

First Regular Session
Seventy-first General Assembly
STATE OF COLORADO

REVISED

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

LLS NO. 17-0247.01 Jery Payne x2157

HOUSE BILL 17-1105

HOUSE SPONSORSHIP

Becker J., Buck, Carver

SENATE SPONSORSHIP

Baumgardner,

House Committees
Transportation & Energy

Senate Committees
Transportation

A BILL FOR AN ACT

101 CONCERNING NARROWING THE CIRCUMSTANCES IN WHICH PHYSICAL
102 INSPECTION OF A VEHICLE IS REQUIRED BEFORE ISSUING LEGAL
103 DOCUMENTATION IDENTIFYING THE VEHICLE.

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/>.)

The bill specifies that the department of revenue may not require physical inspection of a vehicle, including a vehicle identification number inspection, to verify information about the vehicle before registering or titling the vehicle if:

! The applicant for a new registration for the vehicle presents

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
2nd Reading Unamended
March 3, 2017

HOUSE
3rd Reading Unamended
February 15, 2017

HOUSE
Amended 2nd Reading
February 13, 2017

either a copy of a manufacturer's certificate of origin or a purchase receipt from the dealer or the out-of-state seller and either document indicates that the applicant purchased the vehicle as new; or

! At the time of application, the vehicle is currently registered or titled in another Colorado county.

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

2 **SECTION 1.** In Colorado Revised Statutes, 42-3-105, **amend**
3 (1)(c)(I) introductory portion; and **add** (1)(c)(I.5) as follows:

4 **42-3-105. Application for registration - tax.** (1) (c) (I) EXCEPT
5 AS PROVIDED IN SUBSECTION (1)(c)(I.5) OF THIS SECTION, the department
6 may require those vehicle-related entities specified by rule to verify
7 information concerning any vehicle through the physical inspection of
8 ~~such~~ THE vehicle. The information required to be verified by ~~such~~ a
9 physical inspection ~~shall~~ MUST include:

10 (I.5) THE DEPARTMENT SHALL NOT REQUIRE A PHYSICAL
11 INSPECTION AS A CONDITION FOR REGISTRATION OF A VEHICLE IF:

12 (A) THE APPLICANT FOR A NEW REGISTRATION FOR THE VEHICLE
13 PRESENTS EITHER A COPY OF A MANUFACTURER'S CERTIFICATE OF ORIGIN
14 OR A PURCHASE RECEIPT FROM THE DEALER OR THE OUT-OF-STATE SELLER
15 FROM WHOM THE APPLICANT PURCHASED THE VEHICLE AND EITHER
16 DOCUMENT INDICATES THAT THE APPLICANT PURCHASED THE VEHICLE AS
17 NEW; OR

18 (B) AT THE TIME OF APPLICATION, THE VEHICLE IS CURRENTLY
19 REGISTERED IN ANOTHER COUNTY OF THE STATE.

20 **SECTION 2.** In Colorado Revised Statutes, 42-6-107, **amend**
21 (1)(b) as follows:

22 **42-6-107. Certificates of title - contents - rules.**

1 (1) (b) (I) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (1)(b)(II) OF
2 THIS SECTION, the department may require those vehicle-related entities
3 specified by regulation to verify information concerning a vehicle through
4 the physical inspection of ~~such~~ THE vehicle. The information required to
5 be verified by ~~such~~ a physical inspection ~~shall~~ MUST include the vehicle
6 identification number or numbers, the make of vehicle, the vehicle model,
7 the type of vehicle, the year of manufacture of ~~such~~ THE vehicle, the type
8 of fuel used by ~~such~~ THE vehicle, the odometer reading of ~~such~~ THE
9 vehicle, and ~~such~~ other information as may be required by the department.
10 For the purposes of this ~~paragraph (b)~~ SUBSECTION (1)(b), "vehicle-related
11 entity" means an authorized agent or designated employee of ~~such~~ THE
12 agent, a Colorado law enforcement officer, a licensed Colorado dealer, a
13 licensed inspection and readjustment station, or a licensed diesel
14 inspection station.

15 (II) THE DEPARTMENT SHALL NOT REQUIRE A PHYSICAL
16 INSPECTION AS A CONDITION FOR ISSUANCE OF A CERTIFICATE OF TITLE FOR
17 A VEHICLE IF:

18 (A) THE APPLICANT FOR A CERTIFICATE OF TITLE FOR THE VEHICLE
19 PRESENTS EITHER A COPY OF A MANUFACTURER'S CERTIFICATE OF ORIGIN
20 OR A PURCHASE RECEIPT FROM THE DEALER OR THE OUT-OF-STATE SELLER
21 FROM WHOM THE APPLICANT PURCHASED THE VEHICLE AND EITHER
22 DOCUMENT INDICATES THAT THE APPLICANT PURCHASED THE VEHICLE AS
23 NEW; OR

24 (B) AT THE TIME OF APPLICATION, THE VEHICLE IS CURRENTLY
25 TITLED IN ANOTHER COUNTY OF THE STATE.

