is held. If a determination is
23 made at the hearing required by section 12-6-105 ~~(1)(f)~~ (2)(e) that a
24 violation occurred, the executive director shall make the cease-and-desist
25 order permanent and take any actions authorized by section 12-6-104 (3).

26 (3) A motor vehicle dealer who appeals to the executive director
27 maintains all rights under the franchise agreement until the later of the

1 executive director issuing a decision or ninety days after the
2 manufacturer, distributor, or ~~manufacturer's~~ MANUFACTURER
3 representative provides the notice of termination unless the executive
4 director finds that the termination, cancellation, or nonrenewal was for
5 fraud, a misrepresentation, or committing a crime within the scope of the
6 franchise agreement or in the operation of the dealership. ~~in which case~~
7 IF THE EXECUTIVE DIRECTOR FINDS FRAUD, MISREPRESENTATION, OR A
8 CRIME, the franchise rights terminate immediately.

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

11 **24-1-117. Department of revenue - creation.** (4) (a) The
12 department of revenue shall consist of the following divisions:

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

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

18 (X) THE AUTO INDUSTRY DIVISION CREATED IN SECTION 12-6-105.
19 THE DIVISION SHALL EXERCISE ITS POWERS AND PERFORM ITS DUTIES AND
20 FUNCTIONS UNDER THE DEPARTMENT OF REVENUE AS IF THE DIVISION
21 WERE TRANSFERRED TO THE DEPARTMENT BY A **TYPE 2** TRANSFER AS
22 DESCRIBED IN SECTION 24-1-105.

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

25 **12-6-502. Definitions.** As used in this part 5, unless the context
26 otherwise requires:

27 (4.5) "DIRECTOR" MEANS THE DIRECTOR OF THE AUTO INDUSTRY

1 DIVISION CREATED IN SECTION 12-6-105.

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

4 **12-6-504. Board - oath - meetings - powers and duties - rules.**

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

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

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

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

16 (B) Revoke and suspend or order the ~~executive~~ director to issue
17 or to reinstate, on such terms and conditions and for such period of time
18 as the board deems fair and just, any license issued pursuant to this part
19 5;

20 (f) (I) Investigate, with the assistance of the ~~executive~~ director, on
21 its own motion or upon a written and signed complaint from any person,
22 a suspected or alleged violation by a wholesaler, powersports vehicle
23 dealer, used powersports vehicle dealer, or powersports vehicle
24 salesperson of this part 5 or a rule promulgated by the board;

25 (II) Issue subpoenas or delegate the authority to issue subpoenas
26 to the ~~executive~~ director;

27 (III) Require the ~~executive~~ director to investigate complaints

1 transmitted by the board pursuant to section 12-6-505 ~~(1)(e) and (1)(f)~~
2 (3)(b) AND (3)(c);

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

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

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

14 **12-6-505. Powers and duties of executive director and**
15 **director.** (1) The executive director is hereby charged with the
16 administration, enforcement, and issuance or denial of the licensing of
17 powersports vehicle distributors, powersports vehicle manufacturer
18 representatives, and powersports vehicle manufacturers, and ~~shall have~~
19 HAS the following powers and duties:

20 (c) ~~To employ and assign duties to clerks, deputies, and assistants,~~
21 ~~which duties the executive director considers necessary to discharge the~~
22 ~~duties imposed upon the executive director by this part 5;~~

23 (e) ~~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 12-6-504 (1)(f)(I), any suspected or alleged~~
26 ~~violation of this part 5, or of any rule promulgated by the executive~~
27 ~~director under this section, by any person licensed by the executive~~

1 director pursuant to this part 5;

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

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

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

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

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

14 (3) THE DIRECTOR MAY:

15 (a) EMPLOY SUCH CLERKS, DEPUTIES, AND ASSISTANTS AS THE
16 DIRECTOR CONSIDERS NECESSARY TO DISCHARGE THE DUTIES IMPOSED
17 UPON THE DIRECTOR OR EXECUTIVE DIRECTOR BY THIS PART 5 AND TO
18 DESIGNATE THE DUTIES OF SUCH CLERKS, DEPUTIES, AND ASSISTANTS;

19 (b) INVESTIGATE, UPON THE DIRECTOR'S OWN INITIATIVE, UPON
20 THE WRITTEN AND SIGNED COMPLAINT OF ANY PERSON, OR UPON REQUEST
21 BY THE BOARD UNDER SECTION 12-6-504 (1)(f)(I), ANY SUSPECTED OR
22 ALLEGED VIOLATION OF THIS PART 5 OR OF ANY RULE PROMULGATED
23 UNDER THIS ARTICLE 6;

