12-6-101. Legislative declaration

(1) The general assembly hereby declares that:

(a) The sale and distribution of motor vehicles affects the public interest and a significant factor of inducement in making a sale of a motor vehicle is the trust and confidence of the purchaser in the retail dealer from whom the purchase is made and the expectancy that such dealer will remain in business to provide service for the motor vehicle purchased;

(b) Proper motor vehicle service is important to highway safety and the manufacturers and distributors of motor vehicles have an obligation to the public not to terminate or refuse to continue their franchise agreements with retail dealers unless the manufacturer or distributor has first established good cause for termination or noncontinuance of any such agreement, to the end that there shall be no diminution of locally available service;

(c) The licensing and supervision of motor vehicle dealers by the motor vehicle dealer board are necessary for the protection of consumers and therefore the sale of motor vehicles by unlicensed dealers or salespersons, or by licensed dealers or salespersons who have demonstrated unfitness, should be prevented;

(d) Consumer education concerning the rules and regulations of the motor vehicle industry, the considerations when purchasing a motor vehicle, and the role, functions, and actions of the motor vehicle dealer board are necessary for the protection of the public and for maintaining the trust and confidence of the public in the motor vehicle dealer board; and

(e) Subject to the United States constitution and the Colorado constitution, this article applies to each sales, service, and parts agreement in effect, regardless of when the agreement was adopted.

12-6-102. Definitions.

As used in this part 1 and in part 5 of this article, unless the context or section 12-6-502 otherwise requires:

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

(1.5) "Advertisement" means any commercial message in any newspaper, magazine, leaflet, flyer, or catalog, on radio, television, or a public address system, in direct mail literature or other printed material, on any interior or exterior sign or display, in any window display, on a computer display, or in any point-of-transaction literature or price tag that is delivered or made available to a customer or prospective customer in any manner whatsoever; except that such term does not include materials required to be displayed by federal or state law.
(2) "Board" means the motor vehicle dealer board.

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

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

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

(b) (I) "Buyer agent" does not include a person whose business includes the purchase of motor vehicles primarily for resale or lease; except that nothing in this subsection (2.5) shall be construed to prohibit a buyer agent from assisting a consumer regarding the disposal of a trade-in motor vehicle that is incident to the purchase or lease of a vehicle if the buyer agent does not advertise the sale of, or sell, such vehicle to the general public, directs interested dealers and wholesalers to communicate their offers directly to the consumer or to the consumer via the buyer agent, does not handle or transfer titles or funds between the consumer and the purchaser, receives no compensation from a dealer or wholesaler purchasing a consumer's vehicle, and identifies himself or herself as a buyer agent to dealers and wholesalers interested in the consumer's vehicle.

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

(3) "Coerce" means to compel or attempt to compel by threatening, retaliating, economic force, or by not performing or complying with any terms or provisions of the franchise or agreement; except that recommendation, exposition, persuasion, urging, or argument shall not be deemed to constitute coercion.

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

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

(b) "Custom trailer" does not include manufactured housing, farm tractors, and other machines and tools used in the production, harvest, and care of farm products.

(5) "Distributor" means a person, resident or nonresident, who, in whole or in part, sells or distributes new motor vehicles to motor vehicle dealers or who maintains distributor representatives.
(6) and (7) (Deleted by amendment, L. 2003, p. 1300, § 1, effective April 22, 2003.)

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

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

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

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

(10) "Good faith" means the duty of each party to any franchise and all officers, employees, or agents thereof to act in a fair and equitable manner toward each other so as to guarantee the one party freedom from coercion, intimidation, or threats of coercion or intimidation from the other party. Recommendation, endorsement, exposition, persuasion, urging, or argument shall not be deemed to constitute a lack of good faith.

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

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

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

(b) Any person, other than a manufacturer operating a dealer pursuant to section 12-6-120.5, who is a licensed dealer selling motor vehicles that such person has manufactured.

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

(12) "Motor vehicle" means every vehicle intended primarily for use and operation on the public highways that is self-propelled and every vehicle intended primarily for operation on the public highways that is not driven or propelled by its own power but is designed to be attached to or become a part of or to be drawn by a self-propelled vehicle, not including farm tractors and other machines and tools used in the production, harvesting, and care of farm products. "Motor vehicle" includes, without limitation, a low-power scooter or autocycle as either is defined in section 42-1-102, C.R.S.
(12.5) (Deleted by amendment, L. 92, p. 1841, § 2, effective July 1, 1992.)

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

(13) "Motor vehicle dealer" means a person who, for commission or with intent to make a profit or gain of money or other thing of value, sells, leases, exchanges, rents with option to purchase, offers, or attempts to negotiate a sale, lease, or exchange of an interest in new or new and used motor vehicles or who is engaged wholly or in part in the business of selling or leasing new or new and used motor vehicles, whether or not such motor vehicles are owned by such person. The sale or lease of three or more new or new and used motor vehicles or the offering for sale or lease of more than three new or new and used motor vehicles at the same address or telephone number in any one calendar year shall be prima facie evidence that a person is engaged in the business of selling or leasing new or new and used motor vehicles. "Motor vehicle dealer" includes an owner of real property who allows more than three new or new and used motor vehicles to be offered for sale or lease on such property during one calendar year unless said property is leased to a licensed motor vehicle dealer. "Motor vehicle dealer" does not include:

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

(b) Public officers while performing their official duties;

(c) Employees of persons enumerated in the definition of "motor vehicle dealer" when engaged in the specific performance of their duties as such employees;

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

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

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

(14) "Motor vehicle salesperson" means a natural person who, for a salary, commission, or compensation of any kind, is employed either directly or indirectly, regularly or occasionally, by a motor vehicle dealer or used motor vehicle dealer to sell, lease, purchase, or exchange or to negotiate for the sale, lease, purchase, or exchange of motor vehicles.

(15) "Person" means any natural person, estate, trust, limited liability company, partnership, association, corporation, or other legal entity, including, without limitation, a registered limited liability partnership.
(16) "Principal place of business" means a site or location devoted exclusively to the business for which the motor vehicle dealer or used motor vehicle dealer is licensed and businesses incidental thereto, sufficiently designated to admit of definite description, with space thereon or contiguous thereto adequate to permit the display of one or more new or used motor vehicles, and on which there shall be located or erected a permanent enclosed building or structure large enough to accommodate the office of the dealer and to provide a safe place to keep the books and other records of the business of such dealer, at which site or location the principal portion of such dealer's business shall be conducted and the books and records thereof kept and maintained; except that a dealer may keep its books and records at an off-site location in Colorado after notifying the board in writing of such location at least thirty days in advance.

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

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

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

(a) Control the use and development of the real property;
(b) Require the franchisee to establish or maintain an exclusive dealership facility at the real property; or
(c) Restrict the franchisee from transferring, selling, leasing, developing, or changing the use of the real property.

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

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

(b) Public officers while performing their official duties;

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

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

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

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

(g) A motor vehicle auctioneer, as defined in subsection (12.6) of this section;

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

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

(18) "Wholesaler" means a person who, for commission or with intent to make a profit or gain of money or other thing of value, sells, exchanges, or offers or attempts to negotiate a sale, lease, or exchange of an interest in new or new and used motor vehicles solely to motor vehicle dealers or used motor vehicle dealers.

12-6-103. Motor vehicle dealer board.

(1) There is hereby created and established the motor vehicle dealer board, consisting of nine members who have been residents of this state for at least five years, three of whom shall be licensed motor vehicle dealers, three of whom shall be licensed used motor vehicle dealers, and three of whom shall be members from the public at large. The members representing the public at large shall not have a present or past financial interest in a motor vehicle dealership. The board shall assume its duties July 1, 1992, and all terms of the board members shall commence on that date. The terms of office of the
board members shall be three years. Any vacancies shall be filled by appointment for the unexpired term.

(2) All board members shall be appointed by the governor.

(3) Each board member shall be reimbursed for actual and necessary expenses incurred while engaged in the discharge of official duties.

12-6-104. Board - oath - meetings - powers and duties.

(1) Each member of the board, before entering on the discharge of such member's duties and within thirty days after the effective date of such member's appointment, shall subscribe an oath for the faithful performance of such member's duties before any officer authorized to administer oaths in this state and shall file the same with the secretary of state.

(2) The board shall annually in the month of July elect from the membership thereof a president, a first vice-president, and a second vice-president. The board shall meet at such times as it deems necessary. A majority of the board shall constitute a quorum at any meeting or hearing.

(3) The board is authorized and empowered:

(a) To promulgate, amend, and repeal rules reasonably necessary to implement this part 1, including the administration, enforcement, issuance, and denial of licenses to motor vehicle dealers, motor vehicle salespersons, used motor vehicle dealers, wholesale motor vehicle auction dealers, and wholesalers, and the laws of the state of Colorado;

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

(a.7) To issue through the department of revenue a temporary license to any person applying for any license issued by the board. The temporary license shall permit the applicant to operate for a period not to exceed one hundred twenty days while the board is completing its investigation and determination of all facts relative to the qualifications of the applicant for such license. A temporary license is terminated when the applicant's license is issued or denied.

(b) and (c) (Deleted by amendment, L. 92, p. 1842, § 4, effective July 1, 1992.)

(d) (I) To issue through the department of revenue and, for reasonable cause shown or upon satisfactory proof of the unfitness of the applicant under standards established and set forth in this part 1, to refuse to issue to any applicant any license the board is authorized to issue by this part 1;

(II) To permit the executive director, or the executive director's designee, to issue licenses pursuant to rules and regulations adopted by the board pursuant to paragraph (a) of this subsection (3);
(e) (I) After due notice and a hearing, to review the findings of an administrative law judge or a hearing officer from a hearing conducted pursuant to this part 1 to revoke and suspend or to order the executive director to issue or to reinstate, on such terms and conditions and for such period of time as to the board shall appear fair and just, any license issued under and pursuant to the terms and provisions of this part 1. The board may direct a letter of admonition for minor violations or may issue a letter of reprimand to any licensee for a violation of this part 1. A letter of admonition does not become a part of the licensee’s record with the board. A letter of reprimand is a part of the licensee’s record with the board for a period of two years after issuance and may be considered in aggravation of any subsequent violation by the licensee. When a letter of reprimand is sent to a licensee of the board, such licensee shall be notified in writing regarding the right to request in writing, within twenty days after receipt of such letter, that formal disciplinary proceedings be initiated against such licensee to adjudicate the propriety of the conduct upon which the letter of reprimand is based. If a request is made within such time period, the letter of reprimand is deemed vacated and the matter shall be processed by means of formal disciplinary proceedings.

(II) The findings of the board pursuant to subparagraph (I) of this paragraph (e) shall be final.

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

(II) After an investigation by the executive director or the executive director’s designee, if the board determines that there is probable cause to believe a violation of this article has occurred, it may order that an administrative hearing be held pursuant to section 24-4-105, C.R.S., or may designate one of the board’s members as a hearing officer to conduct a hearing pursuant to section 24-4-105, C.R.S.

(f.5) To summarily issue cease-and-desist orders on such terms and conditions and for such period of time as to the board appears fair and just to any person who is licensed by the board pursuant to this part 1 if such orders are followed by notice and a hearing pursuant to section 12-6-119;

(g) To prescribe the forms to be used for applications for motor vehicle dealers’, motor vehicle salespersons’, used motor vehicle dealers’, wholesale motor vehicle auction dealers’, and wholesalers’ licenses to be issued and to require of such applicants, as a condition precedent to the issuance of such licenses, such information concerning their fitness to be licensed under this part 1 as it may consider necessary. Every application for a motor vehicle dealer's license or used motor vehicle dealer’s license
shall contain, in addition to such information as the board may require, a statement of the following facts:

(I) The name and residence address of the applicant and the trade name, if any, under which such applicant intends to conduct such applicant's business and, if the applicant is a copartnership, the name and residence address of each member thereof, whether a limited or general partner, and the name under which the partnership business is to be conducted and, if the applicant is a corporation, the name of the corporation and the name and address of each of its principal officers and directors;

(II) A complete description, including the city, town, or village, the street and number, if any, of the principal place of business, and such other and additional places of business as shall be operated and maintained by the applicant in conjunction with the principal place of business;

(III) If the application is for a motor vehicle dealer's license, the names of the new motor vehicles that the applicant has been enfranchised to sell or exchange and the name and address of the manufacturer or distributor who has enfranchised the applicant;

(IV) The names and addresses of the persons who shall act as salespersons under the authority of the license, if issued.

(h) To adopt a seal with the words "motor vehicle dealer board" and such other devices as the board may desire engraved thereon by which it shall authenticate the acts of its office;

(i) To require that a motor vehicle dealer's or used motor vehicle dealer's principal place of business and such other sites or locations as may be operated and maintained by such dealers in conjunction with their principal place of business have erected or posted thereon such signs or devices providing information relating to the dealer's name, the location and address of such dealer's principal place of business, the type of license held by the dealer, and the number thereof, as the board shall consider necessary to enable any person doing business with such dealer to identify such dealer properly, and for this purpose to determine the size and shape of such signs or devices, the lettering thereon, and other details thereof and to prescribe rules and regulations for the location thereof;

(j) (I) To conduct or cause to be conducted written examinations as prescribed by the board testing the competency of all first-time applicants for a motor vehicle dealer's license, motor vehicle salesperson's license, used motor vehicle dealer's license, wholesale motor vehicle auction dealer's license, or wholesaler's license;

(II) and (III) (Deleted by amendment, L. 98, p. 592, § 4, effective July 1, 1998.)

(k) (I) To prescribe a form or forms to be used as a part of a contract for the sale of a motor vehicle by any motor vehicle dealer or motor vehicle salesperson, other than a retail installment sales contract subject to the provisions of the "Uniform Consumer Credit Code", articles 1 to 9 of title 5, C.R.S., which shall include the following information in addition to any other disclosures or information required by state or federal law:
(A) In twelve-point bold-faced type or a size at least three points larger than the smallest type appearing in the contract, an instruction that the form is a legal instrument and that, if the purchaser of the motor vehicle does not understand the form, such purchaser should seek legal assistance;

(B) In bold-faced type, of the size specified in sub-subparagraph (A) of this subparagraph (I), an instruction that only those terms in written form embody the contract for sale of a motor vehicle and that any conflicting oral representations made to the purchaser are void;

(C) In bold-faced type, of the size specified in sub-subparagraph (A) of this subparagraph (I), a notice that fraud or misrepresentation in the sale of a motor vehicle is punishable under the laws of this state;

(D) In bold-faced type, of the size specified in sub-subparagraph (A) of this subparagraph (I), if the contract for the sale of a motor vehicle requires a single lump sum payment of the purchase price, a clear disclosure to the purchaser of that fact or, if the contract is contingent upon the approval of credit financing for the purchaser arranged by or through the motor vehicle dealer, in bold-faced type, a statement that the purchaser shall agree to purchase the motor vehicle which is the subject of the sale from the motor vehicle dealer at not greater than a certain annual percentage rate of financing, which annual percentage rate of financing shall be agreed upon by the parties and entered in writing on the contract;

(E) Except as otherwise provided under part 1 of article 1 of title 6, C.R.S., where the purchase price of the motor vehicle is not paid to the motor vehicle dealer in full at the time of consummation of the sale and the purchaser and motor vehicle dealer elect that the motor vehicle dealer shall deliver and the purchaser shall take possession of such motor vehicle at such time, in bold-faced type, a statement that in the event financing cannot be arranged in accordance with the provisions stated in the contract, and the sale is not consummated, the purchaser shall agree to pay a daily rate and a mileage rate for use of the motor vehicle until such time as financing of the purchase price of such motor vehicle is arranged for the obligor by or through the authorized motor vehicle dealer or until the purchase price is paid to the authorized motor vehicle dealer in full by or through the obligor, which daily rate and mileage rate shall be specified and agreed upon by the parties and entered in writing on the contract;

(II) The information required by subparagraph (I) of this paragraph (k) shall be read and initialed by both parties at the time of the consummation of the sale of a motor vehicle;

(III) The use of the contract form required by subparagraph (I) of this paragraph (k) shall be mandatory for the sale of any motor vehicle;

(IV) To require a licensee to include with a consumer sales contract a written notice that provides to the consumer the contact information of the board and information about the board's authority over consumer motor vehicle sales;

(l) (Deleted by amendment, L. 98, p. 592, § 4, effective July 1, 1998.)

(m) (I) (A) If a hearing is held before an administrative law judge or a hearing officer designated by the board from within the board's membership, after due notice and a hearing by such judge or hearing
officer pursuant to section 24-4-105, C.R.S., to review the findings of law and fact and the fairness of any fine imposed and to uphold such fine, to impose an administrative fine upon its own initiative, which shall not exceed ten thousand dollars for each separate offense by any licensee, or to vacate the fine imposed by the judge or hearing officer; except that, for motor vehicle dealers who sell primarily vehicles that weigh under one thousand five hundred pounds, the fine for each separate offense shall not exceed one thousand dollars. Whenever a hearing is heard by an administrative law judge, the maximum fine that may be imposed is ten thousand dollars for each separate offense by any person licensed by the board pursuant to this part 1; except that, for motor vehicle dealers who sell primarily vehicles that weigh under one thousand five hundred pounds, the fine for each separate offense may not exceed one thousand dollars. Whenever a licensing hearing is conducted by a hearing officer, the sanctions that may be recommended by the hearing officer are limited to the denial or grant of an unrestricted license or a restricted license under such terms as the hearing officer deems appropriate. Whenever a disciplinary hearing is conducted by a hearing officer, the hearing officer may only recommend a probationary period of no more than twelve months, a fine of no more than five hundred dollars, or both such probationary period and fine for each separate violation committed by a person licensed by the board.

(B) The board shall promulgate rules regarding circumstances in which a board member should not act as a hearing officer in a particular matter before the board because of business competition issues connected with the parties involved in such matter.

(ii) The findings of the board pursuant to subparagraph (i) of this paragraph (m) shall be final.

(n) (Deleted by amendment, L. 2007, p. 1578, § 4, effective July 1, 2007.)

(o) (I) To impose a fine of up to one thousand dollars per day per violation for any person found, after notice and hearing pursuant to section 24-4-105, C.R.S., to have violated the provisions of section 12-6-120 (2). For the purposes of this paragraph (o), the address for the notice to be given under section 24-4-105, C.R.S., is the last-known address for the person as indicated in the state motor vehicle records; the last-known address for the owner of the real property upon which motor vehicles are displayed in violation of section 12-6-120 (2) as indicated in the records of the county assessor’s office; or an address for service of process in accordance with rule 4 of the Colorado rules of civil procedure.

(ii) Any person who fails to pay a fine ordered by the board for a violation of section 12-6-120 (2) under this paragraph (o) shall be subject to enforcement proceedings, by the board through the attorney general, in the county or district court pursuant to the Colorado rules of civil procedure. Any fines collected under the provisions of this paragraph (o) shall be disposed of pursuant to section 12-6-123.

(4) The board shall promulgate rules by January 1, 2008, establishing enforcement and compliance standards to ensure that administrative penalties are equitably assessed and commensurate with the seriousness of the violation.

12-6-105. Powers and duties of executive director.
(1) The executive director is hereby charged with the administration, enforcement, and issuance or denial of the licensing of buyer agents, distributors, manufacturer representatives, and motor vehicle manufacturers, and shall have the following powers and duties:

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

(b) To employ, subject to the laws of the state of Colorado and after consultation with the board, an executive secretary for the board. The executive secretary shall be accountable to the board and shall, pursuant to delegation by the board, discharge the responsibilities of the board under this part 1. The executive director may also employ such clerks, deputies, and assistants as the executive director considers necessary to discharge the duties imposed upon the executive director by this part 1 and to designate the duties of such clerks, deputies, and assistants.

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

(d) (I) To investigate upon the executive director's own initiative, upon the written and signed complaint of any person, or upon request by the board pursuant to section 12-6-104 (3) (f) (I), any suspected or alleged violation by any person licensed by the executive director pursuant to this part 1 of any of the terms and provisions of this part 1 or of any rule or regulation promulgated by the executive director under the authority conferred upon the executive director in this section;

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

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

(f) (I) To summarily issue cease-and-desist orders on such terms and conditions and for such period of time as to the executive director appears fair and just to any person who is licensed by the executive director pursuant to this part 1 if such orders are followed by notice and a hearing pursuant to section 12-6-104 (3) (e) (I).
(II) To issue cease-and-desist orders to persons acting as motor vehicle manufacturers without the manufacturer's license required by this part 1.

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

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

(2) In the event any person fails to comply with a cease-and-desist order issued pursuant to this section, the executive director may bring a suit for injunction to prevent any further and continued violation of such order. In any such suit the final proceedings of the executive director, based upon evidence in record, shall be prima facie evidence of the facts found therein.

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

12-6-106. Records as evidence.

Copies of all records and papers in the office of the board or executive director, duly authenticated under the hand and seal of the board or executive director, shall be received in evidence in all cases equally and with like effect as the original thereof.

12-6-107. Attorney general to advise and represent.

1) The attorney general of this state shall represent the board and executive director and shall give opinions on all questions of law relating to the interpretation of this part 1 or arising out of the administration thereof and shall appear for and in behalf of the board and executive director in all actions brought by or against them, whether under the provisions of this part 1 or otherwise.

(2) The board may request the attorney general to make civil investigations and enforce rules and regulations of the board in cases of civil violations and to bring and defend civil suits and proceedings for any of the purposes necessary and proper for carrying out the functions of the board.

12-6-108. Classes of licenses.

(1) Licenses issued under the provisions of this part 1 shall be of the following classes:

(a) Motor vehicle dealer's license shall permit the licensee to engage in the business of selling, exchanging, leasing, or offering new and used motor vehicles, and this form of license shall permit not more than two persons named therein who shall be owners or part owners of the business of the licensee to act as motor vehicle salespersons.
(b) Used motor vehicle dealer's license shall permit the licensee to engage in the business of selling, exchanging, leasing, or offering used motor vehicles only. Such license shall also permit a licensee to negotiate for a consumer the sale, exchange, or lease of used and new motor vehicles not owned by the licensee, except those vehicles defined in section 42-1-102 (55), C.R.S., as motorcycles and section 33-14.5-101 (3), C.R.S., as off-highway vehicles; however, prior to completion of such sale, exchange, or lease of a motor vehicle not owned by the licensee, the licensee shall disclose in writing to the consumer whether the licensee will receive any compensation from the consumer and whether the licensee will receive any compensation from the owner of the motor vehicle as a result of such transaction. If the licensee receives compensation from the owner of the motor vehicle as a result of the transaction, the licensee shall include in the written disclosure the name of such owner from whom the licensee will receive compensation. This form of license shall permit not more than two persons named therein who shall be owners or part owners of the business of the licensee to act as motor vehicle salespersons.

(c) Motor vehicle salesperson's license shall permit the licensee to engage in the activities of a motor vehicle salesperson.

