

**First Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO**

ENGROSSED

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

LLS NO. 13-0885.01 Chuck Brackney x2295

HOUSE BILL 13-1289

HOUSE SPONSORSHIP

Moreno and Dore,

SENATE SPONSORSHIP

Jahn and Balmer,

House Committees
Transportation & Energy

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING AUTHORITY FOR THE ELECTRONIC TRANSMISSION OF**
102 **INFORMATION RELATING TO MOTOR VEHICLES.**

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>.)

The bill provides authority to the department of revenue to establish a system to allow the electronic registration and titling of motor vehicles and electronic transmission of motor vehicle lien information. The title certificate is considered to be held by the mortgage or lien holder when an electronic mortgage or lien is used. A copy of the electronic

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
Amended 2nd Reading
April 16, 2013

mortgage or lien is admissible as evidence in judicial or administrative proceedings. The department is authorized to accept gifts, grants, or donations into the electronic motor vehicle registration cash fund.

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

SECTION 1. Legislative declaration. The general assembly finds, determines, and declares that it is not the intent of the general assembly to authorize any entity other than the existing county or local motor vehicle offices or agencies of the department of revenue to register motor vehicles.

SECTION 2. In Colorado Revised Statutes, 42-1-102, **add** (47.5) as follows:

42-1-102. Definitions. As used in articles 1 to 4 of this title, unless the context otherwise requires:

(47.5) "LIEN" MEANS A SECURITY INTEREST IN A MOTOR VEHICLE UNDER ARTICLE 9 OF TITLE 4, C.R.S., AND THIS ARTICLE.

SECTION 3. In Colorado Revised Statutes, **add** 42-3-113.5 as follows:

42-3-113.5. Electronic motor vehicle registration and titling - electronic transmission of motor vehicle lien information - authority - rules - cash fund - notice of funding through gifts, grants, and donations - repeal. (1) THE DEPARTMENT MAY ESTABLISH A SYSTEM TO ALLOW THE ELECTRONIC TRANSMISSION OF REGISTRATION, LIEN, AND TITLING INFORMATION FOR MOTOR VEHICLES. THE DEPARTMENT MAY ADOPT RULES NECESSARY FOR THE IMPLEMENTATION OF THIS SECTION. IF THE DEPARTMENT PROMULGATES A RULE REQUIRING LIEN AND TITLE DOCUMENTS TO BE FILED ELECTRONICALLY, A FINANCIAL INSTITUTION WITH LESS THAN FIFTY TRANSACTIONS PER YEAR NEED NOT FILE

1 ELECTRONICALLY.

2 (2) (a) THERE IS CREATED IN THE STATE TREASURY THE
3 ELECTRONIC MOTOR VEHICLE REGISTRATION AND TITLING CASH FUND. THE
4 DEPARTMENT IS AUTHORIZED TO SEEK AND ACCEPT GIFTS, GRANTS, OR
5 DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR THE PURPOSES OF THIS
6 SECTION; EXCEPT THAT THE DEPARTMENT MAY NOT ACCEPT A GIFT,
7 GRANT, OR DONATION THAT IS SUBJECT TO CONDITIONS THAT ARE
8 INCONSISTENT WITH THIS SECTION OR ANY OTHER LAW OF THE STATE. THE
9 DEPARTMENT SHALL TRANSMIT ALL PRIVATE AND PUBLIC MONEYS
10 RECEIVED THROUGH GIFTS, GRANTS, OR DONATIONS TO THE STATE
11 TREASURER, WHO SHALL CREDIT THE SAME TO THE ELECTRONIC MOTOR
12 VEHICLE REGISTRATION AND TITLING CASH FUND, WHICH FUND IS HEREBY
13 CREATED AND REFERRED TO IN THIS SECTION AS THE "FUND". THE MONEYS
14 IN THE FUND ARE SUBJECT TO ANNUAL APPROPRIATION BY THE GENERAL
15 ASSEMBLY TO THE DEPARTMENT FOR THE DIRECT AND INDIRECT COSTS
16 ASSOCIATED WITH IMPLEMENTING THIS SECTION.

17 (b) (I) IN SEEKING OR ACCEPTING A GIFT, GRANT, OR DONATION,
18 THE DEPARTMENT SHALL NOTIFY THE LEGISLATIVE COUNCIL STAFF WHEN
19 IT HAS RECEIVED ADEQUATE FUNDING THROUGH GIFTS, GRANTS, OR
20 DONATIONS FOR THE IMPLEMENTATION OF THIS SECTION AND SHALL
21 INCLUDE IN THE NOTIFICATION THE INFORMATION SPECIFIED IN SECTION
22 24-75-1303 (3), C.R.S.

23 (II) THIS PARAGRAPH (b) IS REPEALED, EFFECTIVE JULY 1, 2016.

24 (c) NO VENDOR WHO RESPONDS TO A REQUEST FOR PROPOSAL
25 FROM THE DEPARTMENT CONCERNING A SYSTEM FOR THE ELECTRONIC
26 TRANSMISSION OF REGISTRATION, LIEN, AND TITLING INFORMATION FOR
27 MOTOR VEHICLES MAY CONTRIBUTE A GIFT, GRANT, OR DONATION TO THE

1 ELECTRONIC MOTOR VEHICLE REGISTRATION AND TITLING CASH FUND.

2 SECTION 4. In Colorado Revised Statutes, 42-6-122, **amend** (2)
3 as follows:

4 42-6-122. **Disposition of mortgages by agent.** (2) All records of
5 mortgages affecting motor vehicles ~~shall be~~ ARE public and may be
6 inspected and ~~copies thereof made~~ COPIED, as is provided by law
7 respecting public records affecting real property. A DULY CERTIFIED COPY
8 OF THE DEPARTMENT'S ELECTRONIC RECORD OF THE MORTGAGE OR LIEN
9 IS ADMISSIBLE IN ANY CIVIL, CRIMINAL, OR ADMINISTRATIVE PROCEEDING
10 IN THIS STATE AS EVIDENCE OF THE EXISTENCE OF THE MORTGAGE OR LIEN.