24 (c) DELEGATE AUTHORITY TO PERSONS FOR THE PURPOSE OF
25 INVESTIGATING ALLEGED OR SUSPECTED VIOLATIONS OF THIS PART 5. THE
26 INVESTIGATORS AND THEIR SUPERVISORS UTILIZED BY THE DIRECTOR,
27 WHILE ACTUALLY ENGAGED IN PERFORMING THEIR DUTIES, HAVE THE

1 AUTHORITY AS DELEGATED BY THE DIRECTOR:

2 (I) TO ISSUE SUBPOENAS, IN ACCORDANCE WITH THE
3 PERFORMANCE OF THEIR DUTIES, TO LICENSEES WHO ARE UNDER THE
4 JURISDICTION OF THE EXECUTIVE DIRECTOR;

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

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

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

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

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

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

19 **12-6-507. Attorney general to advise and represent.** (1) The
20 attorney general shall represent the board, DIRECTOR, and executive
21 director and shall give opinions on questions of law relating to the
22 interpretation of this part 5 or arising out of the administration thereof and
23 shall appear for and on behalf of the board, DIRECTOR, and executive
24 director in all actions brought by or against them, whether under ~~the~~
25 ~~provisions of~~ this part 5 or otherwise.

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

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

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

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

9 **12-6-509. Temporary powersports vehicle dealer license.**

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

21 (b) A temporary powersports vehicle dealer's license ~~shall~~
22 ~~authorize~~ AUTHORIZES the licensee to act as a powersports vehicle dealer
23 and ~~subject~~ SUBJECTS the licensee to this ~~article~~ ARTICLE 6 and to all rules
24 adopted by the executive director or the board. A temporary powersports
25 vehicle dealer's license ~~shall be~~ IS effective for up to sixty days or until
26 the board acts on ~~such~~ THE licensee's application for a powersports
27 vehicle dealer's license, whichever is sooner.

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

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

10 **12-6-510. Display, form, custody, and use of licenses.** (1) The
11 board and the executive director shall prescribe the form of the license to
12 be issued by the executive director, and ~~each license shall have imprinted~~
13 ~~thereon~~ IMPRINT ON EACH LICENSE the seal of their offices. ~~The license of~~
14 Each powersports vehicle salesperson shall ~~be mailed to the business~~
15 ~~address where the salesperson is licensed and shall be kept by the~~
16 ~~salesperson at such~~ KEEP A COPY OF THE LICENSE AT THE salesperson's
17 place of employment for inspection by employers, consumers, THE
18 DIRECTOR, the executive director, or the board. A powersports vehicle
19 dealer or wholesaler shall display conspicuously the person's license in
20 the person's place of business.

21 (2) Each license issued ~~pursuant to~~ UNDER this part 5 is separate
22 and distinct. It ~~shall be~~ IS a violation of this part 5 for a person to exercise
23 any of the privileges granted under a license that ~~such~~ THE person does
24 not hold, or for a licensee to knowingly allow such an exercise of
25 privileges.

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

1 **12-6-511. Fees - disposition - expenses - expiration of licenses.**

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

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

13 **12-6-514. Notice of claims honored against bond.** (1) A
14 corporate surety that has provided a bond to a licensee pursuant to section
15 12-6-512 or 12-6-513 shall provide notice to the board and ~~executive~~
16 director of any claim that is honored against the bond ~~The notice shall be~~
17 ~~provided to the board and executive director~~ within thirty days after a THE
18 claim is honored.

19 (2) A notice provided by a corporate surety pursuant to subsection
20 (1) of this section ~~shall~~ MUST be in the form required by the ~~executive~~
21 director, subject to approval by the board, and ~~shall~~ MUST include ~~without~~
22 ~~limitation~~, the name of the licensee, the name and address of the claimant,
23 the amount of the honored claim, and the nature of the claim against the
24 licensee.

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

27 **12-6-516. Filing of written warranties.** A licensed powersports

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

16 **SECTION 39.** In Colorado Revised Statutes, 12-6-517, **amend**
17 (2), (5)(a) introductory portion, (5)(a)(I), (5)(b), and (7)(h); and **add** (8)
18 as follows:

19 **12-6-517. Application - fingerprint-based background check**
20 **- rules.** (2) An application for a powersports vehicle distributor,
21 powersports vehicle manufacturer representative, or powersports vehicle
22 manufacturer license shall be submitted to the ~~executive~~ director.