(c.1) (Deleted by amendment, L. 92, p. 1849, § 8, effective July 1, 1992.)

(d) Manufacturer's or distributor's license shall permit the licensee to engage in the activities of a manufacturer, distributor, factory branch, or distributor branch and to sell fire trucks.

(e) Wholesaler's license shall permit the licensee to engage in the activities of a wholesaler.

(f) Manufacturer representative's license shall permit the licensee to engage in the activities of a manufacturer representative.

(g) Buyer agent's license shall permit the licensee to engage in the activities of a buyer agent.

(h) (I) Wholesale motor vehicle auction dealer's license shall permit a licensee to engage in the activities of a wholesale motor vehicle auction dealer if the licensee provides auction services solely in connection with wholesale transactions in which the purchasers are motor vehicle dealers licensed by this state or any other jurisdiction or in connection with the sale of government vehicles to consumers at a time and place that does not conflict with a wholesale motor vehicle auction conducted by that licensee. A wholesale motor vehicle auction dealer shall abide by all laws and rules of the state of Colorado.

(II) A wholesale motor vehicle auction dealer shall maintain a check and title insurance policy for the benefit of such dealer's customers or, alternatively, a wholesale motor vehicle auction dealer shall provide written guarantees of title to such dealer's purchasing customers and written guarantees of payment to such dealer's selling dealers with coverage and exclusions that are customary in check and title insurance policies available to wholesale motor vehicle auction dealers.

(2) Any license issued by the executive director pursuant to law in effect prior to July 1, 1992, shall be valid for the period for which issued.
(3) The licensing requirements of this part 1 do not apply to banks, savings banks, savings and loan associations, building and loan associations, or credit unions or an affiliate or subsidiary of such entities in offering to sell, or in the sale of, a motor vehicle that was subject to a lease or that has been repossessed or foreclosed upon if the repossession or foreclosure is in connection with a loan made or originated in Colorado.

(4) The licensing requirements of this part 1 shall not apply to an insurance company selling or offering to sell a motor vehicle through a motor vehicle dealer or used motor vehicle dealer if the vehicle is obtained by the company as a result of an insurance claim.

12-6-108.5. Temporary motor vehicle dealer license

(1) If a licensed vehicle dealer has entered into a written agreement to sell a dealership to a purchaser and the purchaser has been awarded a new dealership franchise, the board may issue a temporary motor vehicle dealer's license to such purchaser or prospective purchaser. The executive director shall issue the temporary license only after the board has received the applications for both a temporary motor vehicle dealer's license and a motor vehicle dealer's license, the appropriate application fee for the motor vehicle dealer's application, evidence of a passing test score, and evidence that the franchise has been awarded to the applicant by the manufacturer. Such temporary motor vehicle dealer's license shall authorize the licensee to act as a motor vehicle dealer. Such temporary licensees shall be subject to all the provisions of this article and to all applicable rules and regulations adopted by the executive director or the board. Such temporary motor vehicle dealer's license shall be effective for up to sixty days or until the board acts on such licensee's application for a motor vehicle dealer's license, whichever is sooner.

(2) For the purpose of enabling an out-of-state dealer to sell vehicles on a temporary basis during specifically identified events, the executive director may issue, upon direction by the board, a temporary dealer's license which shall be effective for thirty days. Such temporary license shall subject the licensee to compliance with rules and regulations adopted by the executive director or the board.

12-6-109. Display, form, custody, and use of licenses

The board and the executive director shall prescribe the form of the license to be issued by the executive director, and each license shall have imprinted thereon the seal of their offices. The license of each motor vehicle salesperson shall be mailed to the business address where the salesperson is licensed under this article and shall be kept by the salesperson at such salesperson's place of employment for inspection by employers, consumers, the executive director, or the board. It is the duty of each motor vehicle dealer, manufacturer, distributor, wholesaler, manufacturer representative, wholesale motor vehicle auction dealer, or used motor vehicle dealer to display conspicuously such person's own license in such person's place of business. Each license issued pursuant to this part 1 is separate and distinct. It shall be a violation of this part 1 for a person to exercise any of the privileges granted under a license that such person does not hold, or for a licensee to knowingly allow such an exercise of privileges.
12-6-110. Fees - disposition - expenses - expiration of licenses

(1) There shall be collected with each application the fee established pursuant to subsection (5) of this section for each of the following licenses:

(a) (I) Motor vehicle dealer's or used motor vehicle dealer's license;

(II) Motor vehicle dealer's or used motor vehicle dealer's license, for each place of business in addition to the principal place of business;

(III) Renewal or reissue of motor vehicle dealer's or used motor vehicle dealer's license after change in location or lapse in principal place of business;

(b) Manufacturer's license;

(c) Distributor's license;

(d) Wholesaler's license;

(e) (Deleted by amendment, L. 2003, p. 1302, § 5, effective April 22, 2003.)

(f) Manufacturer representative's license;

(g) Motor vehicle salesperson's license including, but not limited to, reissuing a license;

(h) (Deleted by amendment, L. 92, p. 1851, § 11, effective July 1, 1992.)

(i) Buyer agent's license;

(j) Wholesale motor vehicle auction dealer's license.

(2) All such fees shall be paid to the state treasurer who shall credit the same to the auto dealers license fund.

(2.5) If an application for a buyer agent's, motor vehicle dealer's, used motor vehicle dealer's, wholesaler's, or salesperson's license is withdrawn by the applicant prior to issuance of the license, one-half of the license fee shall be refunded.

(3) (a) Such licenses, if the same have not been suspended or revoked as provided in this part 1, shall be valid until one year following the month of issuance thereof and shall then expire; except that any license issued under this part 1 shall expire upon the voluntary surrender thereof or upon the abandonment of the licensee's place of business for a period of more than thirty days.

(b) Thirty days prior to the expiration of such licenses, the executive director shall mail to any such licensee's business address of record a notice stating when such person's license is due to expire and the fee necessary to renew such license. For a salesperson or manufacturer representative, the notice shall be mailed to the address of the dealer or manufacturer where such person is licensed.
(c) Upon the expiration of such license, unless suspended or revoked, the same may be renewed upon the payment of the fees specified in this section, which shall accompany applications, and such renewal shall be made from year to year as a matter of right; except that, if a motor vehicle dealer, used motor vehicle dealer, or wholesaler voluntarily surrenders its license or abandons its place of business for a period of more than thirty days, the licensee is required to file a new application to renew its license.

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

(e) Notwithstanding paragraph (a) of this subsection (3), a person has a thirty-day grace period after his or her license expires, and the person may renew the license within such thirty days pursuant to paragraph (c) of this subsection (3), so long as the person has a bond in full force and effect that complies with the applicable bonding requirements of section 12-6-111, 12-6-112, or 12-6-112.2 during such thirty-day period. A person applying during the thirty-day grace period shall pay a late fee established pursuant to subsection (5) of this section.

(4) (Deleted by amendment, L. 92, p. 1851, § 11, effective July 1, 1992.)

(5) (a) The board shall propose, as part of its annual budget request, an adjustment in the amount of each fee which the board is authorized by law to collect. The budget request and the adjusted fees for the board shall reflect direct and indirect costs.

(b) Based upon the appropriation made and subject to the approval of the executive director, the board shall adjust the fees collected by the executive director so that the revenue generated from said fees covers the direct and indirect costs of administering this article. Such fees shall remain in effect for the fiscal year for which the appropriation is made.

(c) Whenever moneys appropriated to the board for its activities for the prior fiscal year are unexpended, said moneys shall be made a part of the appropriation to the board for the next fiscal year, and such amount shall not be raised from fees collected by the board or the executive director. If a supplemental appropriation is made to the board for its activities, the fees of the board and the executive director, when adjusted for the fiscal year next following that in which the supplemental appropriation was made, shall be adjusted by an additional amount which is sufficient to compensate for such supplemental appropriation. Moneys appropriated to the board in the annual general appropriation bill shall be from the fund provided in section 12-6-123.

12-6-111. Bond of licensee.

(1) Before any motor vehicle dealer's, wholesaler's, wholesale motor vehicle auction dealer's, or used motor vehicle dealer's license shall be issued by the board through the executive director to any applicant therefor, the said applicant shall procure and file with the board evidence of a savings account, deposit, or certificate of deposit meeting the requirements of section 11-35-101, C.R.S., or a good and sufficient bond with corporate surety thereon duly licensed to do business within the state, approved as to form by the attorney general of the state, and conditioned that said applicant shall not practice fraud,
make any fraudulent representation, or violate any of the provisions of this part 1 that are designated by
the board by rule in the conduct of the business for which such applicant is licensed. A motor vehicle
dealer or used motor vehicle dealer shall not be required to furnish an additional bond, savings account,
deposit, or certificate of deposit under this section if such dealer furnishes a bond, savings account,
deposit, or certificate of deposit under section 12-6-512.

(2) (a) The purpose of the bond procured by the applicant pursuant to subsection (1) of this section and
section 12-6-112.2 (1) is to provide for the reimbursement for any loss or damage suffered by any retail
consumer caused by violation of this part 1 by a motor vehicle dealer, used motor vehicle dealer,
wholesale motor vehicle auction dealer, or wholesaler. For a wholesale transaction, the bond is available
to each party to the transaction; except that, if a retail consumer is involved, such consumer shall have
priority to recover from the bond. The amount of the bond shall be fifty thousand dollars for a motor
vehicle dealer applicant, used motor vehicle dealer applicant, wholesale motor vehicle auction dealer
applicant, or wholesaler applicant except the amount of the bond shall be five thousand dollars for
those dealers who sell only small utility trailers that weigh less than two thousand pounds. The
aggregate liability of the surety for all transactions shall not exceed the amount of the bond, regardless
of the number of claims or claimants.

(b) No corporate surety shall be required to make any payment to any person claiming under such bond
until a final determination of fraud or fraudulent representation has been made by the board or by a
court of competent jurisdiction.

(3) All bonds required pursuant to this section shall be renewed annually at such time as the
bondholder's license is renewed. Such renewal may be done through a continuation certificate issued by
the surety.

(4) Nothing in this part 1 shall interfere with the authority of the courts to administer and conduct an
interpleader action for claims against a licensee's bond.

12-6-112. Motor vehicle salesperson's bond.

(1) Before any motor vehicle salesperson's license is issued by the board through the executive director
to any applicant therefor, the applicant shall procure and file with the board evidence of a savings
account, deposit, or certificate of deposit meeting the requirements of section 11-35-101, C.R.S., or a
good and sufficient bond in the amount of fifteen thousand dollars with corporate surety thereon duly
licensed to do business within the state, approved as to form by the attorney general of the state, and
conditioned that said applicant shall perform in good faith as a motor vehicle salesperson without fraud
or fraudulent representation and without the violation of any of the provisions of this part 1 that are
designated by the board by rule. A motor vehicle salesperson shall not be required to furnish an
additional bond, savings account, deposit, or certificate of deposit under this section if such dealer
furnishes a bond, savings account, deposit, or certificate of deposit under section 12-6-513.
(2) No corporate surety shall be required to make any payment to any person claiming under such bond until a final determination of fraud or fraudulent representation has been made by the board or by a court of competent jurisdiction.

(3) All bonds required pursuant to this section shall be renewed annually at such time as the bondholder's license is renewed. Such renewal may be done through a continuation certificate issued by the surety.

12-6-112.2. Buyer agent bonds.

(1) A buyer agent's license shall not be issued by the executive director to any applicant therefor until said applicant procures and files with the executive director evidence of a savings account, deposit, or certificate of deposit meeting the requirements of section 11-35-101, C.R.S., or a good and sufficient bond in the amount of five thousand dollars with a corporate surety duly licensed to do business within the state and approved as to form by the attorney general. The bond shall be available to ensure that said applicant shall perform in good faith as a buyer agent without fraud or fraudulent representation and without violating any of the provisions of this part 1 that are designated by the executive director by rule.

(2) All bonds required pursuant to this section shall be renewed annually at such time as the bondholder's license is renewed. Such renewal may be done through a continuation certificate issued by the surety.

(3) No corporate surety shall be required to make any payment to any person claiming under such bond until a final determination of fraud or fraudulent representation has been made by the executive director or by a court of competent jurisdiction.

12-6-112.7. Notice of claims honored against bond

(1) Any corporate surety which has provided a bond to a licensee pursuant to the requirements of section 12-6-111, 12-6-112, or 12-6-112.2 shall provide notice to the board and executive director of any claim which is honored against such bond. Such notice shall be provided to the board and executive director within thirty days after a claim is honored.

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

12-6-113. Testing licensees.

Persons applying for a motor vehicle dealer's, used motor vehicle dealer's, wholesaler's, wholesale motor vehicle auction dealer's, or motor vehicle salesperson's license under this part 1 shall be examined for their knowledge of the motor vehicle laws of the state of Colorado and the rules promulgated pursuant to this part 1. If the applicant is a corporation, the managing officer shall take
such examination, and, if the applicant is a partnership, all the general partners shall take such examination. No license shall be issued except upon successful passing of the examination. The board shall implement by January 1, 2008, a psychometrically valid and reliable salesperson examination that measures the minimum level of competence necessary to practice. This section shall not apply to a powersports vehicle dealer, used powersports vehicle dealer, or powersports salesperson licensed pursuant to part 5 of this article.

12-6-114. Filing of written warranties.

All licensed manufacturers shall file with the executive director all written warranties and changes in written warranties that such manufacturer makes on any motor vehicle or parts thereof. All licensed manufacturers shall file with the executive director a copy of the delivery and preparation obligations of a manufacturer's dealer, and these warranties and obligations shall constitute the dealer's only responsibility for product liability as between the dealer and the manufacturer. Any mechanical, body, or parts defects arising from any express or implied warranties of the manufacturer shall constitute the manufacturer's product or warranty liability, and the manufacturer shall reasonably compensate any authorized dealer who performs work to rectify said manufacturer's product or warranty defects.

12-6-115. Application - prelicensing education - rules

(1) Application for a motor vehicle dealer's, motor vehicle salesperson's, used motor vehicle dealer's, wholesale motor vehicle auction dealer's, or wholesaler's license shall be made to the board.

(2) Application for distributor's, manufacturer representative's, or manufacturer's licenses shall be made to the executive director.

(3) All fees for licenses shall be paid at the time of the filing of application for license.

(4) All persons applying for a motor vehicle dealer's license shall file with the board a certified copy of a certificate of appointment as a dealer from a manufacturer.

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

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

(II) File evidence of the appointment of an agent for process in the state of Colorado.

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

(6) All persons applying for a motor vehicle dealer's license, a used motor vehicle dealer's license, a wholesaler's license, a motor vehicle auctioneer's license, or a motor vehicle salesman's license shall file
with the board a good and sufficient instrument in writing in which he shall appoint the secretary of the board as the true and lawful agent of said applicant upon whom all process may be served in any action which may thereafter be commenced against said applicant arising out of any claim for damages suffered by any firm, person, association, or corporation by reason of the violation of said applicant of any of the terms and provisions of this part 1 or any condition of the applicant's bond.

(7) (a) A person applying for a used motor vehicle dealer's license, a wholesale motor vehicle auction dealer's license, or a wholesaler's license shall file with the board a certification that the applicant has met the educational requirements for licensure under this subsection (7). This subsection (7) shall not apply to a person who has held a license within the last three years as a motor vehicle dealer, used motor vehicle dealer, wholesaler, wholesale motor vehicle auction dealer, powersports vehicle dealer, or used powersports vehicle dealer under this part 1 or part 5 of this article.

(b) An applicant for a used motor vehicle dealer’s license, a wholesale motor vehicle auction dealer's license, or a wholesaler's license shall not be licensed unless one of the following persons has completed an eight-hour prelicensing education program:

(I) The managing officer if the applicant is a corporation or limited liability company;

(II) All of the general partners if the applicant is any form of partnership; or

(III) The owner or managing officer if the applicant is a sole proprietorship.

(c) The prelicensing education program shall include, without limitation, state and federal statutes and rules governing the sale of motor vehicles.

(d) A prelicensing education program shall not fulfill the requirements of this section unless approved by the board. The board shall approve any program with a curriculum that reasonably covers the material required by this section within eight hours.

(e) The board may adopt rules establishing reasonable fees to be charged for the prelicensing education program.

(f) The board may adopt reasonable rules to implement this section, including, without limitation, rules that govern:

(I) The content and subject matter of education;

(II) The criteria, standards, and procedures for the approval of courses and course instructors;

(III) The training facility requirements; and

(IV) The methods of instruction.

(g) An approved prelicensing program provider shall issue a certificate to a person who successfully completes the approved prelicensing education program. The current certificate of completion, or a copy of the certificate, shall be posted conspicuously at the dealership's principal place of business.
(h) An approved prelicensing program provider shall submit a certificate to the executive director for each person who successfully completes the prelicensing education program. The certificate may be transmitted electronically.

12-6-116. Notice of change of address or status.

(1) The board, through the executive director, shall not issue a motor vehicle dealer's license or used motor vehicle dealer's license to any applicant therefor who has no principal place of business as is defined in this part 1. Should the motor vehicle dealer or used motor vehicle dealer change the site or location of such dealer's principal place of business, such dealer shall immediately upon making such change so notify the board in writing, and thereupon a new license shall be granted for the unexpired portion of the term of such license at a fee established pursuant to section 12-6-110. Should a motor vehicle dealer or used motor vehicle dealer, for any reason whatsoever, cease to possess a principal place of business, as defined in this part 1, from and on which such dealer conducts the business for which such dealer is licensed, such dealer shall immediately so notify in writing the board and, upon demand therefor by the board, shall deliver to it such dealer's license, which shall be held and retained until it appears to the board that such licensee again possesses a principal place of business; whereupon, such dealer's license shall be reissued. Nothing in this part 1 shall be construed to prevent a motor vehicle dealer or used motor vehicle dealer from conducting the business for which such dealer is licensed at one or more sites or locations not contiguous to such dealer's principal place of business but operated and maintained in conjunction therewith.

(2) Should the motor vehicle dealer change to a new line of motor vehicles, add another franchise for the sale of new motor vehicles, or cancel or, for any cause whatever, otherwise lose a franchise for the sale of new motor vehicles, such dealer shall immediately so notify the board. In the case of a cancellation or loss of franchise, the board shall determine whether or not by reason thereof such dealer should be licensed as a used motor vehicle dealer, in which case the board shall take up and the motor vehicle dealer shall deliver to it such dealer's license, and the board shall direct the executive director to thereupon issue to such dealer a used motor vehicle dealer's license. Upon the cancellation or loss of a franchise to sell new motor vehicles and the relicensing of such dealer as a used motor vehicle dealer, such dealer may continue in the business for which a motor vehicle dealer is licensed for a time, not exceeding six months from the date of the relicensing of such dealer, to enable such dealer to dispose of the stock of new motor vehicles on hand at the time of such relicensing, but not otherwise.

(3) If a motor vehicle salesperson is discharged, leaves an employer, or changes a place of employment, the motor vehicle dealer or used motor vehicle dealer who last employed the salesperson shall confiscate and return such salesperson's license to the board. Upon being reemployed as a motor vehicle salesperson, the motor vehicle salesperson shall notify the board. Upon receiving such notification, the board shall issue a new license for the unexpired portion of such returned license after collecting a fee set pursuant to section 12-6-110 (5). It shall be unlawful for such salesperson to act as a motor vehicle salesperson until a new license is procured.
(4) Should a wholesaler, for any reason whatsoever, change such wholesaler's place of business or business address during any license year, such wholesaler shall immediately so notify the board.

(5) Any wholesale motor vehicle auction dealer who changes a place of business or business address during any license year shall notify the board immediately of such dealer's new business address.

12-6-117. Principal place of business - requirements.

(1) The building or structure required to be located on a principal place of business shall have electrical service and adequate sanitary facilities.

(2) (a) In no event shall a room in a hotel, rooming house, or apartment house building or a part of any single or multiple unit dwelling house be considered a "principal place of business" within the terms and provisions of this part 1, unless the entire ground floor of such hotel, apartment house, or rooming house building or such dwelling house is devoted principally to and occupied for commercial purposes and the office of the dealer is located on the ground floor thereof.

(b) A motor vehicle dealer who operates such motor vehicle dealer's business from his or her primary residence and who has been a resident of Colorado for the immediately preceding twelve-month period and is a motor vehicle dealer only because such dealer sells custom trailers for one or more manufacturers and maintains an inventory of fewer than four vehicles at all times shall be exempt from paragraph (a) of this subsection (2). Any motor vehicle dealer who is issued dealer plates in accordance with this paragraph (b) pursuant to section 42-3-116, C.R.S., shall only use such plates on trailers.

(3) Repealed.

(4) Nothing in this section shall be construed to exempt a motor vehicle dealer from local zoning ordinances.

12-6-118. Licenses - grounds for denial, suspension, or revocation.

(1) A manufacturer's or distributor's license may be denied, suspended, or revoked on the following grounds:

(a) (Deleted by amendment, L. 92, p. 1857, § 20, effective July 1, 1992.)

(b) Material misstatement in an application for a license;

(c) Willful failure to comply with this part 1, including the right of first refusal created in section 12-6-120.3 (5), or any rule or regulation promulgated by the executive director;

(d) Engaging, in the past or present, in any illegal business practice.

(2) A manufacturer representative's license may be denied, suspended, or revoked on the following grounds:

(a) (Deleted by amendment, L. 92, p. 1857, § 20, effective July 1, 1992.)
(b) Material misstatement in an application for a license;

(c) Willful failure to comply with any provision of this part 1 or any rule or regulation promulgated by the executive director under this part 1;

(d) Having indulged in any unconscionable business practice pursuant to title 4, C.R.S.;

(e) Having coerced or attempted to coerce any motor vehicle dealer to accept delivery of any motor vehicle, parts or accessories therefor, or any other commodities or services which have not been ordered by said dealer;

(f) Having coerced or attempted to coerce any motor vehicle dealer to enter into any agreement to do any act unfair to said dealer by threatening to cause the cancellation of the franchise of said dealer;

(g) Having withheld, threatened to withhold, reduced, or delayed without just cause an order for motor vehicles, parts or accessories therefor, or any other commodities or services which have been ordered by a motor vehicle dealer;

(h) Engaging, in the past or present, in any illegal business practice.

(3) A motor vehicle dealer's, wholesale motor vehicle auction dealer's, wholesaler's, buyer agent's, or used motor vehicle dealer's license may be denied, suspended, or revoked on the following grounds:

(a) (Deleted by amendment, L. 92, p. 1857, § 20, effective July 1, 1992.)

(b) Material misstatement in an application for a license;

(c) Violation of any of the terms and provisions of this part 1 or any rule or regulation promulgated by the board under this part 1;

(d) Having been convicted of or pled nolo contendere to any felony, or any crime pursuant to article 3, 4, or 5 of title 18, C.R.S., or any like crime pursuant to federal law or the law of any other state. A certified copy of the judgment of conviction by a court of competent jurisdiction shall be conclusive evidence of such conviction in any hearing held pursuant to this article.