26 **SECTION 3.** In Colorado Revised Statutes, 42-6-119, **amend** (4)
27 as follows:

1 **42-6-119. Certificates for vehicles registered in other states.**

2 (4) (a) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (4)(b) OF THIS
3 SECTION, if the purchaser of the vehicle completes and includes the
4 vehicle identification number inspection form as part of the application
5 for filing of a Colorado certificate of title to the vehicle and accompanies
6 the application with the affidavit required by subsection (3) of this section
7 and the duly endorsed or assigned certificate of title from a state other
8 than Colorado, a Colorado certificate of title may be filed in the same
9 manner as upon the sale or transfer of a motor or off-highway vehicle for
10 which a Colorado certificate of title has been issued or filed. Upon the
11 filing by the director or the authorized agent of the certificate of title, the
12 director or the authorized agent may dispose of the certificate of title and
13 shall record the certificate of title as provided in section 42-6-124.

14 (b) IF AN APPLICANT FOR THE FILING OF A COLORADO CERTIFICATE
15 OF TITLE FOR A VEHICLE FOR WHICH ANOTHER STATE HAS ISSUED A
16 CERTIFICATE OF TITLE PRESENTS EITHER A COPY OF A MANUFACTURER'S
17 CERTIFICATE OF ORIGIN OR A PURCHASE RECEIPT FROM THE DEALER OR
18 THE OUT-OF-STATE SELLER FROM WHOM THE APPLICANT PURCHASED THE
19 VEHICLE AND EITHER DOCUMENT INDICATES THAT THE APPLICANT
20 PURCHASED THE VEHICLE AS NEW, THE APPLICANT NEED NOT INCLUDE A
21 VEHICLE IDENTIFICATION NUMBER INSPECTION FORM AS PART OF THE
22 APPLICATION.

23 **SECTION 4.** In Colorado Revised Statutes, **add 42-1-232 as**
24 **follows:**

25 **42-1-232. VIN inspection pilot program - rules.** (1) FOR THE
26 PURPOSES OF THIS SECTION:

27 (a) "CHIEF" MEANS THE CHIEF OF THE COLORADO STATE PATROL.

1 (b) "CONVICTED" INCLUDES A CONVICTION OF, OR PLEADING
2 GUILTY OR NOLO CONTENDERE TO, A VIOLATION OF THE LAW.

3 (c) "PERMIT" MEANS AUTHORITY FOR AN ORGANIZATION TO
4 EMPLOY PEOPLE TO VERIFY INFORMATION, INCLUDING A VIN, THAT MAY
5 BE REQUIRED TO REGISTER A COMMERCIAL VEHICLE UNDER ARTICLE 3 OF
6 THIS TITLE 42 OR TO BE ISSUED A CERTIFICATE OF TITLE UNDER ARTICLE 6
7 OF THIS TITLE 42.

8 (d) "VIN" MEANS VEHICLE IDENTIFICATION NUMBER.

9 (2) BY JANUARY 1, 2018, THE CHIEF SHALL CREATE A PILOT
10 PROGRAM THAT AUTHORIZES A TRANSPORTATION ASSOCIATION OR
11 ORGANIZATION TO VERIFY COMMERCIAL VEHICLE INFORMATION,
12 INCLUDING A VIN, AS A VEHICLE-RELATED ENTITY IF THE
13 TRANSPORTATION ASSOCIATION OR ORGANIZATION DEMONSTRATES TO
14 THE SATISFACTION OF THE CHIEF THAT IT AND ANY INDIVIDUALS IT MAY
15 EMPLOY TO VERIFY INFORMATION MEET THE REQUIREMENTS OF THIS
16 SECTION AND ANY RULES PROMULGATED TO IMPLEMENT THIS SECTION.
17 UPON DETERMINING THAT A TRANSPORTATION ASSOCIATION OR
18 ORGANIZATION MEETS THE REQUIREMENTS OF THIS SECTION AND ANY
19 RULES PROMULGATED TO IMPLEMENT THIS SECTION, THE CHIEF MAY ISSUE
20 A PERMIT TO THE APPLICANT.