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

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

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

8 (7) (h) An approved prelicensing program provider shall submit
9 a certificate to the ~~executive~~ director for each person who successfully
10 completes the prelicensing education program. The certificate may be
11 transmitted electronically.

12 (8) (a) WITH THE SUBMISSION OF AN APPLICATION FOR ANY
13 LICENSE ISSUED UNDER THIS PART 5, EACH APPLICANT SHALL SUBMIT A
14 COMPLETE SET OF FINGERPRINTS TO THE COLORADO BUREAU OF
15 INVESTIGATION FOR THE PURPOSE OF CONDUCTING FINGERPRINT-BASED
16 CRIMINAL HISTORY RECORD CHECKS. THE COLORADO BUREAU OF
17 INVESTIGATION SHALL FORWARD THE FINGERPRINTS TO THE FEDERAL
18 BUREAU OF INVESTIGATION FOR THE PURPOSE OF CONDUCTING
19 FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECKS. THE BOARD
20 SHALL USE _____ THE INFORMATION RESULTING FROM THE
21 FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK TO INVESTIGATE
22 AND DETERMINE WHETHER AN APPLICANT IS QUALIFIED TO BE LICENSED.
23 THE BOARD MAY VERIFY THE INFORMATION AN APPLICANT IS REQUIRED TO
24 SUBMIT. THE APPLICANT SHALL PAY THE COSTS ASSOCIATED WITH THE
25 FINGERPRINT-BASED CRIMINAL HISTORY RECORD CHECK TO THE
26 COLORADO BUREAU OF INVESTIGATION.

27 (b) THIS SUBSECTION (8) DOES NOT APPLY TO A PUBLICLY TRADED

1 COMPANY OR THE COMPANY'S SUBSIDIARY.

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

4 **12-6-518. Notice of change of address or status.** (2) (a) ~~Should~~
5 ~~the~~ IF A powersports vehicle dealer ~~change~~ CHANGES to a new ~~line~~
6 LINE-MAKE of powersports vehicles, ~~add~~ ADDS another franchise for the
7 sale of new powersports vehicles, or ~~cancel~~ CANCELS or otherwise ~~lose~~
8 LOSES a franchise for the sale of new powersports vehicles, the dealer
9 shall immediately notify the board. If a franchise is canceled or lost, the
10 board shall determine whether the dealer should be licensed as a used
11 powersports vehicle dealer.

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

17 (c) Upon the cancellation or loss of a franchise to sell new
18 powersports vehicles and the relicensing of the dealer as a used
19 powersports vehicle dealer, the dealer may continue in the business ~~for~~
20 ~~which~~ OF a powersports vehicle dealer ~~is licensed~~ for a time, not
21 exceeding six months after the relicensing of the dealer, to enable the
22 dealer to dispose of the stock of new powersports vehicles on hand at the
23 time of ~~the~~ relicensing, but not otherwise.

24

25 (5) (a) EXCEPT AS SPECIFIED IN SUBSECTION (5)(d) OF THIS
26 SECTION:

27 (I) A PERSON HOLDING AN OWNERSHIP INTEREST IN A LICENSED

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

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

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

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

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

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

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

9 (II) THIS SUBSECTION (5) DOES NOT APPLY TO THE SALE OF AN
10 INTEREST TO AN INSTITUTIONAL INVESTOR OF A BUSINESS ENTITY THAT IS
11 SUBJECT TO THE REPORTING REQUIREMENTS OF THE "SECURITIES
12 EXCHANGE ACT OF 1934", 15 U.S.C. SEC. 78a ET SEQ., AS AMENDED. FOR
13 THE PURPOSES OF THIS SUBSECTION (5)(d)(II), "INSTITUTIONAL INVESTOR"
14 MEANS AN ENTITY, SUCH AS A PENSION FUND, ENDOWMENT FUND,
15 INSURANCE COMPANY, COMMERCIAL BANK, OR MUTUAL FUND, THAT
16 INVESTS MONEY ON BEHALF OF ITS MEMBERS OR CLIENTS AND THAT IS
17 REQUIRED BY THE UNITED STATES SECURITIES AND EXCHANGE
18 COMMISSION TO FILE A FORM 13F, OR ITS SUCCESSOR FORM, TO REPORT
19 QUARTERLY HOLDINGS.

20 (III) THIS SUBSECTION (6) DOES NOT APPLY TO A PERSON SELLING
21 NEW POWERSPORTS VEHICLES AND HOLDING AN OWNERSHIP INTEREST IN
22 A LICENSED CORPORATION, LIMITED LIABILITY COMPANY, LIMITED
23 LIABILITY PARTNERSHIP, OR OTHER BUSINESS ENTITY.