(e) Defrauding any buyer, seller, motor vehicle salesperson, or financial institution to such person's damage;

(f) Intentional or negligent failure to perform any written agreement with any buyer or seller;

(g) Failure or refusal to furnish and keep in force any bond required under this part 1;

(h) Having made a fraudulent or illegal sale, transaction, or reposition;

(i) Willful misrepresentation, circumvention, or concealment of or failure to disclose, through whatsoever subterfuge or device, any of the material particulars or the nature thereof required to be stated or furnished to the buyer;
(j) Repealed.

(k) To intentionally publish or circulate any advertising which is misleading or inaccurate in any material particular or which misrepresents any of the products sold or furnished by a licensed dealer;

(l) To knowingly purchase, sell, or otherwise acquire or dispose of a stolen motor vehicle;

(m) For any licensed motor vehicle dealer or used motor vehicle dealer to engage in the business for which such dealer is licensed without at all times maintaining a principal place of business as required by this part 1 during reasonable business hours;

(n) Engaging in such business through employment of an unlicensed motor vehicle salesperson;

(o) To willfully violate any state or federal law respecting commerce or motor vehicles, or any lawful rule or regulation respecting commerce or motor vehicles promulgated by any licensing or regulating authority pertaining to motor vehicles, under circumstances in which the act constituting the violation directly and necessarily involves commerce or motor vehicles;

(p) (Deleted by amendment, L. 92, p. 1857, § 20, effective July 1, 1992.)

(q) Repealed.

(r) Representing or selling as a new and unused motor vehicle any motor vehicle which the dealer or salesperson knows has been used and operated for demonstration purposes or which the dealer or salesperson knows is otherwise a used motor vehicle;

(s) Violating any state or federal statute or regulation issued thereunder dealing with odometers;

(t) (I) Selling to a retail customer a motor vehicle which is not equipped or in proper condition and adjustment as required by part 2 of article 4 of title 42, C.R.S., unless such vehicle is sold as a tow away, not to be driven;

(II) Repealed.

(t.1) Repealed.

(u) Committing a fraudulent insurance act pursuant to section 10-1-128, C.R.S.;

(v) Failure to give notice to a prospective buyer of the acceptance or rejection of a motor vehicle purchase order agreement within a reasonable time period, as determined by the board, when the licensee is working with the prospective buyer on a finance sale or a consignment sale.

(4) A wholesaler's or wholesale motor vehicle auction dealer's license may be denied, suspended, or revoked for the selling, leasing, or offering or attempting to negotiate the sale, lease, or exchange of an interest in motor vehicles by such wholesaler or wholesale motor vehicle auction dealer to persons other than motor vehicle dealers, used motor vehicle dealers, or other wholesalers or wholesale motor vehicle auction dealers.
(5) The license of a motor vehicle salesperson may be denied, revoked, or suspended on the following grounds:

(a) (Deleted by amendment, L. 92, p. 1857, § 20, effective July 1, 1992.)

(b) Material misstatement in an application for a license;

(c) Failure to comply with any provision of this part 1 or any rule or regulation promulgated by the board or executive director under this part 1;

(d) To engage in the business for which such licensee is licensed without having in force and effect a good and sufficient bond with corporate surety as provided in this part 1;

(e) To intentionally publish or circulate any advertising which is misleading or inaccurate in any material particular or which misrepresents any motor vehicle products sold or attempted to be sold by such salesperson;

(f) Having indulged in any fraudulent business practice;

(g) Selling, offering, or attempting to negotiate the sale, exchange, or lease of motor vehicles for any motor vehicle dealer or used motor vehicle dealer for which such salesperson is not licensed; except that negotiation with a motor vehicle dealer for the sale, exchange, or lease of new and used motor vehicles, except those vehicles defined in section 42-1-102 (55), C.R.S., as motorcycles and section 33-14.5-101 (3), C.R.S., as off-highway vehicles, by a salesperson compensated for said negotiation by the used motor vehicle dealer for which such salesperson is licensed shall not be grounds for denial, revocation, or suspension;

(h) Representing oneself as a salesperson for any motor vehicle dealer or used motor vehicle dealer when such salesperson is not so employed and licensed;

(i) (Deleted by amendment, L. 92, p. 1857, § 20, effective July 1, 1992.)

(j) Having been convicted of or pled nolo contendere to any felony, or any crime pursuant to article 3, 4, or 5 of title 18, C.R.S., or any like crime pursuant to federal law or the law of any other state. A certified copy of the judgment of conviction by a court of competent jurisdiction shall be conclusive evidence of such conviction in any hearing held pursuant to this article.

(k) Having knowingly purchased, sold, or otherwise acquired or disposed of a stolen motor vehicle;

(l) Employing an unlicensed motor vehicle salesperson;

(m) Violating any state or federal statute or regulation issued thereunder dealing with odometers;

(n) Defrauding any retail buyer to such person’s damage;
(o) Representing or selling as a new and unused motor vehicle any motor vehicle which the salesperson knows has been used and operated for demonstration purposes or which the salesperson knows is otherwise a used motor vehicle;

(p) (I) Selling to a retail customer a motor vehicle which is not equipped or in proper condition and adjustment as required by part 2 of article 4 of title 42, C.R.S., unless such vehicle is sold as a tow away, not to be driven;

(II) Repealed.

(p.1) Repealed.

(q) Willfully violating any state or federal law respecting commerce or motor vehicles, or any lawful rule or regulation respecting commerce or motor vehicles promulgated by any licensing or regulating authority pertaining to motor vehicles, under circumstances in which the act constituting the violation directly and necessarily involves commerce or motor vehicles;

(r) Improperly withholding, misappropriating, or converting to such salesperson’s own use any money belonging to customers or other persons, received in the course of employment as a motor vehicle salesperson.

(6) Any license issued pursuant to this part 1 may be denied, revoked, or suspended if unfitness of such licensee or licensee applicant is shown in the following:

(a) The licensing character or record of the licensee or licensee applicant;

(b) The criminal character or record of the licensee or licensee applicant;

(c) The financial character or record of the licensee or licensee applicant;

(d) Violation of any lawful order of the board.

(7) (a) Any license issued or for which an application has been made pursuant to this part 1 shall be revoked or denied if the licensee or applicant has been convicted of or pleaded no contest to any of the following offenses in this state or any other jurisdiction during the previous ten years:

(I) A felony in violation of article 3, 4, or 5 of title 18, C.R.S., or any similar crime under federal law or the law of any other state; or

(II) A crime involving odometer fraud, salvage fraud, motor vehicle title fraud, or the defrauding of a retail consumer in a motor vehicle sale or lease transaction.

(b) A certified copy of a judgment of conviction by a court of competent jurisdiction of an offense under paragraph (a) of this subsection (7) is conclusive evidence of such conviction in any hearing held pursuant to this article.

12-6-119. Procedure for denial, suspension, or revocation of license - judicial review.
The denial, suspension, or revocation of licenses issued under this part 1 shall be in accordance with the provisions of sections 24-4-104 and 24-4-105, C.R.S.; except that the discovery available under rule 26(b)(2) of the Colorado rules of civil procedure is available in any proceeding.

(2) (a) (I) The board shall appoint an administrative law judge pursuant to part 10 of article 30 of title 24, C.R.S., to conduct any hearing concerning the licensing or discipline of a motor vehicle dealer, used motor vehicle dealer, wholesaler, buyer's agent, or wholesale motor vehicle auction dealer; except that the board may, upon a unanimous vote of the members present when the vote is taken, conduct the hearing in lieu of appointing an administrative law judge.

(II) Beginning July 1, 2008, the board shall issue an annual report to the executive director detailing the number of hearings held pursuant to this paragraph (a) and the number of such hearings conducted by the board. If the board conducts greater than forty percent of the hearings, the executive director shall analyze the hearing procedures and acts and issue a report to the general assembly, which shall include any recommendations of the executive director.

(b) The board shall assign a hearing concerning the licensing or discipline of a motor vehicle salesperson to the executive director who shall appoint an officer to conduct a hearing.

(3) Hearings conducted before an administrative law judge shall be in accordance with the rules of procedure of the office of administrative courts. Hearings conducted before an officer appointed by the executive director shall be in accordance with the rules of procedure established by the executive director.

(4) The board may summarily suspend a licensee required to post a bond under this article if such licensee does not have a bond in full force and effect as required by this article. The suspension shall become effective upon the earlier of the licensee receiving notice of the suspension or within three days after the notice of suspension is mailed to a licensee's last-known address on file with the board. The notice may be effected by certified mail or personal delivery.

(5) The court of appeals shall have initial jurisdiction to review all final actions and orders that are subject to judicial review of the board. Such proceedings shall be conducted in accordance with section 24-4-106 (11), C.R.S.

12-6-119.5. Sales activity following license denial, suspension, or revocation - unlawful act - penalty.

(1) (a) It shall be unlawful and a violation of this part 1 for any person whose motor vehicle dealer's, used motor vehicle dealer's, motor vehicle wholesaler's, or motor vehicle salesperson's license has been denied, suspended, or revoked to exercise any of the privileges of the license that was denied, suspended, or revoked.

(b) A violation of paragraph (a) of this subsection (1) shall be punishable in accordance with section 12-6-121; except that a second or subsequent violation of said paragraph (a) shall be a class 6 felony.

(c) In any trial for a violation of paragraph (a) of this subsection (1):
(I) A duly authenticated copy of the board's order of denial, suspension, or revocation shall constitute prima facie evidence of such denial, suspension, or revocation;

(II) A duly authenticated invoice, buyer's order, or other customary, written sales or purchase document or instrument proven to be signed by the defendant and indicating the defendant's role in the purchase or sale of a motor vehicle at any motor vehicle auction, wholesale motor vehicle sales location, or retail motor vehicle sales location, as applicable, shall constitute prima facie evidence of the defendant's exercise of a privilege of licensure;

(III) It shall be an affirmative defense that the defendant bought or sold a motor vehicle that was, at all relevant times, intended for the defendant's own use and not bought or sold for the purpose of profit or gain; and

(IV) The fact that the defendant has a motor vehicle dealer's, used motor vehicle dealer's, motor vehicle wholesaler's, or motor vehicle salesperson's license, or any other license to buy and sell motor vehicles, that is issued by a state or jurisdiction other than Colorado shall not constitute a defense.

(2) Upon the defendant's conviction by entry of a plea of guilty or nolo contendere or judgment or verdict of guilt in connection with a violation of paragraph (a) of subsection (1) of this section or of section 12-6-120 (2) or 42-6-142 (1), C.R.S., the court shall immediately give the executive director written notice of such conviction. In addition, the court shall forward to the executive director copies of documentation of any conviction on a lesser included offense and any amended charge, plea bargain, deferred prosecution, deferred sentence, or deferred judgment in connection with the original charge.

(3) Upon receiving notice of a conviction or other disposition pursuant to subsection (2) of this section, the executive director or his or her designee shall forward such notice to the motor vehicle dealer board, which shall immediately examine its files to determine whether in fact the defendant's license was denied, suspended, or revoked at the time of the offense to which the conviction or other disposition relates. If in fact the defendant's license was denied, suspended, or revoked at the time of such offense, the board:

(a) Shall not issue or reinstate any license to the defendant until one year after the time the defendant would otherwise have been eligible to receive a new or reinstated license; and

(b) Shall revoke or suspend any other licenses held by the defendant until at least one year after the date of the conviction or other disposition.

12-6-120. Unlawful acts.

(1) It is unlawful and a violation of this part 1 for any manufacturer, distributor, or manufacturer representative:

(a) To willfully fail to perform or cause to be performed any written warranties made with respect to any motor vehicle or parts thereof;
(b) To coerce or attempt to coerce any motor vehicle dealer to perform or allow to be performed any act that could be financially detrimental to the dealer or that would impair the dealer's goodwill or to enter into any agreement with a manufacturer or distributor that would be financially detrimental to the dealer or impair the dealer's goodwill, by threatening to cancel or not renew any franchise between a manufacturer or distributor and said dealer;

(c) To coerce or attempt to coerce any motor vehicle dealer to accept delivery of any motor vehicle, parts or accessories therefor, or any commodities or services which have not been ordered by said dealer;

(d) (I) To cancel or cause to be canceled, directly or indirectly, without just cause, the franchise of any motor vehicle dealer, and the nonrenewal of a franchise or selling agreement without just cause is a violation of this paragraph (d) and shall constitute an unfair cancellation.

(II) As used in this paragraph (d), "just cause" shall be determined in the context of all circumstances surrounding the cancellation or nonrenewal, including but not limited to:

(A) The amount of business transacted by the motor vehicle dealer;

(B) The investments necessarily made and obligations incurred by the motor vehicle dealer, including but not limited to goodwill, in the performance of its duties under the franchise agreement, together with the duration and permanency of such investments and obligations;

(C) The potential for harm to consumers as a result of disruption of the business of the motor vehicle dealer;

(D) The motor vehicle dealer's failure to provide adequate service of facilities, equipment, parts, and qualified service personnel;

(E) The motor vehicle dealer's failure to perform warranty work on behalf of the manufacturer, subject to reimbursement by the manufacturer; and

(F) The motor vehicle dealer's failure to substantially comply, in good faith, with requirements of the franchise that are determined to be reasonable and material.

(III) The following conduct by a motor vehicle dealer shall constitute just cause for termination without consideration of other factors:

(A) Conviction of, or a plea of guilty or nolo contendere to, a felony;

(B) A continuing pattern of fraudulent conduct against the manufacturer or consumers; or

(C) Continuing failure to operate for ten days or longer.

(e) To withhold, reduce, or delay unreasonably or without just cause delivery of motor vehicles, motor vehicle parts and accessories, commodities, or moneys due motor vehicle dealers for warranty work done by any motor vehicle dealer;
(f) To withhold, reduce, or delay unreasonably or without just cause services contracted for by motor vehicle dealers;

(g) To coerce any motor vehicle dealer to provide installment financing with a specified financial institution;

(h) To violate any duty imposed by, or fail to comply with, any provision of section 12-6-120.3, 12-6-120.5, or 12-6-120.7;

(i) (I) To fail to provide to the motor vehicle dealer, within twenty days after receipt of a notice of intent from a motor vehicle dealer, the list of documents and information necessary to approve the sale or transfer of the ownership of a dealership by sale of the business or by stock transfer or the change in executive management of the dealership;

(II) To fail to confirm within twenty days after receipt of all documents and information listed in subparagraph (I) of this paragraph (i) that such documentation and information has been received;

(III) To refuse to approve, unreasonably, the sale or transfer of the ownership of a dealership by sale of the business or by stock transfer within sixty days after the manufacturer has received all documents and information necessary to approve the sale or transfer of ownership, or to refuse to approve, unreasonably, the change in executive management of the dealership within sixty days after the manufacturer has received all information necessary to approve the change in management; except that nothing in this part 1 shall authorize the sale, transfer, or assignment of a franchise or a change of the principal operator without the approval of the manufacturer or distributor unless the manufacturer or distributor fails to send notice of the disapproval within sixty days after receiving all documents and information necessary to approve the sale or transfer of ownership; or

(IV) To condition the sale, transfer, relocation, or renewal of a franchise agreement, or to condition sales, services, parts, or finance incentives, upon site control or an agreement to renovate or make improvements to a facility; except that voluntary acceptance of such conditions by the dealer shall not constitute a violation;

(j) (I) To fail or refuse to offer to its same line-make franchised dealers all models manufactured for that line-make except as a result of a strike or labor difficulty, lack of manufacturing capacity, shortage of materials, freight embargo, or other cause over which the manufacturer has no control; or

(II) To require a dealer to pay an unreasonable fee, purchase unreasonable advertising displays or other materials, or comply with unreasonable training or facilities requirements as a prerequisite to receiving any particular model of that same line-make. For purposes of this subparagraph (II), reasonableness shall be judged based on the circumstances of the individual dealer and the conditions of the market served by the dealer.

(III) This paragraph (j) shall not apply to manufacturers of recreational vehicles nor to manufacturers of vehicles with a passenger capacity of thirty-two or more.
(k) To require, coerce, or attempt to coerce any motor vehicle dealer to refrain from participation in the management of, investment in, or acquisition of any other line-make of new motor vehicles or related products; except that this paragraph (k) shall not apply unless the motor vehicle dealer:

(I) Maintains a reasonable line of credit for each make or line of new motor vehicle;

(II) Remains in compliance with reasonable capital standards and reasonable facilities requirements specified by the manufacturer; except that "reasonable facilities requirements" shall not include a requirement that a motor vehicle dealer establish or maintain exclusive facilities, personnel, or display space; and

(III) Provides written notice to the manufacturer, distributor, or manufacturer's representative, no less than ninety days prior to the dealer's intent to participate in the management of, investment in, or acquisition of another line-make of new motor vehicles or related products;

(l) (I) To fail to pay to a motor vehicle dealer, within ninety days after the termination, cancellation, or nonrenewal of a franchise, all of the following:

(A) The dealer cost, plus any charges made by the manufacturer for distribution, delivery, and taxes, less all allowances paid or credited to the motor vehicle dealer by the manufacturer, of unused, undamaged, and unsold motor vehicles in the motor vehicle dealer's inventory that were acquired from the manufacturer or from another motor vehicle dealer of the same line-make in the ordinary course of business within the previous twelve months;

(B) The dealer cost, less all allowances paid or credited to the motor vehicle dealer by the manufacturer, for all unused, undamaged, and unsold supplies, parts, and accessories in original packaging and listed in the manufacturer's current parts catalog;

(C) The fair market value of each undamaged sign owned by the motor vehicle dealer and bearing a common name, trade name, or trademark of the manufacturer if acquisition of such sign was required by the manufacturer;

(D) The fair market value of all special tools and equipment that were acquired from the manufacturer or from sources approved and required by the manufacturer and that are in good and usable condition, excluding normal wear and tear; and

(E) The cost of transporting, handling, packing, and loading the motor vehicles, supplies, parts, accessories, signs, special tools, equipment, and furnishings described in this paragraph (l).

(II) This paragraph (l) shall only apply to manufacturers of recreational vehicles in cases where the manufacturer terminates, cancels, or fails to renew the recreational vehicle dealer franchise; and this paragraph (l) shall not apply to manufacturers of vehicles with a passenger capacity of thirty-two or more.
(m) To require, coerce, or attempt to coerce any motor vehicle dealer to close or change the location of the motor vehicle dealer, or to make any substantial alterations to the dealer premises or facilities when doing so would be unreasonable or without written assurance of a sufficient supply of motor vehicles so as to justify such changes, in light of the current market and economic conditions;

(n) (I) To authorize or permit a person to perform warranty service repairs on motor vehicles unless the person is:

(A) A motor vehicle dealer with whom the manufacturer has entered into a franchise agreement for the sale and service of the manufacturer's motor vehicles; or

(B) A person or government entity that has purchased new motor vehicles pursuant to a manufacturer's fleet discount program and is performing the warranty service repairs only on vehicles owned by such person or entity.

(II) This paragraph (n) shall not apply to manufacturers of recreational vehicles nor to manufacturers of vehicles with a passenger capacity of thirty-two or more.

(o) To require, coerce, or attempt to coerce any motor vehicle dealer to prospectively agree to a release, assignment, novation, waiver, or estoppel that would relieve any person of a duty or liability imposed under this article except in settlement of a bona fide dispute;

(p) To discriminate between or refuse to offer to its same line-make franchised dealers all models manufactured for that line-make based upon unreasonable sales and service standards;

(q) To fail to make practically available any incentive, rebate, bonus, or other similar benefit to a motor vehicle dealer that is offered to another motor vehicle dealer of the same line-make within this state;

(r) To fail to pay to a motor vehicle dealer:

(I) Within ninety days after the termination, cancellation, or nonrenewal of a franchise for the failure of a dealer to meet performance sales and service obligations or after the termination, elimination, or cessation of a line-make, the cost of the lease for the facilities used for the franchise or line-make for the unexpired term of the lease, not to exceed one year; except that:

(A) If the motor vehicle dealer owns the facilities, the value of renting such facilities for one year, prorated for each line-make based upon total sales volume for the previous twelve months before the involuntary termination;

(B) If the dealer sells recreational vehicles and a subsequent manufacturer or distributor that manufactures or distributes recreational vehicles replaces any portion of the vacated facilities, the lease or rental value shall be prorated on a monthly basis unless the dealer sells motor vehicles that are not recreational vehicles;

(C) Nothing in this subparagraph (I) shall be construed to limit the application of paragraph (d) of this subsection (1);
(II) Within ninety days after the termination, elimination, or cessation of a line-make or the termination of a franchise due to the insolvency of the manufacturer or distributor, the fair market value of the motor vehicle dealer's goodwill for the line-make as of the date the manufacturer or distributor announces the action that results in the termination, elimination, or cessation, not including any amounts paid under sub-subparagraphs (A) to (E) of subparagraph (I) of paragraph (l) of this subsection (1);

(s) To condition a franchise agreement on improvements to a facility unless reasonably required by the technology of a motor vehicle being sold at the facility;

(t) To sell or offer for sale a low-speed electric vehicle, as defined by section 42-1-102, C.R.S., for use on a roadway unless the vehicle complies with part 2 of article 4 of title 42, C.R.S.;

(u) To charge back, deny motor vehicle allocation, withhold payments, or take other actions against a motor vehicle dealer if a motor vehicle sold by the motor vehicle dealer is exported from Colorado unless the manufacturer, distributor, or manufacturer representative proves that the motor vehicle dealer knew or reasonably should have known a motor vehicle was intended to be exported, which shall operate as a rebuttable presumption that the motor vehicle dealer did not have such knowledge;

(v) Within ninety days after the termination, elimination, or cessation of a line-make or the termination, cancellation, or nonrenewal of a franchise by the manufacturer, distributor, or manufacturer representative, for any reason other than that the motor vehicle dealer commits fraud, makes a misrepresentation, or commits any other crime within the scope of the franchise agreement or in the operation of the dealership, to fail to reimburse a motor vehicle dealer for the cost depreciated by five percent per year of any upgrades or alterations to the motor vehicle dealer's facilities required by the manufacturer, distributor, or manufacturer representative within the previous five years;

(w) To fail to notify a motor vehicle dealer at least ninety days before the following and to provide the specific reasons for the following:

(I) Directly or indirectly terminating, cancelling, or not renewing a franchise agreement; or

(II) Modifying, replacing, or attempting to modify or replace the franchise or selling agreement of a motor vehicle dealer, including a change in the dealer's geographic area upon which sales or service performance is measured, if the modification would substantially and adversely alter the rights or obligations of the dealer under the current franchise or selling agreement or would substantially impair the sales or service obligations or the dealer's investment; and

(x) To require, coerce, or attempt to coerce a motor vehicle dealer to substantially alter a facility or premises if:

(I) The facility or premises has been altered within the last seven years at a cost of more than two hundred fifty thousand dollars and the alteration was required and approved by the manufacturer, distributor, or manufacturer representative unless the motor vehicle dealer sells only motorcycles or motorcycles and powersports vehicles; except that this paragraph (x) does not apply to improvements
made to comply with health or safety laws or to accommodate the technology requirements necessary to sell or service a line-make; or

(II) The motor vehicle dealer sells only motorcycles or motorcycles and powersports vehicles, the facility or premises has been altered within the last seven years at a cost of more than twenty-five thousand dollars, and the alteration was required and approved by the manufacturer, distributor, or manufacturer representative; except that this paragraph (x) does not apply to improvements made to comply with health or safety laws or to accommodate the technology requirements necessary to sell or service a line-make.