21 (3) TO BE ISSUED A PERMIT TO VERIFY INFORMATION, INCLUDING
22 A VIN, AS A VEHICLE-RELATED ENTITY, AN APPLICANT MUST:

23 (a) EMPLOY VERIFIERS WHO DEMONSTRATE KNOWLEDGE OF THE
24 PROCESS AND STANDARDS AND WHO HAVE NOT BEEN CONVICTED OF
25 VIOLATING ARTICLE 4 OF TITLE 18 WITHIN THE LAST TEN YEARS;

26 (b) SUBMIT THE NAME, BACKGROUND, EXPERIENCE, LOCATION OF
27 OPERATION, CONTACT INFORMATION, AND ANY OTHER INFORMATION

1 REQUIRED BY THE CHIEF OF EACH EMPLOYED VERIFIER;

2 (c) FURNISH EVIDENCE OF A SAVINGS ACCOUNT OR DEPOSIT IN A

3 CERTIFICATE OF DEPOSIT MEETING THE REQUIREMENTS OF SECTION

4 11-35-101 OR A SURETY BOND THAT:

5 (I) HOLDS HARMLESS ANY PERSON WHO SUFFERS LOSS OR DAMAGE

6 ARISING FROM THE ISSUANCE OF A CERTIFICATE OF TITLE THAT INCLUDED

7 A VERIFICATION DONE BY THE PERMIT HOLDER; AND

8 (II) IS IN THE AMOUNT OF AT LEAST TEN THOUSAND DOLLARS;

9 (4) A VEHICLE-RELATED ENTITY SHALL NOT EMPLOY A VERIFIER

10 UNTIL THE CHIEF HAS APPROVED THE VERIFIER. THE PERMIT HOLDER

11 SHALL SUBMIT TO THE CHIEF THE NAME, BACKGROUND, EXPERIENCE,

12 LOCATION OF OPERATION, CONTACT INFORMATION, AND ANY OTHER

13 INFORMATION REQUIRED BY THE CHIEF OF EACH VERIFIER. WITHIN SEVEN

14 DAYS AFTER CEASING TO EMPLOY A VERIFIER, THE VEHICLE-RELATED

15 ENTITY SHALL NOTIFY THE CHIEF THAT THE INDIVIDUAL NO LONGER

16 VERIFIES INFORMATION FOR THE VEHICLE-RELATED ENTITY.

17 (5) A VEHICLE-RELATED ENTITY SHALL NOT CHARGE MORE THAN

18 TWENTY-FIVE DOLLARS PER TRANSACTION TO VERIFY INFORMATION.

19 (6) THE CHIEF MAY DENY OR CANCEL A PERMIT FOR:

20 (a) FAILING TO COMPLY WITH THIS SECTION;

21 (b) FAILING TO MAINTAIN IN FULL FORCE THE SAVINGS ACCOUNT,

22 DEPOSIT IN A CERTIFICATE OF DEPOSIT, OR SURETY BOND REQUIRED BY

23 SUBSECTION (3) OF THIS SECTION;

24 (c) MISREPRESENTATIONS IN APPLYING FOR A PERMIT;

25 (d) BEING CONVICTED UNDER, OR EMPLOYING A VERIFIER WHO IS

26 CONVICTED UNDER, ARTICLE 4 OF TITLE 18;

27 (e) INCOMPETENCE OR FAILING TO ADEQUATELY VERIFY

1 INFORMATION, INCLUDING A VIN, AS A VEHICLE-RELATED ENTITY.

2 (7) THE CHIEF MAY PROMULGATE RULES REASONABLY NECESSARY
3 TO IMPLEMENT THIS SECTION, INCLUDING ESTABLISHING APPLICATION
4 PROCEDURES AND ANY REQUIRED FORMS AND ESTABLISHING PROCEDURES,
5 IN COMPLIANCE WITH ARTICLE 4 OF TITLE 24, FOR CANCELING A PERMIT.
6 THE CHIEF MAY SUMMARILY SUSPEND A PERMIT FOR UP TO SIXTY DAYS
7 PENDING A HEARING TO CANCEL A PERMIT IF THE CHIEF DETERMINES THAT
8 IRREPARABLE HARM MAY OCCUR IF THE PERMIT HOLDER CONTINUES TO
9 VERIFY INFORMATION, INCLUDING A VIN, AS A VEHICLE-RELATED ENTITY.

10 (8) FOR THE PURPOSES OF VERIFYING INFORMATION IN
11 ACCORDANCE WITH ARTICLES 1 TO 5 OF THIS TITLE 42, A PERMIT HOLDER
12 IS A VEHICLE-RELATED ENTITY.

13 (9) THIS SECTION IS REPEALED, EFFECTIVE JANUARY 1, 2020.

14 **SECTION 5. Applicability.** This act applies to applications for
15 registration or titling of a vehicle that are filed on or after July 1, 2017.

16 **SECTION 6. Safety clause.** The general assembly hereby finds,
17 determines, and declares that this act is necessary for the immediate
18 preservation of the public peace, health, and safety.