

Second Regular Session  
Seventieth General Assembly  
STATE OF COLORADO

REVISED

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

LLS NO. 16-0686.01 Jery Payne x2157

SENATE BILL 16-140

SENATE SPONSORSHIP

Sonnenberg,

HOUSE SPONSORSHIP

Kraft-Tharp,

Senate Committees  
Transportation

House Committees  
Transportation & Energy

A BILL FOR AN ACT

101 CONCERNING CERTIFICATES OF TITLE ISSUED FOR MOTOR VEHICLES  
102 PURCHASED FROM MOTOR VEHICLE DEALERS.

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>.)*

Under current law, a motor vehicle dealer has 30 days to facilitate the delivery of the certificate of title to a vehicle sold by the dealer. Until the certificate of title is delivered, the dealer issues a temporary registration number plate so that the purchaser may legally drive the vehicle. The bill provides that a day during which the dealer is awaiting information or action from another person does not count against the

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

HOUSE  
2nd Reading Unamended  
May 2, 2016

SENATE  
3rd Reading Unamended  
April 26, 2016

SENATE  
Amended 2nd Reading  
April 25, 2016

30-day deadline. The dealer may issue a second temporary registration number plate if the dealer has taken every reasonable action necessary to facilitate the delivery of the certificate of title.

The bill also clarifies that the holder of a lien on a motor vehicle need not file the certificate of title to perfect the lien.

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

2 **SECTION 1.** In Colorado Revised Statutes, 12-6-118, **add (8)** as  
3 **follows:**

4 **12-6-118. Licenses - grounds for denial, suspension, or**  
5 **revocation. (8) IN ANY DISCIPLINARY HEARING, ACTION, OR ORDER OF**  
6 **THE BOARD INVOLVING A VIOLATION OF SECTION 42-6-112 OR 42-6-119**  
7 **(3), C.R.S., IT IS AN AFFIRMATIVE DEFENSE THAT THE DEALER HAS TAKEN**  
8 **EVERY REASONABLE ACTION NECESSARY TO DELIVER OR FACILITATE THE**  
9 **DELIVERY OF THE CERTIFICATE OF TITLE WITHIN THIRTY DAYS. TO**  
10 **QUALIFY AS HAVING TAKEN EVERY REASONABLE ACTION TO DELIVER OR**  
11 **FACILITATE THE DELIVERY OF THE CERTIFICATE OF TITLE, THE DEALER**  
12 **MUST HAVE, AT A MINIMUM:**

13 **(a) PROCESSED AND MAILED ANY REQUIRED LOAN PAYOFFS IN A**  
14 **REASONABLE AMOUNT OF TIME;**

15 **(b) CONTACTED THE PRIOR LENDER AND TAKEN ANY ACTIONS**  
16 **NECESSARY TO OBTAIN A CERTIFICATE OF TITLE OR DUPLICATE**  
17 **CERTIFICATE OF TITLE, EITHER OF WHICH MUST BE FREE OF LIENS;**

18 **(c) TAKEN ANY ACTION NECESSARY TO OBTAIN INFORMATION OR**  
19 **SIGNATURES FROM THE PRIOR OWNER NECESSARY TO HAVE A NEW**  
20 **CERTIFICATE OF TITLE ISSUED FOR THE MOTOR VEHICLE;**

21 **(d) SUBMITTED ALL PAPERWORK THAT THE DEALER HAS OBTAINED**  
22 **TO THE AUTHORIZED AGENT AND THAT IS NECESSARY TO HAVE A NEW**  
23 **CERTIFICATE OF TITLE ISSUED FOR THE MOTOR VEHICLE; AND**

1           (e) CORRECTED ANY ERRORS IN ANY FILINGS WITH THE  
2           DEPARTMENT IN A REASONABLE AMOUNT OF TIME.

3           **SECTION 2.** In Colorado Revised Statutes, 42-3-203, **add (3) (e)**  
4           as follows:

5           **42-3-203. Standardized plates - notice of funding through**  
6           **gifts, grants, and donations - rules - repeal.** (3) (e) A DEALER MAY  
7           ISSUE A SECOND TEMPORARY REGISTRATION NUMBER PLATE IN  
8           ACCORDANCE WITH THIS SUBSECTION (3) IF THE DEALER:

9           (I) HAS ISSUED A TEMPORARY PLATE TO THE OWNER WHEN  
10          SELLING THE MOTOR VEHICLE TO THE OWNER;

11          (II) HAS NOT DELIVERED OR FACILITATED THE DELIVERY OF THE  
12          CERTIFICATE OF TITLE TO THE PURCHASER OR THE HOLDER OF A CHATTEL  
13          MORTGAGE AS REQUIRED IN SECTION 42-6-112 OR 42-6-119 (3) WITHIN  
14          SIXTY DAYS AFTER THE MOTOR VEHICLE WAS PURCHASED; AND

15          (III) HAS TAKEN EVERY REASONABLE ACTION NECESSARY TO  
16          DELIVER OR FACILITATE THE DELIVERY OF THE CERTIFICATE OF TITLE.

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

27          (2) This act applies to purchases made, and to temporary

- 1 certificates of registration issued, on or after the applicable effective date
- 2 of this act.