(2) It is unlawful for any person to act as a motor vehicle dealer, manufacturer, distributor, wholesaler, manufacturer representative, used motor vehicle dealer, buyer agent, wholesale motor vehicle auction dealer, or motor vehicle salesperson unless such person has been duly licensed under the provisions of this part 1, except for persons exempt from licensure as a manufacturer pursuant to section 12-6-102 (11); however, such persons shall comply with all other applicable requirements for manufacturers, including, but not limited to, those pertaining to vehicle identification numbers and manufacturers' statements of origin.

(3) It is unlawful and a violation of this part 1 for a buyer's agent to engage in the following:

(a) To make a material misstatement in an application for a license;

(b) To willfully fail to perform or cause to be performed any written agreement with respect to any motor vehicle or parts thereof;

(c) To defraud any buyer, seller, motor vehicle salesperson, or financial institution;

(d) To intentionally enter into a financial agreement with a seller of a motor vehicle for the buyer agent's own benefit;

(e) To coerce any motor vehicle dealer into providing installment financing with a specified financial institution.

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

(1) No manufacturer or distributor shall establish an additional new motor vehicle dealer, reopen a previously existing motor vehicle dealer, or relocate an existing motor vehicle dealer without first providing at least sixty days' notice to all of its franchised dealers and former dealers whose franchises were terminated, cancelled, or not renewed by a manufacturer, distributor, or manufacturer representative in the previous five years due to the insolvency of the manufacturer or distributor within whose relevant market area the new, reopened, or relocated dealer would be located. The notice shall state:
(a) The specific location at which the additional, reopened, or relocated motor vehicle dealer will be established;

(b) The date on or after which the manufacturer intends to be engaged in business with the additional, reopened, or relocated motor vehicle dealer at the proposed location;

(c) The identity of all motor vehicle dealers who are franchised to sell the same line-make of vehicles with licensed locations in the relevant market area where the additional, reopened, or relocated motor vehicle dealer is proposed to be located; and

(d) The names and addresses of the dealer-operator and principal investors in the proposed additional, reopened, or relocated motor vehicle dealer.

(1.5) A manufacturer shall reasonably approve or disapprove of a motor vehicle dealer facility initial site location or relocation request within sixty days after the request or after sending the notice required by subsection (1) of this section to all of its franchised dealers and former dealers whose franchises were terminated, cancelled, or not renewed in the previous five years due to the insolvency of the manufacturer or distributor, whichever is later, but not to exceed one hundred days.

(2) Subsection (1) of this section shall not apply to:

(a) The relocation of an existing dealer within two miles of its current location; or

(b) The establishment of a replacement dealer, within two years, either at the former location or within two miles of the former location.

(3) As used in this section:

(a) "Manufacturer" means a motor vehicle manufacturer, distributor, or manufacturer representative.

(b) "Relevant market area" means the greater of the following:

(I) The geographic area of responsibility defined in the franchise agreement of an existing dealer; or

(II) The geographic area within a radius of five miles of any existing dealer of the same line-make of vehicle that is located in a county with a population of more than one hundred fifty thousand or within a radius of ten miles of an existing dealer of the same line-make of vehicles that is located in a county with a population of one hundred fifty thousand or less.

(c) "Right of first refusal area" means a five-mile radius extending from the location of where a motor vehicle dealer had a franchise terminated, cancelled, or not renewed if the franchise was in a county with a population of more than one hundred fifty thousand or a ten-mile radius if the franchise was in a county with a population of one hundred fifty thousand or less.

(4) (a) If a licensee or former licensee whose franchise was terminated, cancelled, or not renewed by the manufacturer, distributor, or manufacturer representative in the previous five years due to the insolvency of the manufacturer or distributor brings an action or proceeding before the executive
director or a court pursuant to this part 1, the manufacturer shall have the burden of proof on the following issues:

(I) The size and permanency of investment and obligations incurred by the existing motor vehicle dealers of the same line-make located in the relevant market area;

(II) Growth or decline in population and new motor vehicle registrations in the relevant market area;

(III) The effect on the consuming public in the relevant market area and whether the opening of the proposed additional, reopened, or relocated dealer is injurious or beneficial to the public welfare; and

(IV) Whether the motor vehicle dealers of the same line-make in the relevant market area are providing adequate and convenient customer care for motor vehicles of the same line-make in the relevant market area, including but not limited to the adequacy of sales and service facilities, equipment, parts, and qualified service personnel.

(b) (I) In addition to the powers specified in section 12-6-105, the executive director has jurisdiction to resolve actions or proceedings brought before the executive director pursuant to this part 1 that allege a violation of this part 1 or rules promulgated pursuant to this part 1. The executive director may promulgate rules to facilitate the administration of such actions or proceedings, including provisions specifying procedures for the executive director or the executive director's designee to:

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

(B) Hold a hearing regarding the alleged violation to be held pursuant to section 24-4-105, C.R.S.;

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

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

(II) The court of appeals has initial jurisdiction to review all final actions and orders that are subject to judicial review of the executive director made pursuant to this subsection (4). Such proceedings shall be conducted in accordance with section 24-4-106, C.R.S.

(5) (a) No manufacturer, distributor, or manufacturer representative shall offer or award a person a franchise or permit the relocation of an existing franchise to the right of first refusal area unless the manufacturer, distributor, or manufacturer representative has complied with paragraph (b) of this subsection (5) or unless paragraph (b) of this subsection (5) does not apply.

(b) If a manufacturer, distributor, or manufacturer representative, or the predecessor thereof, has terminated, cancelled, or not renewed a motor vehicle dealer's franchise for a line-make within the right of first refusal area due to the insolvency of the manufacturer or distributor that was held by the motor vehicle dealer immediately prior to the franchise being terminated, cancelled, or not renewed within the amount of time the right of first refusal is granted under paragraph (c) of this subsection (5), the
manufacturer, distributor, or manufacturer representative, or the successor thereof, shall offer the former motor vehicle dealer whose franchise was terminated, cancelled, or not renewed a franchise within the first refusal area prior to making the offer to any other person for the same line-make unless the former motor vehicle dealer elects to receive the payments required by section 12-6-120 (1) (l) and (1) (r) in lieu of the right of first refusal or the motor vehicle dealer has accepted compensation from the manufacturer, distributor, or manufacturer representative for the termination, cancellation, or nonrenewal of the franchise agreement.

(c) The duration of the right of first refusal granted in paragraph (b) of this subsection (5) is equal to five years after the franchise is terminated, cancelled, or not renewed.

(d) If a manufacturer, distributor, or manufacturer representative, or the predecessor thereof, has made any payment to the motor vehicle dealer in consideration for the termination, cancellation, or nonrenewal of a franchise agreement and the motor vehicle dealer obtains a new franchise agreement through this subsection (5), the motor vehicle dealer shall reimburse the manufacturer, distributor, or manufacturer representative for such payments. The motor vehicle dealer may reimburse the manufacturer, distributor, or manufacturer representative with a commercially reasonable repayment installment plan.

(e) The right of first refusal survives a court voiding the payments required by section 12-6-120 (1) (l) and (1) (r).

(f) (I) The right of first refusal survives a manufacturer, distributor, or manufacturer representative, or predecessor thereof, awarding a franchise within the same right of first refusal for the same line-make to a person or entity other than the former motor vehicle dealer whose franchise was terminated, cancelled, or not renewed.

(II) If a manufacturer, distributor, or manufacturer representative, or predecessor thereof, has awarded the franchise to another motor vehicle dealer in the same right of first refusal area without granting the right of first refusal under this section, the former motor vehicle dealer may elect to either receive a franchise agreement in the same area or the payments required by section 12-6-120 (1) (l) and (1) (r) from the manufacturer, distributor, or manufacturer representative unless the manufacturer, distributor, or manufacturer representative, or predecessor thereof, has paid compensation in consideration of the initial termination, cancellation, or nonrenewal of the franchise agreement.

12-6-120.5. Independent control of dealer - definitions.

(1) Except as otherwise provided in this section, no manufacturer shall own, operate, or control any motor vehicle dealer or used motor vehicle dealer in Colorado.

(2) Notwithstanding subsection (1) of this section, the following activities are not prohibited:

(a) (I) Except as provided in subparagraph (II) of this paragraph (a), operation of a dealer for a temporary period, not to exceed twelve months, during the transition from one owner or operator to another independent owner or operator; except that the executive director may extend the period, not to
exceed twenty-four months, upon showing by the manufacturer or distributor of the need to operate the dealership for such time to achieve a transition from an owner or operator to another independent third-party owner or operator;

(II) Operation of a dealer that sells recreational vehicles for not more than eighteen months during the transition from one owner or operator to another independent owner or operator;

(b) Ownership or control of a dealer while the dealer is being sold under a bona fide contract or purchase option to the operator of the dealer;

(c) Participation in the ownership of the dealer solely for the purpose of providing financing or a capital loan that will enable the dealer to become the majority owner of the dealer in less than seven years;

(d) Operation of a motor vehicle dealer if the manufacturer has no other dealers of the same line-make in this state;

(e) Ownership, operation, or control of a used motor vehicle dealer if the manufacturer owned, operated, or controlled the used motor vehicle dealer on January 1, 2009, and has continuously operated or controlled the used motor vehicle facilities after January 1, 2009; and

(f) Operation of a motor vehicle dealer if the manufacturer was operating the dealer on January 1, 2009, so long as the dealer is in continuous operation after January 1, 2009.

(3) As used in this section:

(a) "Control" means to possess, directly, the power to direct or cause the direction of the management or policies of a person, whether through the ownership of voting securities, by contract, or otherwise; except that "control" does not include the relationship between a manufacturer and a motor vehicle dealer under a franchise agreement.

(b) "Manufacturer" means a motor vehicle manufacturer, distributor, or manufacturer representative.

(c) "Operate" means to directly or indirectly manage a motor vehicle dealer.

(d) "Own" means to hold any beneficial ownership interest of one percent or more of any class of equity interest in a dealer, whether as a shareholder, partner, limited liability company member, or otherwise. To "hold" an ownership interest means to have possession of, title to, or control of the ownership interest, either directly or through a fiduciary or agent.

(4) This section shall not apply to manufacturers of vehicles with a passenger capacity of thirty-two or more.

12-6-120.7. Successor under existing franchise agreement - duties of manufacturer.

(1) If a licensed motor vehicle dealer under franchise by a manufacturer dies or becomes incapacitated, the manufacturer shall act in good faith to allow a successor, which may include a family member,
designated by the deceased or incapacitated motor vehicle dealer to succeed to ownership and operation of the dealer under the existing franchise agreement if:

(a) Within ninety days after the motor vehicle dealer's death or incapacity, the designated successor gives the manufacturer written notice of an intent to succeed to the rights of the deceased or incapacitated motor vehicle dealer in the franchise agreement;

(b) The designated successor agrees to be bound by all of the terms and conditions of the existing franchise agreement; and

(c) The designated successor meets the criteria generally applied by the manufacturer in qualifying motor vehicle dealers.

(2) A manufacturer may refuse to honor the existing franchise agreement with the designated successor only for good cause. The manufacturer may request in writing from a designated successor the personal and financial data that is reasonably necessary to determine whether the existing franchise agreement should be honored, and the designated successor shall supply such data promptly upon request.

(3) (a) If a manufacturer believes that good cause exists for refusing to honor the requested succession, the manufacturer shall send the designated successor, by certified or overnight mail, notice of its refusal to approve the succession within sixty days after the later of:

(I) Receipt of the notice of the designated successor's intent to succeed the motor vehicle dealer in the ownership and operation of the dealer; or

(II) The receipt of the requested personal and financial data.

(b) Failure to serve the notice pursuant to paragraph (a) of this subsection (3) shall be considered approval of the designated successor, and the franchise agreement is considered amended to reflect the approval of the succession the day following the last day of the notice period specified in said paragraph (a).

(c) If the manufacturer gives notice of refusal to approve the succession, such notice shall state the specific grounds for the refusal and shall state that the franchise agreement shall be discontinued not less than ninety days after the date the notice of refusal is served unless the proposed successor files an action in the district court to enjoin such action.

(4) This section shall not be construed to prohibit a motor vehicle dealer from designating a person as the successor in advance, by written instrument filed with the manufacturer. If the motor vehicle dealer files such an instrument, that instrument governs the succession rights to the management and operation of the dealer subject to the designated successor satisfying the manufacturer's qualification requirements as described in this section.

(5) This section shall not apply to manufacturers of vehicles with a passenger capacity of thirty-two or more.
12-6-121. Penalty.

Any person who willfully violates any of the provisions of this part 1 or who willfully commits any offense in this part 1 declared to be unlawful commits a class 1 misdemeanor and shall be punished as provided in section 18-1.3-501, C.R.S.; except that any person who violates the provisions of section 12-6-120 (2) commits a class 3 misdemeanor and, upon conviction thereof, shall be punished by a fine of not less than one hundred dollars or more than one thousand dollars for each separate offense; except that, if the violator is a corporation, the fine shall be not less than five hundred dollars or more than two thousand five hundred dollars for each separate offense. A second conviction shall be punished by a fine of two thousand five hundred dollars.

12-6-121.5. Fines - disposition - unlicensed sales.

Any fine collected for a violation of section 12-6-120 (2) shall be awarded to the law enforcement agency which investigated and issued the citation for said violation.

12-6-121.6. Drafts not honored for payment - penalties.

(1) If a motor vehicle dealer, wholesaler, or used motor vehicle dealer issues a draft or check to a motor vehicle dealer, wholesaler, used motor vehicle dealer, motor vehicle auction house, or consignor and fails to honor such draft or check, then the license of such licensee shall be subject to suspension pursuant to section 12-6-104 (3) (e) (I). The license suspension shall be effective upon the date of any final decision against such licensee based upon the unpaid draft or check. A licensee whose license has been suspended pursuant to the provisions of this subsection (1) shall not be eligible for reinstatement of such license and shall not be eligible to apply for any other license issued under this part 1 unless it is demonstrated to the board that the unpaid draft or check has been paid in full and that any fine imposed on the licensee pursuant to subsection (2) of this section has been paid in full.

(2) Any motor vehicle dealer, wholesaler, or used motor vehicle dealer which issues a draft or check to a motor vehicle dealer, wholesaler, used motor vehicle dealer, motor vehicle auction house, or consignor and who fails to honor such draft or check, causing loss to a third party, commits a misdemeanor and shall be punished by a fine of two thousand five hundred dollars. Any fine collected for a violation of this subsection (2) shall be awarded to the law enforcement agency which investigated and issued the citation for said violation.

12-6-122. Right of action for loss.

(1) If any person suffers loss or damage by reason of any fraud practiced on such person or fraudulent representation made to such person by a licensed dealer or one of the dealer’s salespersons acting for the dealer on such dealer's behalf or within the scope of the employment of the salesperson or suffers any loss or damage by reason of the violation by such dealer or salesperson of any of the provisions of this part 1 that are designated by the board by rule, whether or not such violation is the basis for denial, suspension, or revocation of a license, such person shall have a right of action against the dealer, such dealer's motor vehicle salespersons, and the sureties upon their respective bonds. The right of a person
to recover for loss or damage as provided in this subsection (1) against the dealer or salesperson shall not be limited to the amount of their respective bonds.

(2) If any person suffers any loss or damage by reason of any unlawful act as provided in section 12-6-120 (1) (a), such person shall have a right of action against the manufacturer, distributor, or manufacturer representative. In any court action wherein a manufacturer, distributor, or manufacturer representative has been found liable in damages to any person under this part 1, the amount of damages so determined shall be trebled and shall be recoverable by the person so damaged. Any person so damaged shall also be entitled to recover reasonable attorney fees as part of his or her damages.

(3) If any licensee suffers any loss or damage because of a violation of section 12-6-120 (1) or 12-6-120.3 (5), the licensee shall have a right of action against the manufacturer, distributor, or manufacturer representative. In any court action wherein a manufacturer, distributor, or manufacturer representative has been found liable in damages to any licensee under this part 1, any licensee so damaged shall also be entitled to recover reasonable attorney fees and costs as part of his or her damages.

12-6-122.5. Contract disputes - venue - choice of law.

(1) In the event of a dispute between a motor vehicle dealer and a manufacturer under a franchise agreement, notwithstanding any provision of the agreement to the contrary:

(a) At the option of the motor vehicle dealer, venue shall be proper in the county or judicial district where the dealer resides or has its principal place of business; and

(b) Colorado law shall govern, both substantively and procedurally.

12-6-123. Disposition of fees - auto dealers license fund.

(1) All moneys received under this part 1, except fines awarded pursuant to section 12-6-121.5, shall be deposited with the state treasurer by the department of revenue, subject to the provisions of section 24-35-101, C.R.S., together with a detailed statement of such receipts, and such funds deposited with the state treasurer shall constitute a fund to be known as the auto dealers license fund, which fund is hereby created and which shall be used under the direction of the board in the following manner:

(a) Repealed.

(b) (I) For the payment of the expenses of the administration of the board as the general assembly deems necessary by making an appropriation therefor on an annual fiscal-year basis commencing July 1, 1971, and thereafter.

(II) Any money remaining in said fund on December 31, 1971, and at the close of each calendar year thereafter, after costs of administration of the law as provided in this part 1 shall remain in the auto dealers license fund to be used for educational and enforcement purposes as appropriated by the general assembly.
(c) To pay the department of revenue for the administration of actions or proceedings brought before the executive director pursuant to section 12-6-120.

(2) (a) Notwithstanding any provision of subsection (1) of this section to the contrary, on March 27, 2002, the state treasurer shall deduct one million one hundred thousand dollars from the auto dealers license fund and transfer such sum to the general fund; except that, if the balance of moneys in the auto dealers license fund on March 27, 2002, is less than one million one hundred thousand dollars, the state treasurer shall transfer the balance of moneys in the fund to the general fund.

(b) Notwithstanding any provision of subsection (1) of this section to the contrary and in addition to any amount transferred pursuant to paragraph (a) of this subsection (2):

(I) On May 28, 2002, the state treasurer shall transfer an amount equal to the balance of the auto dealers license fund as of April 30, 2002, to the general fund.

(II) Except as otherwise provided in this subparagraph (II), for each succeeding calendar month of the 2001-02 fiscal year, through June 30, 2002, the state treasurer shall transfer the amount of moneys credited to the auto dealers license fund during such calendar month to the general fund no later than the last day of the month in which such moneys were credited to the auto dealers license fund. However, the aggregate amount of moneys transferred from the auto dealers license fund to the general fund pursuant to paragraph (a) of this subsection (2), subparagraph (I) of this paragraph (b), and this subparagraph (II) shall not exceed one million one hundred thousand dollars.

12-6-124. Repeal of article.

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

12-6-125. Advertisement - inclusion of dealer name.

No motor vehicle dealer or used motor vehicle dealer or any agent of either of said dealers shall advertise any offer for the sale, lease, or purchase of a motor vehicle or a used motor vehicle which creates the false impression that the vehicle is being offered by a private party or by a motor vehicle agent or which does not contain the name of the dealer or the word "dealer" or, if the name is contained in the offer and does not clearly reflect that the business is a dealer, both the name of the dealer and the word "dealer".

12-6-126. Audit reimbursement limitations - dealer claims.

(1) (a) A manufacturer, distributor, or manufacturer representative shall have the right to audit warranty, sales, or incentive claims of a motor vehicle dealer for nine months after the date the claim was submitted.
(b) A manufacturer, distributor, or manufacturer representative shall not require documentation for warranty, sales, or incentive claims or audit warranty, sales, or incentive claims of a motor vehicle dealer more than fifteen months after the date the claim was submitted, nor shall the manufacturer require a charge back, reimbursement, or credit against a future transaction arising out of an audit or request for documentation arising more than nine months after the date the claim was submitted.

(2) The motor vehicle dealer shall have nine months after making a sale or providing service to submit warranty, sales, or incentive claims to the manufacturer, distributor, or manufacturer representative.

(3) Subsection (1) of this section shall not limit any action for fraud instituted in a court of competent jurisdiction.

(4) A motor vehicle dealer may request a determination from the executive director, within thirty days, that a charge back, reimbursement, or credit required violates subsection (1) of this section. If a determination is requested within the thirty-day period, then the charge back, reimbursement, or credit shall be stayed pending the decision of the executive director. If the executive director determines after a hearing that the charge back, reimbursement, or credit violates subsection (1) of this section, the charge back, reimbursement, or credit shall be void.

12-6-127. Reimbursement for right of first refusal.

A manufacturer or distributor shall pay reasonable attorney fees, not to exceed the usual and customary fees charged for the transfer of a franchise, and reasonable expenses that are incurred by the proposed owner or transferee before the manufacturer or distributor exercised its right of first refusal in negotiating and implementing the contract for the proposed change of ownership or the transfer of assets. Payment of attorney fees and expenses is not required if the claimant has failed to submit an accounting of attorney fees and expenses within twenty days after the receipt of the manufacturer's or dealer's written request for an accounting. An expense accounting may be requested by the manufacturer or distributor before exercising its right of first refusal.

12-6-128. Payout exemption to execution.

A motor vehicle dealer's right to receive payments from a manufacturer or distributor required by section 12-6-120 (1) (l) and (1) (r) is not liable to attachment or execution and may not otherwise be seized, taken, appropriated, or applied in a legal or equitable process or by operation of law to pay the debts or liabilities of the manufacturer or distributor. This section shall not prohibit a secured creditor from exercising rights accrued pursuant to a security agreement if the right arose as a result of the manufacturer or distributor voluntarily creating a security interest before paying existing debts or liabilities of the manufacturer or distributor. This section shall not prohibit a manufacturer or distributor from withholding a portion of such payments necessary to cover an amount of money owed to the manufacturer or distributor as an offset to such payments if the manufacturer or distributor provides the motor vehicle dealer written notice thereof.

12-6-129. Site control extinguishes
If a manufacturer, distributor, or manufacturer representative has terminated, eliminated, or not renewed a franchise agreement containing a site control provision, the motor vehicle dealer may void a site control provision of a franchise agreement by returning any money the dealer has accepted in exchange for site control prorated by the time remaining before the agreement expires over the time period between the agreement being signed and the agreement expiring. This section does not apply if the termination, elimination, or nonrenewal is for just cause in accordance with section 12-6-120 (1) (d).