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

26 **12-6-520. Licenses - grounds for denial, suspension, or**
27 **revocation.** (5.5) THE LICENSE OF A POWERSPORTS VEHICLE DEALER MAY

1 BE DENIED, REVOKED, SUSPENDED, OR OTHERWISE SUBJECT TO DISCIPLINE
2 IMPOSED UNDER THIS PART 5 IF AN OWNER IS ACTING AS A SALESPERSON
3 WITHOUT A MOTOR VEHICLE SALESPERSON LICENSE AND THE OWNER
4 COMMITS ANY OF THE ACTS OR OMISSIONS THAT SUBJECT A SALESPERSON'S
5 LICENSE TO DENIAL, REVOCATION, OR SUSPENSION UNDER SUBSECTION (5)
6 OF THIS SECTION.

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

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

14 **12-6-524. New, reopened, or relocated dealer - notice required**
15 **- grounds for refusal of dealer license - definitions - rules.** (4) (a) If
16 a licensee or former licensee whose franchise was terminated, cancelled,
17 or not renewed by the manufacturer, distributor, or manufacturer
18 representative in the previous five years due to the insolvency of the
19 manufacturer or distributor brings an action or proceeding before the
20 executive director ~~or a court~~ pursuant to this ~~part 5~~ SECTION, the
21 powersports vehicle manufacturer ~~shall have~~ HAS the burden of proof on
22 the following issues:

23 (b) (I) In addition to the powers specified in section 12-6-505, the
24 executive director has jurisdiction to resolve actions or proceedings
25 brought before the executive director pursuant to this part 5 that allege a
26 violation of this part 5 or rules promulgated pursuant to this part 5. The
27 executive director may promulgate rules to facilitate the administration

1 of the actions or proceedings, including provisions specifying procedures
2 for the executive director or the ~~executive director's designee~~ DIRECTOR
3 to:

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

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

10 **6-1-102. Definitions.** As used in this ~~article~~ ARTICLE 1, unless the
11 context otherwise requires:

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

14 **SECTION 44.** In Colorado Revised Statutes, **amend** 16-2.5-121
15 as follows:

16 **16-2.5-121. Executive director of the department of revenue**
17 **- senior director of enforcement for the department of revenue.** The
18 executive director and the senior director of enforcement of the
19 department of revenue are peace officers while engaged in the
20 performance of their duties whose authority includes the enforcement of
21 laws and rules regarding automobile dealers pursuant to section 12-6-105
22 ~~(1)(d)(H), C.R.S.~~ (3), the lottery pursuant to sections 24-35-205 (3) and
23 24-35-206 (7), ~~C.R.S.~~, medical marijuana pursuant to article 43.3 of title
24 12, ~~C.R.S.~~, limited gaming pursuant to section 12-47.1-204, ~~C.R.S.~~, liquor
25 pursuant to section 12-47-904 (1), ~~C.R.S.~~, and racing events pursuant to
26 section 12-60-203 (1), ~~C.R.S.~~, and the enforcement of all laws of the state
27 of Colorado and who may be certified by the P.O.S.T. board.

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

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

8 **SECTION 46.** In Colorado Revised Statutes, 38-20-116, **amend**
9 (2.5)(d)(II) as follows:

10 **38-20-116. Abandoned property - notice of sale - definitions.**
11 (2.5) (d) (II) Nothing in this ~~paragraph (d) shall require~~ SUBSECTION
12 (2.5)(d) REQUIRES a repair shop to be a licensed dealer pursuant to PART
13 1 OF article 6 of title 12 ~~C.R.S.~~, for purposes of selling a motor vehicle
14 pursuant to this section.

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

17 **39-26-713. Tangible personal property.** (2) The following ~~shall~~
18 ~~be~~ ARE exempt from taxation under ~~the provisions of~~ part 2 of this ~~article~~
19 ARTICLE 26:

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

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

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

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

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

10 **42-3-116. Manufacturers or dealers.** (6) (e) As used in this
11 subsection (6), "motor vehicle dealer or wholesaler" includes motor
12 vehicle dealers, used motor vehicle dealers, and wholesalers as those
13 terms are defined in section 12-6-102. ~~(13), (17), and (18), C.R.S.~~

14 **SECTION 50.** In Colorado Revised Statutes, 42-4-304, **amend**
15 (19)(b)(I) as follows:

16 **42-4-304. Definitions relating to automobile inspection and**
17 **readjustment program.** As used in sections 42-4-301 to 42-4-316,
18 unless the context otherwise requires:

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

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

27 **42-4-309. Vehicle fleet owners - motor vehicle dealers -**

1 **authority to conduct inspections - fleet inspection stations - motor**
2 **vehicle dealer test facilities - contracts with licensed inspection-only**
3 **entities.** (3) (a) Any person licensed as a motor vehicle dealer pursuant

4 to PART 1 OF article 6 of title 12 ~~C.R.S.~~, in whose name twenty or more
5 motor vehicles are registered or inventoried or consigned for retail sale
6 in this state ~~which~~ THAT are required to be inspected shall comply with
7 the requirements of section 42-4-310 for the issuance of a certificate of
8 emissions compliance at the time of the retail sale of any such vehicle.

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

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

20 (6) (a) On and after June 1, 1996, a motor vehicle dealer or a used
21 motor vehicle dealer licensed pursuant to PART 1 OF article 6 of title 12
22 ~~C.R.S.~~, that sells any vehicle subject to ~~the provisions of~~ the enhanced
23 emissions program may comply with ~~the provisions of~~ sections 42-4-304
24 (3)(d) and 42-4-310 by providing the consumer of the vehicle a voucher
25 purchased by the dealer from the contractor for the centralized enhanced
26 emissions program, with or without charge to the consumer, up to the
27 maximum amount charged for an emissions inspection at an enhanced

1 inspection center. ~~Such~~ THE voucher shall cover the cost of an emissions
2 inspection of the vehicle at an enhanced inspection center and shall entitle
3 the consumer to such an emissions inspection.

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

6 **42-4-310. Periodic emissions control inspection required.**

7 (1) (a) (I) Subject to subsection (4) of this section, a motor vehicle that
8 is required to be registered in the program area shall not be sold,
9 registered for the first time without a certification of emissions
10 compliance, or reregistered unless such vehicle has passed a clean screen
11 test or has a valid certification of emissions control as required by the
12 appropriate county. The provisions of this ~~paragraph (a)~~ shall SUBSECTION
13 (1)(a) DO not apply to motor vehicle transactions at wholesale between
14 motor vehicle dealers licensed pursuant to PART 1 OF article 6 of title 12.
15 ~~C.R.S.~~ An inspection is not required prior to the sale of a motor vehicle
16 with at least twelve months remaining before the vehicle's certification of
17 emissions compliance expires if such certification was issued when the
18 vehicle was new.

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

21 **42-4-1805. Appraisal of abandoned motor vehicles - sale.**

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

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

27 **42-4-2104. Appraisal of abandoned motor vehicles - sale.**

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

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

6 **42-5-105. Daily record.** (1) (b) The record shall be kept in a
7 good businesslike manner in the form of invoices or in a book by the
8 dealer or proprietor and shall contain the following:

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

14 **SECTION 56.** In Colorado Revised Statutes, 42-6-201, **amend**
15 (9) as follows:

16 **42-6-201. Definitions.** As used in this part 2, unless the context
17 otherwise requires:

18 (9) "Used motor vehicle dealer" means any licensed motor vehicle
19 dealer, used motor vehicle dealer, or wholesaler as defined by ~~the~~
20 ~~introductory portions to section 12-6-102. (13) and (17) and section~~
21 ~~12-6-102 (18), C.R.S.~~

22 **SECTION 57. Appropriation.** (1) For the 2017-18 state fiscal
23 year, \$12,568 is appropriated to the department of revenue. This
24 appropriation is from the auto dealers license fund created in section
25 12-6-123 (1), C.R.S. To implement this act, the department may use this
26 appropriation as follows:

27 (a) \$8,000 for tax administration IT system (GenTax) support; and

1 (b) \$4,568 for use by the executive director's office for postage.

2 (2) For the 2017-18 state fiscal year, \$162,983 is appropriated to
3 the department of public safety for use by the biometric identification and
4 records unit. This appropriation is from the Colorado bureau of
5 investigation unit fund created in section 24-33.5-426, C.R.S., and is
6 based on an assumption that the bureau will require an additional 0.8
7 FTE. To implement this act, the unit may use this appropriation to provide
8 criminal history record checks.

9 **SECTION 58. Effective date.** This act takes effect July 1, 2017.

10 **SECTION 59. Safety clause.** The general assembly hereby finds,
11 determines, and declares that this act is necessary for the immediate
12 preservation of the public peace, health, and safety.