11 SECTION 5. In Colorado Revised Statutes, **amend** 42-6-123 as
12 follows:

13 42-6-123. **Disposition after mortgaging.** After a mortgage on a
14 motor vehicle has been filed in the authorized agent's office, the
15 authorized agent shall mail or electronically transfer to the director the
16 certificate of title or ~~bill of sale which~~ OTHER EVIDENCE OF OWNERSHIP
17 SATISFACTORY TO THE DIRECTOR AS SPECIFIED IN RULES ADOPTED UNDER
18 SECTION 42-6-104, C.R.S., THAT the authorized agent has filed in the
19 record. Upon the receipt ~~thereof~~ OF THE CERTIFICATE OF TITLE OR OTHER
20 EVIDENCE OF OWNERSHIP SATISFACTORY TO THE DIRECTOR AS SPECIFIED
21 IN RULES ADOPTED UNDER SECTION 42-6-104, C.R.S., the director shall
22 maintain completed electronic records transferred by the authorized agent.
23 The director shall issue a new certificate of title containing, in addition to
24 the other matters and things required to be set forth in certificates of title,
25 a description of the mortgage and all information respecting ~~said~~ THE
26 mortgage and the filing ~~thereof~~ OF THE MORTGAGE as may appear in the
27 certificate of the authorized agent, and the director or the director's

1 authorized agent shall thereafter dispose of ~~said~~ THE new certificate of
2 title containing ~~said~~ THE notation as provided in section 42-6-124. WHEN
3 A MOTOR VEHICLE IS SUBJECT TO AN ELECTRONIC MORTGAGE OR LIEN, THE
4 CERTIFICATE OF TITLE FOR THE MOTOR VEHICLE IS CONSIDERED TO BE
5 PHYSICALLY HELD BY THE MORTGAGEE OR LIEN HOLDER FOR ALL LEGAL
6 PURPOSES, INCLUDING COMPLIANCE WITH STATE OR FEDERAL ODOMETER
7 DISCLOSURE REQUIREMENTS.

8 **SECTION 6.** In Colorado Revised Statutes, 42-6-125, **add** (3) as
9 follows:

10 **42-6-125. Release of mortgages.** (3) MORTGAGE OR LIEN
11 SATISFACTIONS MAY BE ELECTRONICALLY TRANSMITTED TO THE
12 DEPARTMENT'S AUTHORIZED AGENT AS AUTHORIZED BY RULES OF THE
13 DIRECTOR. WHEN ELECTRONIC TRANSMISSION OF MORTGAGES OR LIENS OR
14 MORTGAGE OR LIEN SATISFACTIONS IS USED, A CERTIFICATE OF TITLE NEED
15 NOT BE ISSUED UNTIL THE LAST MORTGAGE OR LIEN IS SATISFIED AND A
16 CLEAR CERTIFICATE OF TITLE IS ISSUED TO THE OWNER OF THE MOTOR
17 VEHICLE UNDER SECTION 42-6-126.

18 **SECTION 7.** In Colorado Revised Statutes, 42-6-129, **amend** (2)
19 as follows:

20 **42-6-129. Second or other junior mortgages.** (2) ~~Such A~~
21 second or junior mortgagee or the holder ~~thereof~~ OF A SECOND OR JUNIOR
22 MORTGAGE shall file ~~said~~ THE mortgage pursuant to ~~the requirements of~~
23 section 42-6-121 with the director's authorized agent of the county
24 wherein the mortgagor of ~~said~~ THE motor vehicle resides or where the
25 motor vehicle is located and shall accompany ~~said~~ THE mortgage with a
26 written request to have the existence ~~thereof~~ OF THE SECOND OR JUNIOR
27 MORTGAGE noted or filed on the certificate of title records of the director's

1 authorized agent pertaining to the motor vehicle covered by the junior or
2 second mortgage. Upon the filing of ~~such~~ the mortgage, the director's
3 authorized agent shall note in the record of the subject vehicle the day and
4 hour on which ~~such~~ THE mortgage was received by the agent and shall
5 make and deliver a receipt for the mortgage to the person filing the
6 mortgage, and shall file the second or junior mortgage as required under
7 section 42-6-122. IF THERE IS MORE THAN ONE MORTGAGE OR LIEN ON THE
8 MOTOR VEHICLE, THE DEPARTMENT'S AUTHORIZED AGENT MAY
9 ELECTRONICALLY TRANSMIT THE MORTGAGE OR LIEN TO THE FIRST
10 MORTGAGE OR LIEN HOLDER AND NOTIFY THE FIRST MORTGAGE OR LIEN
11 HOLDER OF ANY ADDITIONAL MORTGAGES OR LIENS.

12 **SECTION 8. Safety clause.** The general assembly hereby finds,
13 determines, and declares that this act is necessary for the immediate
14 preservation of the public peace, health, and safety.