12-6-130. Modification voidable

If a manufacturer, distributor, or manufacturer representative fails to comply with section 12-6-120 (1) (w) (II), the motor vehicle dealer may void the modification or replacement of the franchise agreement.

12-6-131. Termination appeal

A motor vehicle dealer who has reason to believe that a manufacturer, distributor, or manufacturer representative has violated section 12-6-120 (1) (d) or (1) (w) may appeal to the board by filing a complaint with the executive director. Upon receiving the complaint and upon a showing of specific facts that a violation has occurred, the executive director shall summarily issue a cease-and-desist order under section 12-6-105 (1) (f) staying the termination, elimination, modification, or nonrenewal of the franchise agreement. The cease-and-desist order remains in effect until the hearing required by section 12-6-105 (1) (f) is held. If a determination is made at the hearing required by section 12-6-105 (1) (f) that a violation occurred, the executive director shall make the cease-and-desist order permanent and take any actions authorized by section 12-6-104 (3). A motor vehicle dealer who appeals to the executive director maintains all rights under the franchise agreement until the later of the executive director issuing a decision or ninety days after the manufacturer, distributor, or manufacturer's representative provides the notice of termination unless the executive director finds that the termination, cancellation, or nonrenewal was for fraud, a misrepresentation, or committing a crime within the scope of the franchise agreement or in the operation of the dealership, in which case the franchise rights terminate immediately.

12-6-301. Definitions.

As used in this part 3, unless the context otherwise requires:

(1) "Motor vehicle" means every self-propelled vehicle intended primarily for use and operation on the public highways and every vehicle intended primarily for operation on the public highways which is not driven or propelled by its own power, but which is designed either to be attached to or become a part of a self-propelled vehicle; it does not include farm tractors and other machines and tools used in the production, harvesting, and care of farm products.

12-6-302. Sunday closing.

No person, firm, or corporation, whether owner, proprietor, agent, or employee, shall keep open, operate, or assist in keeping open or operating any place or premises or residences, whether open or closed, for the purpose of selling, bartering, or exchanging or offering for sale, barter, or exchange any
motor vehicle, whether new, used, or secondhand, on the first day of the week commonly called Sunday. This part 3 shall not apply to the opening of an establishment or place of business on the said first day of the week for other purposes, such as the sale of petroleum products, tires, or automobile accessories, or for the purpose of operating and conducting a motor vehicle repair shop, or for the purpose of supplying such services as towing or wrecking. The provisions of this part 3 shall not apply to the opening of an establishment or place of business on the said first day of the week for the purpose of selling, bartering, or exchanging or offering for sale, barter, or exchange any boat, boat trailer, snowmobile, or snowmobile trailer.

12-6-303. Penalties.

Any person, firm, partnership, or corporation who violates any of the provisions of this part 3 is guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of not less than seventy-five dollars nor more than one thousand dollars, or by imprisonment in the county jail for not more than six months, or the court, in its discretion, may suspend or revoke the Colorado motor vehicle dealer's license issued under the provisions of part 1 of this article, or by such fine and imprisonment and suspension or revocation.

42-4-304. Definitions relating to automobile inspection and readjustment program.

As used in sections 42-4-301 to 42-4-316, unless the context otherwise requires:

(1) "AIR program" or "program" means the automobile inspection and readjustment program until replaced as provided in sections 42-4-301 to 42-4-316, the basic emissions program, and the enhanced emissions program established pursuant to sections 42-4-301 to 42-4-316.

(2) "Basic emissions program" means the inspection and readjustment program, established pursuant to the federal act, in the counties set forth in paragraph (b) of subsection (20) of this section.

(3) (a) "Certification of emissions control" means one of the following certifications, to be issued to the owner of a motor vehicle which is subject to the automobile inspection and readjustment program to indicate the status of inspection requirement compliance of said vehicle:

(I) "Certification of emissions waiver", indicating that the emissions of other than chlorofluorocarbons from the vehicle do not comply with the applicable emissions standards and criteria after inspection, adjustment, and emissions-related repairs in accordance with section 42-4-310.

(II) "Certification of emissions compliance", indicating that the emissions from said vehicle comply with applicable emissions and opacity standards and criteria at the time of inspection or after required adjustments or repairs.

(b) (I) The certification of emissions control will be issued to the vehicle owner at the time of sale or transfer except as provided in section 42-4-310 (1) (a) (I). The certification of emissions control will be in effect for twenty-four months for 1982 and newer model vehicles. 1981 and older model vehicles and all
vehicles inspected by the fleet-only air inspection stations shall be issued certifications of emissions control valid for twelve months.

(II) Except as provided in section 42-4-309, the executive director shall establish a biennial inspection schedule for 1982 and newer model vehicles, an annual inspection schedule for 1981 and older model vehicles, and a five-year inspection schedule for a 1976 or newer motor vehicle registered as a collector's item.

(c) Repealed.

(d) Subject to section 42-4-310 (4), the certification of emissions control shall be obtained by the seller and transferred to the new owner at the time of vehicle sale or transfer.

(e) For purposes of this subsection (3), "sale or transfer" shall not include a change only in the legal ownership as shown on the vehicle's documents of title, whether for purposes of refinancing or otherwise, that does not entail a change in the physical possession or use of the vehicle.

(3.5) "Clean screen program" means the remote sensing system or other emission profiling system established and operated pursuant to sections 42-4-305 (12), 42-4-306 (23), 42-4-307 (10.5), and 42-4-310 (5).

(4) "Commission" means the air quality control commission, created in section 25-7-104, C.R.S.

(5) "Contractor" means any person, partnership, entity, or corporation that is awarded a contract by the state of Colorado through a competitive bid process conducted by the division in consultation with the executive director and in accordance with the "Procurement Code", articles 101 to 112 of title 24, C.R.S., and section 42-4-306, to provide inspection services for vehicles required to be inspected pursuant to section 42-4-310 within the enhanced program area, as set forth in subsection (9) of this section, to operate enhanced inspection centers necessary to perform inspections, and to operate the clean screen program within the program area.

(6) "Division" means the division of administration in the department of public health and environment.

(7) "Emissions inspector" means:

(a) An individual trained and licensed in accordance with section 42-4-308 to inspect motor vehicles at an inspection-only facility, fleet inspection station, or motor vehicle dealer test facility subject to the enhanced emissions program set forth in this part 3; or

(b) An individual employed by an enhanced inspection center who is authorized by the contractor to inspect motor vehicles subject to the enhanced emissions program set forth in this part 3 and subject to the direction of said contractor.

(8) "Emissions mechanic" means an individual licensed in accordance with section 42-4-308 to inspect and adjust motor vehicles subject to the automobile inspection and readjustment program until such
program is replaced as provided in sections 42-4-301 to 42-4-316 and to the basic emissions program after such replacement.

(8.5) "Enhanced emissions inspection" means a motor vehicle emissions inspection conducted pursuant to the enhanced emissions program, including a detection of high emissions by remote sensing, an identification of high emitters, a clean screen inspection, or an inspection conducted at an enhanced inspection center.

(9) (a) "Enhanced emissions program" means the emissions inspection program established pursuant to the federal requirements set forth in the federal performance standards, 40 CFR, part 51, subpart S, in the locations set forth in paragraph (c) of subsection (20) of this section.

(b) (Deleted by amendment, L. 2009, (SB 09-003), ch. 322, p. 1714, § 1, effective June 1, 2009.)

(10) "Enhanced inspection center" means a strategically located, single- or multi-lane, high-volume, inspection-only facility operated in the enhanced emissions program area by a contractor not affiliated with any other automotive-related service, which meets the requirements of sections 42-4-305 and 42-4-306, which is equipped to enable vehicle exhaust gas and evaporative and chlorofluorocarbon emissions inspections, and which the owner or operator is authorized to operate by the executive director as an inspection-only facility.

(11) "Environmental protection agency" means the federal environmental protection agency.

(12) "Executive director" means the executive director of the department of revenue or the designee of such executive director.

(13) "Federal act" means the federal "Clean Air Act", 42 U.S.C. sec. 7401 et seq., as in effect on November 15, 1990, and any federal regulation promulgated pursuant to said act.

(14) "Federal requirements" means regulations of the environmental protection agency pursuant to the federal act.

(15) "Fleet inspection station" means a facility which meets the requirements of section 42-4-308, which is equipped to enable appropriate emissions inspections as prescribed by the commission and which the owner or operator is licensed to operate by the executive director as an inspection station for purposes of emissions testing on vehicles pursuant to section 42-4-309.

(15.5) Repealed.

(16) "Inspection and readjustment station" means:

(a) Repealed.

(b) (I) A facility within the basic emissions program area as defined in subsection (20) of this section which meets the requirements of section 42-4-308, which is equipped to enable vehicle exhaust, evaporative, and chlorofluorocarbon emissions inspections and any necessary adjustments and repairs
to be performed, and which facility the owner or operator is licensed by the executive director to 
operate as an inspection and readjustment station.

(II) This paragraph (b) is effective January 1, 1994.

(17) (a) "Inspection-only facility" means a facility operated by an independent owner-operator within 
the enhanced program area as defined in subsection (20) of this section which meets the requirements 
of section 42-4-308 and which is equipped to enable vehicle exhaust, evaporative, and 
chlorofluorocarbon emissions inspections and which facility the operator is licensed to operate by the 
executive director as an inspection-only facility. Such inspection-only facility shall be authorized to 
conduct inspections on model year 1981 and older vehicles.

(b) This subsection (17) is effective January 1, 1995.

(18) "Motor vehicle", as applicable to the AIR program, includes only a motor vehicle that is operated 
with four wheels or more on the ground, self-propelled by a spark-ignited engine burning gasoline, 
gasoline blends, gaseous fuel, blends of liquid gasoline and gaseous fuels, alcohol, alcohol blends, or 
other similar fuels, having a personal property classification of A, B, or C pursuant to section 42-3-106, 
and for which registration in this state is required for operation on the public roads and highways or 
which motor vehicle is owned or operated or both by a nonresident who meets the requirements set 
forth in section 42-4-310 (1) (c). "Motor vehicle" does not include kit vehicles; vehicles registered 
pursuant to section 42-12-301 or 42-3-306 (4); vehicles registered pursuant to section 42-12-401 that 
are of model year 1975 or earlier or that have two-stroke cycle engines manufactured prior to 1980; or 
vehicles registered as street-rods pursuant to section 42-3-201.

(19) (a) "Motor vehicle dealer test facility" means a stationary or mobile facility which is operated by a 
state trade association for motor vehicle dealers which is licensed to operate by the executive director 
as a motor vehicle dealer test facility to conduct emissions inspections.

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

(II) Inspection procedures used by a motor vehicle dealer test facility pursuant to this paragraph (b) 
shall include a loaded mode transient dynamometer test cycle in combination with appropriate idle 
short tests pursuant to rules and regulations of the commission.

(20) "Program area" means the counties of Adams, Arapahoe, Boulder, Douglas, El Paso, Jefferson, 
Larimer, and Weld, and the cities and counties of Broomfield and Denver, excluding the following areas 
and subject to paragraph (d) of this subsection (20):

(I) That portion of Adams county that is east of Kiowa creek (Range sixty-two west, townships one, two, 
and three south) between the Adams-Arapahoe county line and the Adams-Weld county line;
(II) That portion of Arapahoe county that is east of Kiowa creek (Range sixty-two west, townships four and five south) between the Arapahoe-Elbert county line and the Arapahoe-Adams county line;

(III) That portion of El Paso county that is east of the following boundary, defined on a south-to-north axis: From the El Paso-Pueblo county line north (upstream) along Chico creek (Ranges 63 and 64 West, Township 17 South) to Hanover road, then east along Hanover road (El Paso county route 422) to Peyton highway, then north along Peyton highway (El Paso county route 463) to Falcon highway, then west on Falcon highway (El Paso county route 405) to Peyton highway, then north on Peyton highway (El Paso county route 405) to Judge Orr road, then west on Judge Orr road (El Paso county route 108) to Elbert road, then north on Elbert road (El Paso county route 91) to the El Paso-Elbert county line;

(IV) That portion of Larimer county that is west of the boundary defined on a north-to-south axis by Range seventy-one west and north of the boundary defined on an east-to-west axis by township five north, that portion that is west of the boundary defined on a north-to-south axis by range seventy-three west, and that portion that is north of the boundary latitudinal line 40 degrees, 42 minutes, 47.1 seconds north;

(V) That portion of Weld county that is north of the boundary defined on an east-to-west axis by Weld county road 78; that portion that is east of the boundary defined on a north-to-south axis by Weld county road 43 and north of the boundary defined on an east-to-west axis by Weld county road 62; that portion that is east of the boundary defined on a north-to-south axis by Weld county road 49, south of the boundary defined on an east-to-west axis by Weld county road 62 and north of the boundary defined on an east-to-west axis by Weld county road 46; that portion that is east of the boundary defined on a north-to-south axis by Weld county road 27, south of the boundary defined on an east-to-west axis by Weld county road 46 and north of the boundary defined on an east-to-west axis by Weld county road 36; that portion that is east of the boundary defined on a north-to-south axis by Weld county road 19, south of the boundary defined on an east-to-west axis by Weld county road 36 and north of the boundary defined on an east-to-west axis by Weld county road 20; and that portion that is east of the boundary defined on a north-to-south axis by Weld county road 39 and south of the boundary defined on an east-to-west axis by Weld county road 20.

(b) Effective January 1, 2010, the basic emissions program area shall consist of the county of El Paso, as described in paragraph (a) of this subsection (20).

(c) (I) Effective January 1, 2010, the enhanced emissions program area shall consist of the counties of Adams, Arapahoe, Boulder, Douglas, Jefferson, Larimer, and Weld, and the cities and counties of Broomfield and Denver as described in paragraph (a) of this subsection (20) and subject to paragraph (d) of this subsection (20). Notwithstanding any other provision of this section, vehicles registered in the counties of Larimer and Weld shall not be required to obtain a certificate of emissions control prior to July 1, 2010, in order to be registered or reregistered.

(II) (Deleted by amendment, L. 2003, p. 1357, 1, effective August 6, 2003.)
(III) Only those counties included in the basic emissions program area pursuant to paragraph (b) of this subsection (20) that violate national ambient air quality standards for carbon monoxide or ozone as established by the environmental protection agency may, on a case-by-case basis, be incorporated into the enhanced emissions program by final order of the commission.

(d) The commission shall review the boundaries of the program area and may, by rule promulgated on or before December 31, 2011, adjust such boundaries to exclude particularly identified regions from either the basic program area, the enhanced area, or both, based on an analysis of the applicable air quality science and the effects of the program on the population living in such regions.

(21) "Registered repair facility or technician" means an automotive repair business which has registered with the division, agrees to have its emissions-related cost effectiveness monitored based on inspection data, and is periodically provided performance statistics for the purpose of improving emissions-related repairs. Specific repair effectiveness information shall subsequently be provided to motorists at the time of inspection failure.

(22) "State implementation plan" or "SIP" means the plan required by and described in section 110 (a) of the federal act.

(23) "Technical center" means any facility operated by the division or its designee to support AIR program activities including but not limited to licensed emissions inspectors or emissions mechanics, motorists, repair technicians, or small business technical assistance.

(23.5) "Vehicle" means a motor vehicle as defined in subsection (18) of this section.

(24) "Verification of emissions test" means a certificate to be attached to a motor vehicle's windshield verifying that the vehicle has been issued a valid certification of emissions control.

42-4-309. Vehicle fleet owners - motor vehicle dealers - authority to conduct inspections - fleet inspection stations - motor vehicle dealer test facilities - contracts with licensed inspection-only entities

(1) (a) Any person in whose name twenty or more motor vehicles, required to be inspected, are registered in this state or to whom said number of vehicles are leased for a period of not less than six continuous months and who operates a motor vehicle repair garage or shop adequately equipped and manned, as required by section 42-4-308 and the rules and regulations issued pursuant thereto, may be licensed to perform said inspections as a fleet inspection station. Said inspections shall be made by licensed emissions inspectors or emissions mechanics. Such stations shall be subject to all licensing regulations and supervision applicable to inspection and readjustment stations. Fleet inspection stations shall inspect fleet vehicles in accordance with applicable requirements pursuant to rules and regulations promulgated by the commission. No person licensed pursuant to this section may conduct emissions inspections on motor vehicles owned by employees of such person or the general public, but only on those vehicles owned or operated by the person subject to the fleet inspection requirements. Any such motor vehicles are not eligible for a certificate of emissions waiver and shall be inspected annually.
The commission shall promulgate such rules as may be necessary to establish non-loaded mode static idle inspection procedures, standards, and criteria under this section.

(b) Each fleet operator licensed or operating within the enhanced program area who is also licensed to operate a fleet inspection station shall assure that a representative sample of one-half of one percent or one vehicle, whichever is greater, of such operator's vehicle fleet is inspected annually at an inspection-only facility or enhanced inspection center. An analysis of the data gathered from any such inspection shall be performed by the department of public health and environment and provided to the department of revenue to determine compliance by such fleet with the self-inspection requirements of this section. An inspection is not required prior to the sale of a motor vehicle with at least twelve months remaining before the vehicle's certification of emissions compliance expires if such certification was issued when the vehicle was new.

(2) (a) As an alternative to subsection (1) of this section, any person having twenty or more vehicles registered in this state that are required to be inspected pursuant to section 42-4-310 may contract for periodic inspection services with a contractor or an inspection-only facility. Such inspections shall be in compliance with non-fleet vehicle requirements as specified in this part 3 and shall be performed by an authorized or licensed emissions inspector who shall be subject to all requirements and oversight as applicable.

(b) Upon retail sale of any vehicle subject to fleet inspection to a party other than a fleet operator, such vehicle shall be inspected at an authorized enhanced inspection center, licensed inspection-only facility, or licensed inspection and readjustment station, as applicable. A certificate of emissions compliance shall be required as a condition of the retail sale of any such vehicle.

(3) (a) Any person licensed as a motor vehicle dealer pursuant to article 6 of title 12, C.R.S., in whose name twenty or more motor vehicles are registered or inventoried or consigned for retail sale in this state which are required to be inspected shall comply with the requirements of section 42-4-310 for the issuance of a certificate of emissions compliance at the time of the retail sale of any such vehicle.

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

(c) 1981 and older model vehicles held in inventory and offered for retail sale by a used vehicle dealer may be inspected by a licensed inspection-only facility.

(d) Within the basic emissions program, any person licensed as a motor vehicle dealer pursuant to article 6 of title 12, C.R.S., may be licensed to conduct inspections pursuant to subsections (1) and (2) of this section.
(4) Nothing in this section shall preclude a fleet or motor vehicle dealer test facility from participating in the basic or enhanced emissions program pursuant to this part 3 with the requirements of such program being determined by the county of residence or operation.

(5) (a) Motor vehicle dealers selling any vehicle to be registered in the enhanced program area shall comply with the enhanced program requirements.

(b) Motor vehicle dealers selling any vehicle to be registered in the basic program area shall comply with the basic program requirements.

(c) If used motor vehicles for sale have been inspected by a motor vehicle dealer test facility, the motor vehicle dealer shall comply with the standards and requirements established for motor vehicle dealer test facilities.

(6) (a) On and after June 1, 1996, a motor vehicle dealer or a used motor vehicle dealer licensed pursuant to article 6 of title 12, C.R.S., that sells any vehicle subject to the provisions of the enhanced emissions program may comply with the provisions of sections 42-4-304 (3) (d) and 42-4-310 by providing the consumer of the vehicle a voucher purchased by the dealer from the contractor for the centralized enhanced emissions program, with or without charge to the consumer, up to the maximum amount charged for an emissions inspection at an enhanced inspection center. Such voucher shall cover the cost of an emissions inspection of the vehicle at an enhanced inspection center and shall entitle the consumer to such an emissions inspection.

(b) If a vehicle inspected with a voucher as authorized in this paragraph (b) fails a test at an enhanced inspection center and is returned within three business days after its purchase, the dealer, at its option, shall repair the motor vehicle to pass the emissions test, pay the consumer to obtain such repairs to pass the emissions test from a third party, or repurchase the vehicle at the vehicle's purchase price. After such payment, repair, or repurchase, a dealer shall have no further liability to the consumer for compliance with the requirements of the enhanced emissions program.

(c) The voucher to be delivered at time of sale shall set forth the conditions described in paragraph (b) of this subsection (6) on a form prescribed by the department of revenue.

(7) A motor vehicle dealer shall have a motor vehicle inspected annually pursuant to section 42-4-310, but shall not be required to have such vehicle inspected more than once a year.

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

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

(II) (A) If title to a roadworthy motor vehicle, as defined in section 42-6-102 (15), for which a certification of emissions compliance or emissions waiver must be obtained pursuant to this paragraph (a) is being transferred to a new owner, the new owner may require at the time of sale that the prior owner provide said certification as required for the county of residence of the new owner.

(B) The new owner shall submit such certification to the department of revenue or an authorized agent thereof with application for registration of the motor vehicle.

(C) If such vehicle is being registered in the program area for the first time, the owner shall obtain any certification required for the county where registration is sought and shall submit such certification to the department of revenue or an authorized agent thereof with such owner's application for the registration of the motor vehicle. A motor vehicle being registered in the program area for the first time may be registered without an inspection or certification if the vehicle has not yet reached its fourth model year or a later model year established by the commission pursuant to section 42-4-306 (8) (b).

(D) Except for a motor vehicle that was registered as a collector's item before September 1, 2009, and meets the requirements of sections 42-12-101 (2) (b) and 42-12-404 (2), to be sold or transferred or to renew the registration, a 1976 or newer model motor vehicle registered as a collector's item under article 12 of this title must be inspected and have a certification of emissions control. The certification of emissions control is valid for sixty months.

(b) (I) (A) Effective July 1, 1987, and until May 28, 1999, those motor vehicles that are owned by the United States government or an agency thereof or by the state of Colorado or any agency or political subdivision thereof that would be registered in the program area shall be inspected once each year, and a valid certification of emissions compliance shall be obtained.

(B) New motor vehicles owned by the United States government or an agency thereof or by the state of Colorado or any agency or political subdivision thereof that would be registered in the program area shall be issued a certification of emissions compliance without inspection that shall expire on the anniversary of the day of the issuance of such certification when such vehicle has reached its fourth model year or a later model year established by the commission pursuant to section 42-4-306 (8) (b). Prior to the expiration of such certification such vehicle shall be inspected and a certification of emissions control shall be obtained therefor.

