

Second Regular Session
Seventieth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 16-0853.01 Jery Payne x2157

HOUSE BILL 16-1293

HOUSE SPONSORSHIP

Melton,

SENATE SPONSORSHIP

Holbert,

House Committees
Transportation & Energy

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE ADDITION OF A BRAND TO DESIGNATE A
102 CERTIFICATE OF TITLE TO A MOTOR VEHICLE THAT HAS BEEN
103 THE SUBJECT OF AN INSURANCE CLAIM.

Bill Summary

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

Currently, a motor vehicle title is branded when certain events that negatively affect the vehicle's title occur. The bill adds a total loss brand when the motor vehicle has been:

- ! Reported stolen to law enforcement, and an insurer paid a claim;

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.

- ! Found to need repairs whose cost exceeds the value of the vehicle; or
- ! Designated as a total loss by an insurer under the terms of its policy as a result of the vehicle being damaged.

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

2 **SECTION 1.** In Colorado Revised Statutes, 42-6-102, **amend**
3 (1.7) (e) and (1.7) (f); and **add** (1.7) (g), (6.3), and (20.5) as follows:

4 **42-6-102. Definitions.** As used in this part 1, unless the context
5 otherwise requires:

6 (1.7) "Brand" means a permanent designation or marking on a
7 motor vehicle's title, associated with the vehicle identification number,
8 that conveys information about the value of the vehicle or indicates that
9 the vehicle:

10 (e) Has had its odometer tampered with; ~~or~~

11 (f) Has a designation placed on the title by another jurisdiction; OR

12 (g) HAS SUFFERED DAMAGE THAT COSTS MORE TO REPAIR THAN
13 THE VALUE OF THE VEHICLE, HAS BEEN RECOVERED AFTER BEING
14 REPORTED AS STOLEN AND AN INSURER HAS PAID A CLAIM MADE BY THE
15 OWNER AS A RESULT OF THE THEFT, OR HAS BEEN DESIGNATED BY THE
16 INSURER AS A TOTAL LOSS.

17 (6.3) "INSURER" HAS THE SAME MEANING AS SET FORTH IN SECTION
18 10-1-102 (13), C.R.S.

19 (20.5) "TOTAL LOSS" MEANS AN INSURER'S DETERMINATION THAT
20 REPAIRING A DAMAGED MOTOR VEHICLE DOES NOT MAKE ECONOMIC
21 SENSE.

22 **SECTION 2.** In Colorado Revised Statutes, **add** 42-6-136.6 as
23 follows:

1 **42-6-136.6. Insurance loss - branding of titles.** (1) THE INSURER
2 SHALL SUBMIT A STATEMENT NOTIFYING THE DEPARTMENT THAT ONE OF
3 THE FOLLOWING EVENTS OCCURRED:

4 (a) A MOTOR VEHICLE HAS BEEN RECOVERED AFTER BEING
5 REPORTED STOLEN TO LAW ENFORCEMENT, AND AN INSURER PAID A CLAIM
6 MADE BY THE OWNER OF THE MOTOR VEHICLE BASED ON THE THEFT;

7 (b) AFTER AN EVENT THAT CAUSED DAMAGE, AN INSURER
8 DETERMINED THAT THE COST TO REPAIR A MOTOR VEHICLE EXCEEDS THE
9 FAIR MARKET VALUE OF THE MOTOR VEHICLE; OR

10 (c) A MOTOR VEHICLE HAS BEEN DESIGNATED AS A TOTAL LOSS BY
11 AN INSURER UNDER THE TERMS OF ITS POLICY AS A RESULT OF THE
12 VEHICLE BEING DAMAGED, REGARDLESS OF WHETHER THE OWNERSHIP OF
13 THE MOTOR VEHICLE IS TRANSFERRED TO THE INSURER, RETAINED BY THE
14 OWNER, OR TRANSFERRED TO A THIRD PARTY.

15 (2) IF THE DEPARTMENT RECEIVES A STATEMENT UNDER
16 SUBSECTION (1) OF THIS SECTION CONCERNING A MOTOR VEHICLE, THE
17 DEPARTMENT SHALL ISSUE THE MOTOR VEHICLE A NEW TITLE BRANDED
18 "INSURANCE LOSS" UNLESS THE STATEMENT INCLUDES FACTS THAT
19 QUALIFY THE VEHICLE AS A SALVAGE VEHICLE. IF THE VEHICLE IS
20 SALVAGE, THE DEPARTMENT SHALL ISSUE THE MOTOR VEHICLE A NEW
21 SALVAGE CERTIFICATE OF TITLE IN ACCORDANCE WITH SECTION
22 42-6-136.5.

23 **SECTION 3. Act subject to petition - effective date -**
24 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
25 the expiration of the ninety-day period after final adjournment of the
26 general assembly (August 10, 2016, if adjournment sine die is on May 11,
27 2016); except that, if a referendum petition is filed pursuant to section 1

1 (3) of article V of the state constitution against this act or an item, section,
2 or part of this act within such period, then the act, item, section, or part
3 will not take effect unless approved by the people at the general election
4 to be held in November 2016 and, in such case, will take effect on the
5 date of the official declaration of the vote thereon by the governor.

6 (2) This act applies to insurance determinations made on or after
7 the applicable effective date of this act.