(C) Effective May 28, 1999, 1982 and newer model motor vehicles that are owned by the United States government or an agency thereof or by the state of Colorado or any agency or political subdivision thereof that would be registered in the program area shall be inspected every two years, and shall be issued a certification of emissions compliance that shall be valid for twenty-four months; except that vehicles owned or operated by any agency or political subdivision that is authorized and licensed pursuant to section 42-4-309 to inspect fleet vehicles shall be inspected annually.
(D) Effective May 28, 1999, 1981 and older model motor vehicles that are owned by the United States government or an agency thereof or by the state of Colorado or any agency or political subdivision thereof that would be registered in the program area shall be inspected once each year, and shall be issued a certification of emissions compliance that shall be valid for twelve months.

(E) Any vehicle subject to this subparagraph (I) that is suspected of having an emissions problem may undergo a voluntary inspection as provided in subparagraph (IV) of paragraph (c) of this subsection (1).

(II) (A) Motor vehicle dealers shall purchase verification of emissions test forms for the sum of twenty-five cents per form from the department or persons authorized by the department to make such sales to be used only on new motor vehicles. No refund or credit shall be allowed for any unused verification of emissions test forms. New motor vehicles required under this section to have a verification of emissions test form shall be issued a certification of emissions compliance without inspection, which shall expire on the anniversary of the day of the issuance of such certification when such vehicle has reached its fourth model year or a later model year established by the commission pursuant to section 42-4-306 (8) (b). Prior to the expiration of such certification such vehicle shall pass a clean screen test or be inspected and a certification of emissions control shall be obtained therefor.

(B) 1982 and newer model motor vehicles required pursuant to this section to have a certification of emissions control shall be inspected at the time of the sale or transfer of any such vehicle and, prior to registration renewal, shall be issued a certification of emissions control that shall be valid for twenty-four months except as provided under section 42-4-309. An inspection is not required prior to the sale of a motor vehicle with at least twelve months remaining before the vehicle’s certification of emissions compliance expires if such certification was issued when the vehicle was new. This sub-subparagraph (B) does not apply to the sale of a motor vehicle that is inoperable or otherwise cannot be tested in accordance with regulations promulgated by the department of revenue if the seller of the motor vehicle provides a written notice to the purchaser pursuant to the requirements of subsection (4) of this section.

(C) 1981 and older model motor vehicles required pursuant to this section to have a certification of emissions control shall be inspected at the time of the sale or transfer of any such vehicle and, prior to registration renewal, shall be issued a certification of emissions control that shall be valid for twelve months. This sub-subparagraph (C) does not apply to the sale of a motor vehicle which is inoperable or otherwise cannot be tested in accordance with regulations promulgated by the department of revenue if the seller of the motor vehicle provides a written notice to the purchaser pursuant to the requirements of subsection (4) of this section.

(III) Upon registration or renewal of registration of a motor vehicle required to have a certification of emissions control, the department shall issue a tab identifying the vehicle as requiring certification of emissions control. The tab shall be displayed from the time of registration. The verification of emissions test shall also be displayed on the motor vehicle in a location prescribed by the department of revenue consistent with federal regulations.
(c) (I) Effective October 1, 1989, those motor vehicles owned by nonresidents who reside in either the basic or enhanced emissions program areas or by residents who reside outside the program area who are employed for at least ninety days in any twelve-month period in a program area or who are attending school in a program area, and are operated in either the basic or enhanced emissions program areas for at least ninety days, shall be inspected as required by this section and a valid certification of emissions compliance or emissions waiver shall be obtained as required for the county where said person is employed or attends school. Such nonresidents include, but are not limited to, all military personnel, temporarily assigned employees of business enterprises, and persons engaged in activities at the Olympic training center.

(II) Any person owning or operating a business and any postsecondary educational institution located in a program area shall inform all persons employed by such business or attending classes at such institution that they are employed or attending classes in a program area and are required to comply with the provisions of subparagraph (I) of this paragraph (c).

(III) Vehicles that are registered in a program area and are being operated outside such area but within another program area shall comply with all program requirements of the area where such vehicles are being operated. Vehicles registered in a program area that are being temporarily operated outside the state at the time of registration or registration renewal may apply to the department of revenue for a temporary exemption from program requirements. Upon return to the program area, such vehicles must be in compliance with all requirements within fifteen days. A temporary exemption shall not be granted if the vehicle will be operated in an emissions testing area in another state unless proof of emissions from that area is submitted.

(IV) Nothing in this section shall be deemed to prevent or shall be interpreted so as to hinder the voluntary inspection of any motor vehicle in the enhanced emissions program. A certificate of emissions control issued under the provisions of the enhanced emissions program shall be acceptable as a demonstration of compliance within the basic program for vehicle registration purposes. In order to provide motorist protection, those vehicles voluntarily inspected and that fail said inspection but that are warrantable under manufacturers' emissions control warranties pursuant to section 207 (A) and (B) of the federal act shall comply with the emissions-related repair requirements of this part 3.

(V) Motor vehicles operated in the enhanced emissions program area, and required to be inspected pursuant to subparagraph (I) of this paragraph (c), shall comply with the inspection requirements of the enhanced emissions program area and are not required to comply with the inspection requirements of the basic emissions program area.

(d) (I) Repealed.

(II) (A) For the basic emissions program, effective January 1, 1994, for businesses which operate nineteen or fewer motor vehicles and for 1981 or older private motor vehicles required to be registered in the basic emissions program area, after any adjustments or repairs required pursuant to section 42-4-306, if total expenditures of at least seventy-five dollars have been made to bring the vehicle into
compliance with applicable emissions standards and the vehicle still does not meet such standards, a certification of emissions waiver shall be issued for such vehicle.

(B) (Deleted by amendment, L. 2011, (SB 11-031), ch. 86, p. 246, § 11, effective August 10, 2011.)

(III) Repealed.

(IV) For the basic emissions program, effective January 1, 1994, for businesses that operate nineteen or fewer vehicles and for private motor vehicles only of a model year 1982 or later required to be registered in the basic emissions program area, after any adjustments or repairs required pursuant to section 42-4-306, if total expenditures of at least two hundred dollars have been made to bring the vehicle into compliance with the applicable emissions standards and the vehicle still does not meet such standards, a certification of emissions waiver shall be issued for such vehicle. For vehicles not older than two years or that have not more than twenty-four thousand miles, or such period of time and mileage as established for warranty protection by amendments to federal regulations, no emissions-related repair waivers shall be issued due to the provisions and enforcement of section 207 (A) and (B) of the federal act relating to emissions control systems components and performance warranties. Vehicles that are owned by the state of Colorado or any agency or political subdivision thereof are not eligible for emissions-related repair waivers under this subparagraph (IV).

(V) Repealed.

(VI) For the enhanced emissions program, effective January 1, 1995, for businesses that operate nineteen or fewer vehicles and for private motor vehicles only of a model year 1968 and later required to be registered in the enhanced emissions program area, after any adjustments or repairs required pursuant to section 42-4-306, if total expenditures of at least four hundred fifty dollars have been made to bring the vehicle into compliance with applicable emissions standards and the vehicle does not meet such standards, a certification of emissions waiver shall be issued for such vehicle except as prescribed in subparagraph (XII) of this paragraph (d) pertaining to vehicle warranty. The four-hundred-fifty-dollar minimum expenditure may be adjusted annually by an amount not to exceed the percentage, if any, by which the consumer price index for all urban consumers (CPIU) for the Denver-Boulder metropolitan statistical area for the preceding year differs from such index for 1989. Vehicles that are owned by the state of Colorado or any agency or political subdivision thereof are not eligible for emissions-related repair waivers under this subparagraph (VI).

(VII) Repealed.

(VIII) (A) For the enhanced emissions program except as provided in sub-subparagraph (B) of this subparagraph (VIII), for businesses that operate nineteen or fewer vehicles and for private motor vehicles only of a model year 1967 or earlier required to be registered in the enhanced emissions program area, after any adjustments or repairs required under section 42-4-306, if total expenditures of at least seventy-five dollars have been made to bring the vehicle into compliance with applicable emissions standards and the vehicle still does not meet the standards, a certification of emissions waiver shall be issued for the vehicle.
(B) This subparagraph (VIII) shall apply in Boulder county, effective July 1, 1995.

(IX) (A) For the enhanced emissions program except as provided in sub-subparagraph (B) of this subparagraph (IX) effective January 1, 1995, for vehicles subject to a transient, loaded mode dynamometer inspection procedure under the enhanced program as determined by the commission, a certificate of waiver may be issued by an authorized state representative, if after failing a retest, at which point the minimum repair cost limit of four hundred fifty dollars has not been met, a complete and documented physical and functional diagnosis of the vehicle performed at an emissions technical center indicates that no additional emissions-related repairs would be effective or needed.

(B) This subparagraph (IX) shall apply in Boulder county, effective July 1, 1995.

(X) Subject to the provisions of subparagraph (V) of this paragraph (d), a certificate of emissions control shall not be issued for vehicles in the program area exhibiting smoke or indications of tampering with or poor maintenance of emissions control systems including on-board diagnostic systems.

(XI) As used in this paragraph (d), "total expenditures" means those expenditures directly related to adjustment or repair of a motor vehicle to reduce exhaust or evaporative emissions to a level which complies with applicable emissions standards. The term does not include an inspection fee, or any costs of adjustment, repair, or replacement necessitated by the disconnection of, tampering with, or abuse of air pollution control equipment, improper fuel use, or visible smoke.

(XII) No certification of emissions waiver shall be issued for vehicles not older than two years or which have not more than twenty-four thousand miles, or are of such other age and mileage as established for warranty protection under the federal act in accordance with the provisions and enforcement of section 207 (A) and (B) of the federal act relating to emissions control component and systems performance warranties.

(2) (a) The emissions inspection required under this section shall include an analysis of tail pipe and evaporative emissions. After January 1, 1994, such inspection shall include an analysis of emissions control equipment including on-board diagnostic systems, chlorofluorocarbons, and visible smoke emissions for the basic emissions program area and the enhanced emissions program area and emissions testing that meets the performance standards set by federal requirements for the enhanced emissions program area by means of procedures specified by regulation of the commission to determine whether the motor vehicle qualifies for issuance of a certification of emissions compliance. For motor vehicles of the model year 1975 or later, not tested under a transient load on a dynamometer, said inspection shall also include a visual inspection of emissions control equipment pursuant to rules of the commission.

(b) and (c) Repealed.

(d) (I) In the basic emissions program area, effective January 1, 1994, in order to be issued a certificate of emissions waiver, appropriate adjustments and repairs must have been performed at a licensed inspection and readjustment station by a licensed emissions mechanic.
(II) In the enhanced emissions program area, effective January 1, 1995, in order to be issued a certificate of emissions waiver, appropriate adjustments and repairs must have been performed by a technician at a registered repair facility within the enhanced emissions program area.

(III) Adjustments and repairs performed by a registered repair facility and technician within the enhanced emissions program area shall be sufficient for compliance with the provisions of this paragraph (d) in the basic program area.

(3) (a) Effective July 1, 1993, any home rule city, city, town, or county shall, after holding a public hearing and receiving public comment and upon request by the governing body of such local government to the department of public health and environment and the department of revenue and after approval by the general assembly acting by bill pursuant to paragraph (e) of this subsection (3), be included in the program area established pursuant to sections 42-4-301 to 42-4-316. When such a request is made, said departments and governing body shall agree to a start-up date for the program in such area, and, on or after such date, all motor vehicles, as defined in section 42-4-304 (18), which are registered in the area shall be inspected and required to comply with the provisions of sections 42-4-301 to 42-4-316 and rules and regulations adopted pursuant thereto as if such area was included in the program area. Except as provided in paragraph (c) of this subsection (3), the department of public health and environment and the department of revenue, the executive director, and the commission shall perform all functions and exercise all powers related to the program in areas included in the program pursuant to this subsection (3) that they are otherwise required to perform under sections 42-4-301 to 42-4-316.

(b) Effective July 1, 1993, notwithstanding the provisions of section 42-4-304 (20), a local government with jurisdiction over an area excluded from the program area pursuant to section 42-4-304 (20) may request inclusion in the program area, and the exclusion under section 42-4-304 (20) shall not apply to vehicles registered within such area.

(c) Effective July 1, 1993, the inclusion pursuant to paragraph (a) or (b) of this subsection (3) of any home rule city, city, town, or county in the program area shall not be submitted to the United States environmental protection agency as a revision to the state implementation plan or otherwise included in such plan. Any governing body which requests inclusion of an area pursuant to paragraph (a) or (b) of this subsection (3) in the program area may, after a minimum period of five years, request termination of the program in such area, and the program in such area shall be terminated thirty days after the receipt by the department of revenue of such a request.

(d) Effective January 1, 1994, except for those entities included within the program area pursuant to section 42-4-304 (20), for inclusion in the program area, any home rule city, city, town, or county shall have the basic emissions program test requirements and standards implemented as its emissions inspection program.

(e) Unless a home rule city, city, town, or county violates national ambient air quality standards as established by the environmental protection agency, the inclusion pursuant to paragraph (a) or (b) of this subsection (3) of any home rule city, city, town, or county in the program area shall be contingent
upon approval by the general assembly acting by bill to include any such home rule city, city, town, or county in the program area.

(4) (a) The seller of a motor vehicle that is inoperable or otherwise cannot be tested in accordance with rules promulgated by the department of revenue or that is being sold pursuant to part 18 or part 21 of this article is not required to obtain a certification of emissions control prior to the sale of the vehicle if the seller provides a written notice to the purchaser prior to completion of the sale that clearly indicates the following:

(I) The vehicle does not currently comply with the emissions requirements for the program area;

(II) The seller does not warrant that the vehicle will comply with emissions requirements; and

(III) The purchaser is responsible for complying with emissions requirements prior to registering the vehicle in the emissions program area.

(b) The department shall prepare a form to comply with the provisions of paragraph (a) of this subsection (4) and shall make such form available to dealers and other persons who are selling motor vehicles which are inoperable or otherwise cannot be tested in accordance with regulations promulgated by the department of revenue.

(c) If a motor vehicle is exempted from the requirement for obtaining a certification of emissions control prior to sale pursuant to this subsection (4), the new owner of the motor vehicle is required to obtain a certification of emissions control for such motor vehicle before registering it in the program area.

(5) (a) Notwithstanding any other provision of this section, any eligible motor vehicle registered in a clean screen program county that complies with the requirements of the clean screen program under the provisions of sections 42-4-305 (12), 42-4-306 (23), and 42-4-307 (10.5) (a), by passing the requirements of such program and applicable rules shall be deemed to have complied with the inspection requirements of this section for the applicable emissions inspection cycle. For purposes of this subsection (5), "eligible motor vehicle" means a motor vehicle, including trucks, for model years 1978 and earlier having a gross vehicle weight rating of six thousand pounds or less and for model years 1979 and newer having a gross vehicle weight rating of eight thousand five hundred pounds or less.

(b) (I) If the commission does not specify a date for the county clerks and recorders in the basic emissions program area to begin collecting emissions inspection fees at the time of registration pursuant to section 42-3-304 (19) (a), or if the contractor determines that the motor vehicle required to be registered in the basic program area has complied with the inspection requirements pursuant to this subsection (5), a notice shall be sent to the owner of the vehicle identifying the owner of the vehicle, the license plate number, and other pertinent registration information, and stating that the vehicle has successfully complied with the applicable emission requirements. Such notice shall also include a notification that the registered owner of the vehicle may return the notice to the contractor with the payment as set forth on the notice to pay for the clean screen program. Upon receipt of the payment
from the motor vehicle owner, the county clerk shall be notified that the motor vehicle has complied with the inspection requirements pursuant to this subsection (5).

(II) For vehicles with registration renewals coming due on or after the dates specified by the commission for county clerks and recorders to collect emissions inspection fees at the time of registration, if the contractor determines that a motor vehicle required to be registered in the program area has complied with the inspection requirements pursuant to this subsection (5), the contractor shall send a notice to the department of revenue identifying the owner of the vehicle, the license plate number, and any other pertinent registration information, stating that the vehicle has successfully complied with the applicable emission requirements.

c) The department shall, by contract with a private vendor or by rule, establish a procedure for a vehicle owner to obtain the necessary emissions-related documents for the registration and operation of a vehicle that has complied with the inspection requirements pursuant to this subsection (5).

42-4-406. Requirement of certification of emissions control for registration - testing for diesel smoke opacity compliance

(1) (a) A diesel vehicle in the program area that is registered or required to be registered pursuant to article 3 of this title, routinely operates in the program area, or is principally operated from a terminal, maintenance facility, branch, or division located within the program area shall not be sold, registered for the first time, or reregistered unless such vehicle has been issued a certification of emissions control within:

(I) The past twelve months if the motor vehicle is a heavy-duty diesel vehicle that is over ten model years old;

(II) The last twenty-four months if the motor vehicle is a heavy-duty diesel vehicle that is ten model years old or newer;

(III) The last twelve months if the motor vehicle is a light-duty diesel vehicle that is at least ten model years old or that is model year 2003 or older; or

(IV) The last twenty-four months if the motor vehicle is a light-duty diesel vehicle that is ten model years old or newer and that is model year 2004 or newer.

(b) (I) A certification of emissions control shall be issued to any diesel vehicle that has been inspected and tested pursuant to subsection (2) of this section for diesel smoke opacity compliance and was found at such time to be within the smoke opacity limits established by the commission.

(II) Notwithstanding the provisions of subparagraph (I) of this paragraph (b), new diesel vehicles, required under this section to have a certification of emissions control, shall be issued a certification of emissions compliance without inspection or testing. Prior to the expiration of such certification, such vehicle shall be inspected and a certification of emissions control shall be obtained for diesel smoke opacity compliance. Such certificate shall expire on the earliest to occur of the following:
(A) The anniversary of the day of the issuance of such certification when such vehicle has reached its fourth model year if it is a light-duty diesel vehicle;

(B) The anniversary of the day of the issuance of such certification when such vehicle has reached its fourth model year if it is a heavy-duty diesel vehicle; or

(C) On the date of the transfer of ownership if such date is within twelve months before such certification would expire pursuant to sub-subparagraph (A) or (B) of this subparagraph (II), unless such transfer of ownership is a transfer from the lessor to the lessee.

(2) (a) On or after January 1, 1990, all heavy duty diesel vehicles in the program area not subject to the provisions of section 42-4-414, with fleets of nine or more, shall be required to be tested for diesel smoke opacity compliance at a licensed diesel inspection station by submitting to loaded mode opacity testing utilizing dynamometers or on-road tests as prescribed by the commission.

(b) Light-duty diesel vehicles in the program area shall be required to be tested for diesel smoke opacity compliance at a licensed diesel inspection station by submitting to loaded mode opacity testing utilizing dynamometers.

42-4-414. Heavy-duty diesel fleet inspection and maintenance program - penalty - rules

(1) The commission shall develop and implement, effective January 1, 1987, a fleet inspection and maintenance program for diesel-powered motor vehicles of more than fourteen thousand pounds gross vehicle weight rating. Regional transportation district buses, state, county, and municipal vehicles, and private diesel fleets shall participate in the program through self-certification inspection procedures as developed by the commission.

(2) (a) The commission shall promulgate rules that:

(I) Require owners of diesel-powered motor vehicles, registered in the program area, routinely operated in the program area, or principally operated from a terminal, maintenance facility, branch, or division located within the program area, and subject to the provisions of this section, to bring the vehicles into compliance with existing opacity standards set forth in section 42-4-412;

(II) Are strictly construed;

(III) Except as provided in paragraph (b.5) of this subsection (2), do not require more than normal and reasonable maintenance practices; and

(IV) Do not require additional fees or loaded mode testing equipment.

(b) Fleet owners shall test opacity standards on a periodic basis. Fleet owners shall use an opacity meter to test vehicles that are greater than ten model years old, but may use an automated opacity metering protocol to test vehicles that are less than or equal to ten model years old.
(b.5) As an alternative to automated or visual opacity testing, the commission may promulgate rules that establish an alternative method for operators of heavy-duty diesel vehicles to demonstrate compliance with opacity standards by following and submitting proof of exemplary maintenance practices. Any commission rules promulgated under this paragraph (b.5) must contain eligibility requirements for enrollment of heavy-duty diesel vehicles in the alternative method, including when vehicles or fleets should be discontinued from enrollment.

(c) The commission shall exempt a new diesel vehicle enrolled in the fleet inspection and maintenance program from testing until the vehicle has reached its fourth model year or, if ownership of the vehicle is transferred after the vehicle has reached its third model year but before expiration of the exemption period, until the date of the transfer of ownership.

(d) The commission shall promulgate rules providing for the testing of diesel vehicles every:

(I) Twelve months unless subparagraph (II) of this paragraph (d) applies; or

(II) Twenty-four months if the vehicle is equal to or less than ten model years old.

(2.5) An owner of a fleet registered in the program area may certify to the executive director or the executive director's designee, in a form and manner required by the executive director, that a diesel vehicle registered in the program area is physically based and principally operated from a terminal, division, or maintenance facility outside the program area. Any diesel vehicle registered in the program area, but certified to be physically based and principally operated from a terminal, division, or maintenance facility outside the program area, is exempt from this section. The commission shall promulgate rules to administer this subsection (2.5).

(3) (a) and (b) (Deleted by amendment, L. 2003, p. 1023, § 1, effective August 6, 2003.)

(c) On or after January 1, 1990, in addition to any other penalty set forth in this subsection (3), any owner who is subject to the provisions of this section and who commits an excessive violation of this section twice in a twelve-month period shall be subject to the provisions of this part 4. For purposes of this paragraph (c), "excessive violation" shall be that definition recommended by the governor's blue ribbon diesel task force in 1988 and thereafter adopted by the air quality control commission, or, if such task force does not make a recommendation, "excessive violation" shall be that definition adopted by the air quality control commission.

(4) As used in this section, "fleet" means nine or more diesel-powered motor vehicles.

ODOMETER LAWS

42-6-201. Definitions.

As used in this part 2, unless the context otherwise requires: As used in this part 2, unless the context otherwise requires:
(1) "Owner" means the person who holds the legal title of a motor vehicle, but, in the event a motor vehicle is the subject of an agreement for the conditional sale or lease thereof, with the right to purchase upon the performance of the conditions stated in the agreement and with an immediate right to possession vested in the conditional vendee or lessee, or in the event a mortgagor of a vehicle is entitled to possession, then such conditional vendee, lessee, or mortgagor shall be deemed the owner.

(2) "Person" means an individual, firm, association, corporation, or partnership.

(3) "Private sale" means a sale or transfer of a used motor vehicle between two persons neither of whom is a used motor vehicle dealer.

(4) "Retail used motor vehicle sale" means a sale or transfer of a used motor vehicle from a used motor vehicle dealer to a person other than a used motor vehicle dealer.

(5) "Sale" means that the buyer of the used motor vehicle has paid the purchase price or, in lieu thereof, has signed a purchase contract or security agreement and has taken physical possession or delivery of the used motor vehicle.

(6) "Sale between used motor vehicle dealers" means a sale or transfer of a used motor vehicle from one used motor vehicle dealer to another.

(7) "Sale from an owner other than a used motor vehicle dealer to a used motor vehicle dealer" means any sale, trade-in, or other transfer of a used motor vehicle from a person other than a used motor vehicle dealer to a used motor vehicle dealer.

(8) "Used motor vehicle" means every self-propelled motor vehicle having a gross weight of less than sixteen thousand pounds that has been sold, bargained for, exchanged, given away, leased, loaned, or driven as a "company executive car" or the title to which has been transferred from the person who first acquired it from the manufacturer or importer and it is so used as to have become what is commonly known as "secondhand" within the ordinary meaning thereof. A previously untitled motor vehicle that has been driven by the dealer for more than one thousand five hundred miles, excluding mileage incurred in the transit of the motor vehicle from the manufacturer to the dealer or from another dealer to the dealer, shall be considered a "used motor vehicle". This shall not apply to any automobile manufactured before January 1, 1942.

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


(1) It is unlawful for any person to advertise for sale, to sell, to use, or to install or to have installed any device which causes an odometer to register any mileage other than the true mileage driven. For purposes of this section, the true mileage driven is that mileage driven by the vehicle as registered by the odometer within the manufacturer's designed tolerance.
(2) It is unlawful for any person or the person's agent to disconnect, reset, or alter the odometer of any motor vehicle with the intent to change the number of miles indicated thereon.

(3) It is unlawful for any person, with the intent to defraud, to operate a motor vehicle on any street or highway knowing that the odometer of such vehicle is disconnected or nonfunctional.

(4) Nothing in this part 2 shall prevent the service, repair, or replacement of an odometer, if the mileage indicated thereon remains the same as before the service, repair, or replacement. When the odometer is incapable of registering the same mileage as before such service, repair, or replacement, the odometer shall be adjusted to read zero, and a notice in writing shall be attached to the left door frame of the vehicle by the owner or the owner's agent specifying the mileage prior to repair or replacement of the odometer and the date on which it was repaired or replaced. Any removal or alteration of such notice so affixed is unlawful.

(5) It is unlawful for any transferor to fail to comply with 49 U.S.C. sec. 32705 and any rule concerning odometer disclosure requirements or to knowingly give a false statement to a transferee in making any disclosure required by such law.

42-6-203. Penalty.

A violation of any of the provisions of section 42-6-202 is a class 1 misdemeanor.

42-6-204. Private civil action.

(1) Any person who, with intent to defraud, violates any requirement imposed under this part 2 shall be liable in an amount equal to the sum of:

(a) Three times the amount of actual damages sustained or three thousand dollars, whichever is greater; and

(b) In the case of any successful action to enforce said liability, the costs of the action together with reasonable attorney fees as determined by the court.

(2) An action to enforce any liability created under subsection (1) of this section must be brought within the time period prescribed in section 13-80-102, C.R.S.

(3) There shall be no liability under this section if a judgment has been entered in federal court pursuant to section 409 of the "Motor Vehicle Information and Cost Savings Act", Public Law 92-513.

42-6-109. Sale or transfer of vehicle.

(1) Except as provided in section 42-6-113, a person shall not sell or otherwise transfer a motor or off-highway vehicle to a purchaser or transferee without delivering to the purchaser or transferee a certificate of title to the vehicle duly transferred in the manner prescribed in section 42-6-110. Except as provided in subsection (2) of this section, the certificate of title may be in an electronic format. Except as
provided in section 42-6-115, a purchaser or transferee does not acquire any right, title, or interest in
and to a motor or off-highway vehicle purchased by the purchaser or transferee unless and until he or
she obtains from the transferor the certificate of title duly transferred in accordance with this part 1. A
lienholder may request either a paper or electronic version of a certificate of title.

(2) Except as provided in section 42-6-115, a paper copy of a certificate of title is necessary for a
transaction in which:

(a) Either party to the transaction is located outside Colorado; or

(b) The purchaser pays for a motor or off-highway vehicle entirely with cash.

42-6-110. Certificate of title - transfer.

(1) Upon the sale or transfer of a motor or off-highway vehicle for which a certificate of title has been
issued or filed, the person in whose name the certificate of title is registered, if the person is not a
dealer, shall execute a formal transfer of the vehicle described in the certificate. The person in whose
name the certificate of title is registered or the person's agent or attorney shall affirm the sale or
transfer, accompanied by a written declaration that the statement is made under the penalties of
perjury in the second degree, as defined in section 18-8-503, C.R.S. The purchaser or transferee, within
sixty days thereafter, shall present the certificate, together with an application for a new certificate of
title, to the director or one of the authorized agents, accompanied by the fee required in section 42-6-
137 to be paid for the filing of a new certificate of title; except that, if no title can be found and the
motor vehicle is not roadworthy, the purchaser or transferee may wait until twenty-four months after
the motor vehicle was purchased to apply for a certificate of title.

(1.5) (a) If an insurer, as defined in section 10-1-102 (13), C.R.S., or a salvage pool authorized by an
insurer is unable to obtain the properly endorsed certificate of ownership or other evidence of
ownership acceptable to the department within thirty days following oral or written acceptance by the
owner of an offer of settlement of a total loss, that insurer or salvage pool may request, on a form
provided by the department and signed under penalty of perjury, the department to issue a salvage or
nonrepairable title for the vehicle. The request must include information declaring that the insurer or
salvage pool has made at least two written attempts to obtain the certificate of ownership or other
acceptable evidence of title and must include the fee for a duplicate title. The form requesting a salvage
or nonrepairable title is the only evidence required to obtain a salvage or nonrepairable title.

(b) Upon receiving the fee for a duplicate title and the certificate of ownership, other evidence of title,
or a properly executed request described in paragraph (a) of this subsection (1.5), the department shall
issue the salvage or nonrepairable title for the vehicle.

(2) A person who violates subsection (1) of this section is guilty of a misdemeanor and, upon conviction,
shall be punished by a fine of not less than ten dollars nor more than five hundred dollars, or by
imprisonment in the county jail for not less than ten days nor more than six months, or by both such fine
and imprisonment.
42-6-111. Sale to dealers - certificate need not issue.

(1) Upon the sale or transfer to a dealer of a motor or off-highway vehicle for which a Colorado certificate of title has been issued, the dealer shall transfer and file the certificate of title to the motor or off-highway vehicle; except that, so long as the vehicle remains in the dealer's possession and at the dealer's place of business for sale and for no other purpose, the dealer need not procure or file a new certificate of title as is otherwise required in this part 1.

(2) If a motor or off-highway vehicle dealer wishes to obtain a new certificate of title, the dealer may present the old certificate of title to the director with the fee imposed by section 42-6-137 (6), whereupon the director shall issue a new certificate of title to the dealer within one working day after application. This subsection (2) does not apply to a motor or off-highway vehicle subject to a lien.

(3) (a) A wholesale motor vehicle auction dealer who does not buy, sell, or own the motor vehicles transferred at auction shall disclose the identity of the wholesale motor vehicle auction dealer, the date of the auction, and the license number of the auction on a form and in a manner prescribed by the executive director. A wholesale motor vehicle auction dealer does not become an owner by reason of such disclosure nor as a result solely of the guarantee of title, guarantee of payment, or reservation of a security interest.

(b) A wholesale motor vehicle auction dealer may buy or sell motor vehicles at wholesale in such dealer's own name and, in such instances, shall comply with the provisions of this part 1 applicable to dealers, including licensing.

42-6-112. Initial registration of a motor vehicle - dealer responsibility to timely forward certificate of title to purchaser or holder of a chattel mortgage.

A dealer of motor or off-highway vehicles shall, within thirty days after the sale, deliver or facilitate the delivery of the certificate of title to a purchaser or the holder of a chattel mortgage on the motor or off-highway vehicle subject to section 42-6-109.


(1) Upon the sale or transfer by a dealer of a new motor or off-highway vehicle, the dealer shall, upon delivery, make, execute, and deliver to the purchaser or transferee a sufficient bill of sale and the manufacturer's certificate of origin.

(2) The bill of sale must:

(a) Be affirmed by a statement signed by the dealer, containing or accompanied by a written declaration that it is made under the penalties of perjury in the second degree, as defined in section 18-8-503, C.R.S.;

(b) Be in such form as the director may require; and
(c) Contain, in addition to other information that the director may by rule require, the make and model of the motor or off-highway vehicle, the identification number placed upon the vehicle by the manufacturer for identification purposes, the manufacturer's suggested retail price, and the date of the sale or transfer, together with a description of any mortgage or lien on the vehicle that secures any part of the purchase price.

(3) Upon presentation of the bill of sale and the manufacturer's certificate of origin, the director or an authorized agent shall file a new certificate of title for the vehicle described in the bill of sale. A dealer shall transfer a new motor or off-highway vehicle used by a dealer for demonstration in accordance with this section.

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

(1) When a resident of the state acquires the ownership of a motor or off-highway vehicle for which a certificate of title has been issued by a state other than Colorado, the person acquiring the vehicle shall apply to the director or an authorized agent for the filing of a certificate of title as in other cases.

(2) If a dealer acquires the ownership of a motor or off-highway vehicle by lawful means and the vehicle is titled under the laws of a state other than Colorado, the dealer need not file a Colorado certificate of title for the vehicle so long as the vehicle remains in the dealer's possession and at the dealer's place of business solely for the purpose of sale.

(3) Upon the sale by a dealer of a motor or off-highway vehicle, the certificate of title to which was issued in a state other than Colorado, the dealer shall, within thirty days after the sale, deliver or facilitate the delivery to the purchaser the certificate of title, duly and properly endorsed or assigned to the purchaser, with a statement by the dealer containing or accompanied by a written declaration that it is made under the penalties of perjury in the second degree, as defined in section 18-8-503, C.R.S., and setting forth the following:

(a) That the dealer, by the execution of the affidavit, warrants to the purchaser and all persons who claim through the named purchaser that, at the time of the sale, transfer, and delivery by the dealer, the vehicle described was free and clear of all liens and mortgages except as might appear in the certificate of title;

(b) That the vehicle is not a stolen vehicle; and

(c) That the dealer had good, sure, and adequate title to, and full authority to sell and transfer, the vehicle.

(4) If the purchaser of the vehicle completes and includes the vehicle identification number inspection form as part of the application for filing of a Colorado certificate of title to the vehicle and accompanies the application with the affidavit required by subsection (3) of this section and the duly endorsed or assigned certificate of title from a state other than Colorado, a Colorado certificate of title may be filed in the same manner as upon the sale or transfer of a motor or off-highway vehicle for which a Colorado certificate of title has been issued or filed. Upon the filing by the director or the authorized agent of the
certificate of title, the director or the authorized agent may dispose of the certificate of title and shall record the certificate of title as provided in section 42-6-124.

42-3-116. Manufacturers or dealers.

(1) Upon application using the proper form and payment of the fees required by law, a manufacturer of, drive-away or tow-away transporter of, or dealer in, motor vehicles, trailers, special mobile machinery, or semitrailers operating such vehicle upon any highway, in lieu of registering each vehicle, may obtain from the department and attach to each such vehicle one number plate, as required in this article for different classes of vehicles. Such plate shall bear a distinctive number; the name of this state, which may be abbreviated; the year issued; and a distinguishing word or symbol indicating that such plate was issued to a manufacturer, drive-away or tow-away transporter, or dealer. Such plates may, during the registration period for which they were issued, be transferred from one such vehicle to another when owned and operated by or with the authority of such manufacturer or representative of such manufacturer or operated by such drive-away or tow-away transporter or dealer.

(2) No manufacturer of or dealer in motor vehicles, trailers, or semitrailers shall cause or permit a vehicle owned by such person to be operated or moved upon a public highway without displaying upon such vehicle a number plate, except as otherwise authorized in this article.

(3) A manufacturer of motor vehicles, trailers, or semitrailers may operate or move upon the highways any such vehicle from the factory where manufactured to a railway depot, vessel, or place of shipment or delivery, without registering the same and without an attached number plate, under a written permit first obtained from the police authorities with jurisdiction over such highways and upon displaying upon each such vehicle a placard bearing the name and address of the manufacturer authorizing or directing such movement, plainly readable from one hundred feet away during daylight.

(4) (a) Any dealer in motor vehicles, trailers, or semitrailers may operate, move, or transport a vehicle owned by such dealer on the streets and highways of this state without registering such vehicle and without an attached numbered plate if there is displayed on such vehicle a depot tag issued by the department. Such tag may be purchased from the department for a fee of five dollars. Such tags shall only be used for moving authorized vehicles for purposes of testing, repairs, or transporting them from the point of delivery to the dealer's place of business and for similar legitimate business purposes; but nothing in this section shall be construed to allow the use of such tag for private purposes.

(b) The executive director of the department shall promulgate rules for the use of depot tags and dealer plates, and a violation of such rules shall subject the violator to a suspension or revocation of the violator's depot tag and dealer plates after a hearing pursuant to article 4 of title 24, C.R.S.

(5) A manufacturer or dealer, upon transferring a motor vehicle, trailer, or semitrailer, whether by sale, lease, or otherwise, to any person other than a manufacturer or dealer shall immediately give written notice of such transfer to the department upon the form provided by the department. Such notice shall contain the date of such transfer, the names and addresses of the transferor and transferee, and such description of the vehicle as may be required by the department.
(6) (a) (I) An application for a full-use dealer plate may be submitted by a motor vehicle dealer or wholesaler who:

(A) Has sold more than twenty-five motor vehicles in the twelve-month period preceding application;

(B) Purchases an existing motor vehicle dealership or wholesale business that has sold more than twenty-five vehicles during the twelve-month period preceding application; or

(C) Obtains a license to operate a new or used motor vehicle dealership or wholesale business with an inventory of fifty or more motor vehicles.

(II) Full-use dealer plates may be used in lieu of, in the same manner as, and to the same extent as number plates issued pursuant to section 42-3-201.

(b) (I) The department shall issue full-use dealer plates upon payment of the fee specified in subparagraph (II) of this paragraph (b) and upon application of a motor vehicle dealer or wholesaler accompanied by satisfactory evidence that the applicant is entitled to the plate in accordance with the criteria established in subparagraph (I) of paragraph (a) of this subsection (6).

(II) The annual fee for full-use dealer plates shall be established and adjusted annually by the department based on the average of specific ownership taxes and registration fees paid for passenger vehicles and light duty trucks that are seven model years old or newer and that were registered during the one-year period preceding January 1 of each year. Such annual fee shall be prorated on a monthly basis. The annual fee for full-use dealer plates for motorcycles shall be established and adjusted annually by the department based on the average of specific ownership taxes and registration fees paid for motorcycles that are seven model years old or newer and that were registered during the one-year period preceding January 1 of each year. Such annual fee for motorcycles shall be prorated on a monthly basis.

(III) Full-use dealer plates shall be valid for a period not to exceed one year.

(IV) Each full-use dealer plate shall be returned to the department within ten days after the sale or closure of a motor vehicle dealership or wholesale business listed in an application submitted pursuant to subparagraph (I) of this paragraph (b).

(c) Full-use dealer plates may be used only for vehicles owned and offered for sale by the dealer or wholesaler. Full-use dealer plates shall not be used on vehicles owned by dealerships or wholesalers that are commonly used by that dealer as tow trucks or vehicles commonly used by that dealer to pick up or deliver parts. At the dealer's or wholesaler's discretion, the full-use plate may be transferred from one motor vehicle to another motor vehicle. The dealer or wholesaler shall not be required to report any such transfer to the department.

(d) A motor vehicle dealer or wholesaler may assign a full-use dealer plate only to the following persons:

(I) Owners or co-owners of the licensed dealership or wholesale motor vehicle business;
An employee of the motor vehicle dealer or wholesaler;

To any person, including former, current, and prospective customers, in order to serve the legitimate business interest of the motor vehicle dealership or motor vehicle wholesale business; and

A spouse or dependent child living in the same household as the licensed dealer or wholesaler.

As used in this subsection (6), "motor vehicle dealer or wholesaler" includes motor vehicle dealers, used motor vehicle dealers, and wholesalers as those terms are defined in section 12-6-102 (13), (17), and (18), C.R.S.

(7) (a) A person who sells special mobile machinery in the ordinary course of business may submit an application for a demonstration plate.

(b) (I) The department shall issue a demonstration plate upon payment of the fee specified in subparagraph (II) of this paragraph (b) and upon application of a motor vehicle dealer or wholesaler accompanied by satisfactory evidence that the applicant is entitled to the plate in accordance with this subsection (7).

(II) The department shall establish and adjust the annual fee for a demonstration plate based on the average of specific ownership taxes and registration fees paid for items of special mobile machinery that are seven model years old or newer during the previous year.

(III) A demonstration plate shall be valid for one year.

(IV) The owner of a demonstration plate shall return the plate to the department within ten days after the sale or closure of the business that sells special mobile machinery in the ordinary course of business.

(c) No person shall operate special mobile machinery with a demonstration plate unless the machinery is offered for sale and being demonstrated for the purposes of a sale. The owner may transfer the plate from one item of special mobile machinery to another and without reporting the transfer to the department.

(d) A person who violates this subsection (7) commits a class 2 misdemeanor, and shall be punished as provided in section 18-1.3-501, C.R.S.

42-3-304. Registration fees - passenger and passenger-mile taxes - clean screen fund - repeal.

(1) (a) In addition to other fees specified in this section, an applicant shall pay a motorist insurance identification fee in an amount determined by paragraph (d) of subsection (18) of this section when applying for registration or renewal of registration of a motor vehicle under this article.

(b) The following vehicles are exempt from the motorist insurance identification fee:

(I) Vehicles that are exempt from registration fees under this section or are owned by persons who have qualified as self-insured pursuant to section 10-4-624, C.R.S.
(II) Repealed.

(c) (Deleted by amendment, L. 2009, (SB 09-274), ch. 210, p. 955, § 8, effective May 1, 2009.)

(2) With respect to passenger-carrying motor vehicles, the weight used in computing annual registration fees shall be that weight published by the manufacturer in approved manuals, and, in case of a dispute over the weight of such vehicle, the actual weight determined by weighing such vehicle on a certified scale, as provided in section 35-14-122 (6), C.R.S., shall be conclusive. With respect to all other vehicles, the weight used in computing annual registration fees shall be the empty weight, determined by weighing such vehicle on a certified scale or in the case of registration fees imposed pursuant to section 42-3-306 (5), the declared gross vehicle weight of the vehicle declared by the owner at the time of registration.

(3) No fee shall be payable for the annual registration of a vehicle when:

(a) The owner of such vehicle is a veteran who in an application for registration shows that the owner has established such owner’s rights to benefits under the provisions of Public Law 663, 79th Congress, as amended, and Public Law 187, 82nd Congress, as amended, or is a veteran of the armed forces of the United States who incurred a disability and who is, at the date of such application, receiving compensation from the veterans administration or any branch of the armed forces of the United States for a fifty percent or more, service-connected, permanent disability, or for loss of use of one or both feet or one or both hands, or for permanent impairment or loss of vision in both eyes that constitutes virtual or actual blindness. The exemption provided in this paragraph (a) shall apply to the original qualifying vehicle and to any vehicle subsequently purchased and owned by the same veteran but shall not apply to more than one vehicle at a time.

(b) The application for registration shows that the owner of such vehicle is a foreign government or a consul or other official representative of a foreign government duly recognized by the department of state of the United States government. License plates for the vehicles qualifying for the exemption granted in this paragraph (b) shall be issued only by the department and shall bear such inscription as may be required to indicate their status.

(c) The owner of such vehicle is the state or a political or governmental subdivision thereof; but any such vehicle that is leased, either by the state or any political or governmental subdivision thereof, shall be exempt from payment of an annual registration fee only if the agreement under which it is leased has been first submitted to the department and approved, and such vehicle shall remain exempt from payment of an annual registration fee only so long as it is used and operated in strict conformity with such approved agreement.

(d) The owner of such vehicle is a former prisoner of war being issued special plates pursuant to section 42-3-213 (3) or is the surviving spouse of a former prisoner of war retaining the special plates that were issued to such former prisoner of war pursuant to section 42-3-213 (3).
(e) The owner of such vehicle is the recipient of a purple heart being issued special plates pursuant to section 42-3-213 (2).

(f) The owner of such vehicle is a recipient of a medal of honor issued special plates pursuant to section 42-3-213 (7).

(g) The owner of the vehicle is a recipient of a medal of valor and is issued special license plates pursuant to section 42-3-213 (10).

(h) The owner of the vehicle survived the attack on Pearl Harbor and is issued special license plates pursuant to section 42-3-213 (6).

(4) Upon registration, the owner of each motorcycle shall pay a surcharge of four dollars, which shall be credited to the motorcycle operator safety training fund created in section 43-5-504, C.R.S.

(5) In lieu of registering each vehicle separately, a dealer in motorcycles shall pay to the department an annual registration fee of twenty-five dollars for the first license plate issued pursuant to section 42-3-116 (1), a fee of seven dollars and fifty cents for each additional license plate so issued up to and including five such plates, and a fee of ten dollars for each license plate so issued in excess of five.

(6) In lieu of registering each vehicle separately:

(a) A dealer in motor vehicles, trailers, and semitrailers, except dealers in motorcycles, shall pay to the department an annual fee of thirty dollars for the first license plate issued pursuant to section 42-3-116 (1), and a fee of seven dollars and fifty cents for each additional license plate so issued up to and including five, and a fee of ten dollars for each license plate so issued in excess of five; and

(b) A manufacturer of motor vehicles shall pay to the department an annual fee of thirty dollars for the first license plate issued pursuant to section 42-3-116 (1), and a fee of seven dollars and fifty cents for each additional license plate so issued up to and including five, and a fee of ten dollars for each additional license plate issued.

(7) (a) Every drive-away or tow-away transporter shall apply to the department for the issuance of license plates that may be transferred from one vehicle or combination to another vehicle or combination for delivery without further registration. The annual fee payable for the issuance of such plates shall be thirty dollars for the first set and ten dollars for each additional set. No transporter shall permit such license plates to be used upon a vehicle that is not in transit, or upon a work or service vehicle, including a service vehicle utilized regularly to haul vehicles, or by any other person.

(b) Each such transporter shall keep a written record of all vehicles transported, including the description thereof and the names and addresses of the consignors and consignees, and a copy of such record shall be carried in every driven vehicle; except that, when a number of vehicles are being transported in convoy, such copy, listing all the vehicles in the convoy, may be carried in only the lead vehicle in the convoy.
(c) This subsection (7) shall not apply to a nonresident engaged in interstate or foreign commerce if such nonresident is in compliance with the in-transit laws of the state of his or her residence and if such state grants reciprocal exemption to Colorado residents. The department may enter into reciprocal agreements with any other state or states containing such reciprocal exemptions or may issue written declarations as to the existence of any such reciprocal agreements.

(8) (a) Subsections (5), (6) (a), and (7) of this section shall not apply to a motor vehicle, trailer, or semitrailer operated by a dealer or transporter for such dealer's or transporter's private use or to a motor vehicle bearing full-use dealer plates issued pursuant to section 42-3-116 (6) (d).

(b) Paragraph (b) of subsection (6) of this section shall only apply to a motor vehicle if owned and operated by a manufacturer, a representative of a manufacturer, or a person so authorized by the manufacturer. A motor vehicle bearing manufacturer plates shall be of a make and model of the current or a future year and shall have been manufactured by or for the manufacturer to which such plates were issued.

(9) In addition to the registration fees imposed by section 42-3-306 (4) (a), the following additional registration fee shall be imposed on such vehicles:

(a) For farm trucks less than seven years old, twelve dollars;

(b) For farm trucks seven years old but less than ten years old, ten dollars;

(c) For farm trucks ten years old or older, seven dollars.

(10) (a) In addition to the registration fees imposed by section 42-3-306 (5) (a) and (13), for motor vehicles described in section 42-3-306 (5) (a) and (13), the following additional registration fee shall be imposed:

(I) For light trucks and recreational vehicles less than seven years old, twelve dollars;

(II) For light trucks and recreational vehicles seven years old but less than ten years old, ten dollars;

(III) For light trucks and recreational vehicles ten years old or older, seven dollars.

(b) In addition to the registration fees imposed by section 42-3-306 (5) (b), (5) (c), or (12) (b), an additional registration fee of ten dollars shall be assessed.

(c) The department shall adopt rules that allow a vehicle owner or a vehicle owner's agent to apply for apportioned registration for a vehicle that is used in interstate commerce and that qualifies for the registration fees provided in section 42-3-306 (5). In establishing the amount of such apportioned registration, such rules shall take into account the length of time such item may be operated in Colorado or the number of miles such item may be driven in Colorado. The apportioned registration, if based upon the length of time such item may be operated in Colorado, shall be valid for a period of between two and eleven months. Such rules shall also allow for extensions of apportioned registration periods.
During such rule-making, the department shall confer with its authorized agents regarding enhanced communications with the authorized agents and the coordination of enforcement efforts.

(11) The additional fees collected pursuant to section 42-3-306 (2) (b) (II) and subsection (9) of this section and paragraphs (a) and (b) of subsection (10) of this section shall be transmitted to the state treasurer, who shall credit the same to the highway users tax fund to be allocated pursuant to section 43-4-205 (6) (b), C.R.S.

(12) An owner or operator that desires to make an occasional trip into this state with a truck, truck tractor, trailer, or semitrailer that is registered in another state shall obtain a permit from the public utilities commission as provided in article 10.1 of title 40, C.R.S. This subsection (12) does not apply to the vehicles of a public utility that are temporarily in this state to assist in the construction, installation, or restoration of utility facilities used in serving the public.

(13) In addition to the annual registration fees prescribed in this section for vehicles with a seating capacity of more than fourteen and operated for the transportation of passengers for compensation, the owner or operator of every such vehicle operated over the public highways of this state shall pay a passenger-mile tax equal to one mill for each passenger transported for a distance of one mile. The tax shall be credited to the highway users tax fund created in section 43-4-201, C.R.S., as required by section 43-4-203 (1) (c), C.R.S., and allocated and expended as specified in section 43-4-205 (5.5) (d), C.R.S. The tax assessed by this subsection (13) shall not apply to passenger service rendered within the boundaries of a city, city and county, or incorporated town by a company engaged in the mass transportation of persons by buses or trolley coaches.

(14) (a) The owner or operator of special mobile machinery having an empty weight not in excess of sixteen thousand pounds that the owner or operator desires to operate over the public highways of this state shall register such vehicle under section 42-3-306 (5) (a).

(b) The owner or operator of special mobile machinery with an empty weight exceeding sixteen thousand pounds that the owner or operator desires to operate over the public highways of this state shall register the vehicle under section 42-3-306 (5) (b).

(15) The owner of special mobile machinery, except that mentioned in sections 42-1-102 (44) and 42-3-104 (3), that is not registered for operation on the highway shall pay a fee of one dollar and fifty cents, which shall not be subject to any quarterly reduction.

(16) Nothing in this section shall be construed to prevent a farmer or rancher from occasionally exchanging transportation with another farmer or rancher when the sole consideration involved is the exchange of personal services and the use of vehicles.

(17) (a) At the time of registration of such vehicle, the owner of a truck subject to registration under section 42-3-306 (5) having a weight in excess of four thousand five hundred pounds, but not in excess of ten thousand pounds, including mounted equipment other than that of a recreational type, shall present to the authorized agent a copy of the manufacturer's statement or certificate of origin that
specifies the shipping weight of such vehicle, or if such documentation is not available, a certified scale ticket showing the weight of such vehicle.

(b) The department shall furnish appropriate identification, by means of tags or otherwise, to indicate that a vehicle registered under this section is not subject to clearance by a port of entry weigh station.

(18) (a) In addition to any other fee imposed by this section, the owner shall pay, at the time of registration, a fee of fifty cents on every item of Class A, B, or C personal property required to be registered pursuant to this article. Such fee shall be transmitted to the state treasurer, who shall credit the same to a special account within the highway users tax fund, to be known as the AIR account, and such moneys shall be used, subject to appropriation by the general assembly, to cover the direct costs of the motor vehicle emissions activities of the department of public health and environment in the presently defined nonattainment area, and to pay for the costs of the commission in performing its duties under section 25-7-106.3, C.R.S. In the program areas within counties affected by this article, the authorized agent shall impose and retain an additional fee of up to seventy cents on every such registration to cover reasonable costs of administration of the emissions compliance aspect of vehicle registration. The department of public health and environment may accept and expend grants, gifts, and moneys from any source for the purpose of implementing its duties and functions under this section or section 25-7-106.3, C.R.S.

(b) In addition to any other fee imposed by this section, at the time of registration of any motor vehicle in the program area subject to inspection and not exempt from registration, the owner shall pay a fee of one dollar and fifty cents. Such fee shall be transmitted to the state treasurer, who shall credit the same to the AIR account within the highway users tax fund, and such moneys shall be expended only to cover the costs of administration and enforcement of the automobile inspection and readjustment program by the department of revenue and the department of public health and environment, upon appropriation by the general assembly. For such purposes, the revenues attributable to one dollar of such fee shall be available for appropriation to the department of revenue, and the revenues attributable to the remaining fifty cents of such fee shall be available for appropriation to the department of public health and environment.

(c) There shall be established two separate subaccounts within the AIR account, one for the revenues available for appropriation to the department of public health and environment pursuant to paragraphs (a) and (b) of this subsection (18) and one for the revenues available for appropriation to the department of revenue pursuant to paragraph (b) of this subsection (18) and section 42-4-305. After the state treasurer transfers moneys in the department of revenue subaccount to the department of revenue equal to the amount appropriated to the department of revenue from the AIR account for the fiscal year, the state treasurer shall transfer from the balance in the department of revenue subaccount to the department of public health and environment subaccount any amount needed to cover appropriations made to the department of public health and environment from the AIR account for that fiscal year for the administration and enforcement of the automobile inspection and readjustment program. Transfers from the department of revenue subaccount to the department of public health and environment subaccount shall be made on a monthly basis after the transfers to the department of
revenue equal to the department of revenue’s appropriation for that fiscal year have been made. The state treasurer shall not transfer to the department of public health and environment an amount that exceeds the amount of the appropriation made to the department of public health and environment from the AIR account for the fiscal year. Any transfer made pursuant to this paragraph (c) shall be subject to any limits imposed or appropriations made by the general assembly for other purposes and any limitations imposed by section 18 of article X of the state constitution.

(d) (I) In addition to any other fee imposed by this section, the owner shall pay, at the time of registering a motor vehicle or low-power scooter, a motorist insurance identification fee. The fee shall be adjusted annually by the department, based upon moneys appropriated by the general assembly for the operation of the motorist insurance identification database program. The department shall transmit the fee to the state treasurer, who shall credit it to the Colorado state titling and registration account created in section 42-1-211 (2).

(II) (Deleted by amendment, L. 2009, (SB 09-274), ch. 210, p. 955, § 8, effective May 1, 2009; (HB 09-1026), ch. 281, p. 1268, § 30, effective July 1, 2010.)

(19) (a) If the air quality control commission determines pursuant to section 42-4-306 (23) (b) to implement an expanded clean screen program in the enhanced emissions program area, on and after the specific dates determined by the commission for each of the following subparagraphs:

(I) In addition to any other fee imposed by this section, county clerks and recorders, acting as agents for the clean screen authority, shall collect at the time of registration an emissions inspection fee in an amount determined by section 42-4-311 (6) (a) on every motor vehicle that the department of revenue has determined from data provided by its contractor to have been clean screened; except that the motorist shall not be required to pay such emissions inspection fee if the county clerk and recorder determines that a valid certification of emissions compliance has already been issued for the vehicle being registered indicating that the vehicle passed the applicable emissions test at an enhanced inspection center, inspection and readjustment station, motor vehicle dealer test facility, or fleet inspection station.

(II) County clerks and recorders shall be entitled to retain three and one-third percent of the fee so collected to cover the clerks’ expenses in the collection and remittance of such fee. County treasurers shall, no later than ten days after the last business day of each month, remit the remainder of such fee to the clean screen authority created in section 42-4-307.5. The clean screen authority shall transmit such fee to the state treasurer, who shall deposit the same in the clean screen fund, which fund is hereby created. The clean screen fund shall be a pass-through trust account to be held in trust solely for the purposes and the beneficiaries specified in this subsection (19). Moneys in the clean screen fund shall not constitute fiscal year spending of the state for purposes of section 20 of article X of the state constitution, and such moneys shall be deemed custodial funds that are not subject to appropriation by the general assembly. Interest earned from the deposit and investment of moneys in the clean screen fund shall be credited to the clean screen fund, and the clean screen authority may also expend interest earned on the deposit and investment of the clean screen fund to pay for its costs associated with the
implementation of House Bill 01-1402, enacted at the first regular session of the sixty-third general assembly. The clean screen authority may also expend interest earned on the deposit and investment of the clean screen fund to pay for its costs associated with the implementation of House Bill 06-1302, enacted at the second regular session of the sixty-fifth general assembly.

(III) The clean screen authority shall transmit moneys from the clean screen fund monthly to the contractor in accordance with the fees determined by section 42-4-311 (6) (a) within one week after receipt by the authority from the department of revenue of a notification of the number of registrations of clean-screened vehicles during the previous month.

(IV) Repealed.

(b) In specifying dates for the implementation of the clean screen program pursuant to paragraph (a) of this subsection (19), the commission may specify different dates for the enhanced and basic emissions program areas.

(c) This subsection (19) shall not apply to El Paso county if the commission has excluded such county from the clean screen program pursuant to section 42-4-306 (23) (a).

(d) Any moneys remaining in the clean screen fund upon termination of the AIR program shall revert to the AIR account established in paragraph (a) of subsection (18) of this section.

(20) In addition to any other fee imposed by this section, there shall be collected, at the time of registration, a fee of ten dollars on every light and heavy duty diesel-powered motor vehicle in the program area registered pursuant to this article in Colorado. Such fee shall be transmitted to the state treasurer, who shall credit the same to the AIR account in the highway users tax fund, and such moneys shall be used, subject to appropriation by the general assembly, to cover the costs of the diesel-powered motor vehicle emissions control activities of the departments of public health and environment and revenue.

(21) In order to promote an effective emergency medical network and thus the maintenance and supervision of the highways throughout the state, in addition to any other fees imposed by this section, there shall be assessed an additional fee of two dollars at the time of registration of any motor vehicle. Such fee shall be transmitted to the state treasurer, who shall credit the same to the emergency medical services account created by section 25-3.5-603, C.R.S., within the highway users tax fund.

(22) In addition to any other fees imposed by this section, the authorized agent may collect and retain, and an applicant for registration shall pay at the time of registration, a reasonable fee, as determined from time to time by the authorized agent, that approximates the direct and indirect costs incurred, not to exceed five dollars, by the authorized agent in shipping and handling those license plates that the applicant has, pursuant to section 42-3-105 (1) (a), requested that the department mail to the owner.

(23) Repealed.
(24) In addition to any other fee imposed by this section, at the time of registration, the owner shall pay a fee of one dollar on every item of Class A, B, or C personal property required to be registered pursuant to this article. Notwithstanding the requirements of section 43-4-203, C.R.S., such fee shall be transmitted to the state treasurer, who shall credit the same to the peace officers standards and training board cash fund, created in section 24-31-303 (2) (b), C.R.S.; except that county clerks and recorders shall be entitled to retain five percent of the fee collected to cover the clerks’ expenses in the collection and remittance of such fee. All of the moneys in the fund that are collected pursuant to this subsection (24) shall be used by the peace officers standards and training board for the purposes specified in section 24-31-310, C.R.S.

(25) (a) Beginning January 1, 2014, in addition to any other fee imposed by this section, county clerks and recorders shall annually collect a fee of fifty dollars at the time of registration on every plug-in electric motor vehicle. County clerks and recorders shall transmit the fee to the state treasurer, who shall credit thirty dollars of each fee to the highway users tax fund created in section 43-4-201, C.R.S., and twenty dollars of each fee to the electric vehicle grant fund created in section 24-38.5-103, C.R.S.

(b) The department of revenue shall create an electric vehicle decal, which a county clerk and recorder shall give to each person who pays the fee charged under paragraph (a) of this subsection (25). The decal must be attached to the upper right-hand corner of the front windshield on the motor vehicle for which it was issued. If there is a change of vehicle ownership, the decal is transferable to the new owner.

(c) As used in this section, "plug-in electric motor vehicle" means:

(I) A motor vehicle that has received an acknowledgment of certification from the federal internal revenue service that the vehicle qualifies for the plug-in electric drive vehicle credit set forth in 26 U.S.C. sec. 30D, or any successor section; or

(II) Any motor vehicle that can be recharged from any external source of electricity and the electricity stored in a rechargeable battery pack propels or contributes to propel the vehicle's drive wheels.

MISCELLANEOUS LAWS & REGULATIONS

6-1-708. Motor vehicle sales and leases - deceptive trade practice.

(1) A person engages in a deceptive trade practice when, in the course of such person's business, vocation, or occupation, such person:

(a) Commits any of the following acts pertaining to the sale or lease of a motor vehicle or a used motor vehicle:

(I) Guarantees to a purchaser or lessee of a motor vehicle or used motor vehicle who conditions such purchase or lease on the approval of a consumer credit transaction as defined in section 5-1-301 (12), C.R.S., that such purchaser or lessee has been approved for a consumer credit transaction if such approval is not final. For purposes of this subparagraph (I), "guarantee" means a written document or
oral representation between the purchaser or lessee and the person selling or leasing the vehicle that leads such purchaser or lessee to a reasonable good faith belief that the financing of such vehicle is certain.

(II) Accepts a used motor vehicle as a trade-in on the purchase or lease of a motor vehicle or used motor vehicle and sells or leases such used motor vehicle before the purchaser or lessee has been approved for a consumer credit transaction as defined in section 5-1-301 (12), C.R.S., if such approval is a condition of the purchase or lease;

(III) Fails to return to the purchaser or lessee any collateral or down payment tendered by such purchaser or lessee conditioned upon a guarantee by a motor vehicle dealer or used motor vehicle dealer that a consumer credit transaction as defined in section 5-1-301 (12), C.R.S., has been approved for such purchaser or lessee, if such approval was a condition of the sale or lease and if such financing is not approved and the purchaser or lessee is required to return the vehicle;

(b) Fails to disclose in writing, prior to sale, to the purchaser that a motor vehicle is a salvage vehicle, as defined in section 42-6-102 (17), C.R.S., or that a vehicle was repurchased by or returned to the manufacturer from a previous owner for inability to conform the motor vehicle to the manufacturer's warranty in accordance with article 10 of title 42, C.R.S., or with any other state or federal motor vehicle warranty law or knowingly fails to disclose in writing, prior to sale, to the purchaser that a motor vehicle has sustained material damage at any one time from any one incident.

(2) For purposes of this section, if a motor vehicle or used motor vehicle dealer guarantees financing and if approval for financing is a condition of the sale or lease, such motor vehicle or used motor vehicle dealer shall not retain any portion of such purchaser's down payment or any trade-in vehicle as payment of rent on any vehicle released by such dealer to such purchaser pending approval of financing even if such dealer has obtained a waiver of such purchaser's right to return a vehicle or has contracted for a rental agreement with such purchaser.

42-6-205. Consumer protection.

All provisions of section 6-1-708, C.R.S., concerning deceptive trade practices in the sale of motor vehicles shall apply to the sale of used motor vehicles.

18-5-301. Fraud in effecting sales.

(1) A person commits a class 2 misdemeanor if, in the course of business, he knowingly:

(a) Uses or possesses for use a false weight or measure, or any other device for falsely determining or recording any quality or quantity; or

(b) Sells, offers, or exposes for sale or delivers less than the represented quantity of any commodity or service; or
(c) Takes or attempts to take more than the represented quantity of any commodity or service when as buyer he furnishes the weight or measure; or

(d) Sells, offers, or exposes for sale an adulterated or mislabeled commodity. "Adulterated" means varying from the standard of composition or quality prescribed by or pursuant to any statute of the state of Colorado or the United States providing criminal penalties for such variance, or set by established commercial usage. "Mislabeled" means varying from the standard of truth or disclosure in labeling prescribed or pursuant to any statute of the state of Colorado or the United States providing criminal penalties for such variance, or set by established commercial usage; or

(e) Makes a false or misleading statement in any advertisement addressed to the public or to a substantial segment thereof for the purpose of promoting the purchase or sale of property or services.

(f) Repealed.


(1) A person commits bait advertising if, in any manner, including advertising or any other means of communication, he offers property or services as part of a scheme or plan, with the intent, plan, or purpose not to sell or provide the advertised property or services at all, or not at the price at which he offered them, or not in a quantity sufficient to meet the reasonable expected public demand, unless the quantity is specifically stated in the advertisement.

(2) It shall be an affirmative defense that a television or radio broadcasting station or a publisher or printer of a newspaper, magazine, or other form of printed advertising which broadcasted, published, or printed a false advertisement prohibited by section 18-5-301 (1) (e) or a bait advertisement prohibited by subsection (1) of this section or a telephone company which furnished service to a subscriber did so without knowledge of the advertiser's or subscriber's intent, plan, or purpose.

(3) Bait advertising is a class 2 misdemeanor.

42-6-102. Definitions.

(6.1) "Flood damaged" means a motor vehicle was submerged in water to the point that rising water has reached over the doorsill and entered the passenger compartment and damaged electrical, computer, or mechanical components.

(16) "Salvage certificate of title" means a document issued under the authority of the director to indicate ownership of a salvage vehicle.

(17) (a) (I) "Salvage vehicle" means:

(A) A flood-damaged vehicle;

(B) A vehicle branded as a salvage vehicle by another state; or
(C) A vehicle that is damaged by collision, fire, flood, accident, trespass, or other occurrence, excluding hail damage, to the extent that the cost of repairing the vehicle to a roadworthy condition and for legal operation on the highways exceeds the vehicle's retail fair market value immediately prior to the damage, as determined by the person who owns the vehicle at the time of the occurrence or by the insurer or other person acting on behalf of the owner.

(II) "Salvage vehicle" does not include an off-highway vehicle.

(b) In assessing whether a vehicle is a "salvage vehicle" under this section, the retail fair market value shall be determined by reference to sources generally accepted within the insurance industry including price guide books, dealer quotations, computerized valuation services, newspaper advertisements, and certified appraisals, taking into account the condition of the vehicle prior to the damage. When assessing the repairs, the assessor shall consider the actual retail cost of the needed parts and the reasonable and customary labor rates for needed labor.

(c) "Salvage vehicle" does not include a vehicle that qualifies as a collector's item, horseless carriage, or street rod vehicle under article 12 of this title at the time of damage.

42-6-136. Surrender and cancellation of certificate - penalty for violation.

(1) (a) The owner of a motor or off-highway vehicle for which a Colorado certificate of title has been issued, upon the destruction or dismantling of the vehicle or upon its being changed so that it is no longer a motor or off-highway vehicle, shall surrender the certificate of title to the vehicle to the director or the authorized agent or notify the director or the authorized agent on director-approved forms indicating the loss, destruction, or dismantling. Upon receiving the surrendered certificate of title or the notice of loss, destruction, or dismantling, the director or authorized agent shall classify the vehicle as junk.

(b) The department shall not issue a certificate of title to a vehicle classified as junk. The holder of a lien or mortgage secured by the vehicle's title for the purchase shall surrender the title to the department. The department shall cancel the title and remove the vehicle identification number from the motor vehicle database.

(c) Upon the owner's procuring the consent of the holders of unreleased mortgages or liens noted on or recorded as part of the certificate of title, the director or authorized agent shall cancel the certificate.

(d) A person who violates this section commits a class 1 petty offense and shall be punished as provided in section 18-1.3-503, C.R.S.

(2) (a) When a motor vehicle owner determines that a motor vehicle for which a Colorado certificate of title has been issued is nonrepairable, the owner of the vehicle shall apply for a nonrepairable title. To be issued a nonrepairable title, an applicant must provide the director with evidence of ownership that satisfies the director of the applicant's right to have a nonrepairable title filed in the applicant's favor. If a motor vehicle is nonrepairable, the director or authorized agent shall issue the vehicle a nonrepairable title.
Upon the owner's procuring the consent of the holder of an unreleased mortgage or lien noted on the certificate of title, the director or authorized agent shall cancel the vehicle's registration.

(Deleted by amendment, L. 2014.)

42-6-206. Disclosure requirements upon transfer of ownership of a salvage vehicle.

(1) Prior to sale of a vehicle rebuilt from salvage to a prospective purchaser for the purpose of selling or transferring ownership of such vehicle, the owner shall prepare a disclosure affidavit stating that the vehicle was rebuilt from salvage. The disclosure affidavit shall also contain a statement of the owner stating the nature of the damage which resulted in the determination that the vehicle is a salvage vehicle. The words "rebuilt from salvage" shall appear in bold print at the top of each such affidavit.

(2) Any person who sells a vehicle rebuilt from salvage for the purpose of transferring ownership of such vehicle shall:

(a) Provide a copy of a disclosure affidavit prepared in accordance with the provisions of subsection (1) of this section to each prospective purchaser; and

(b) Obtain a signed statement from each such purchaser clearly stating that the purchaser has received a copy of the disclosure affidavit and has read and understands the provisions contained therein.

(3) (a) Any person who purchases a vehicle rebuilt from salvage who was not provided with a copy of a disclosure affidavit prepared in accordance with the provisions of subsection (1) of this section and who, subsequent to sale, discovers that the vehicle purchased was rebuilt from salvage shall be entitled to a full and immediate refund of the purchase price from the prior owner.

(b) In the event a person is entitled to a refund under this subsection (3), the prior owner shall be required to make an immediate refund of the full purchase price to the purchaser. A signed statement from the purchaser prepared in accordance with the provisions of paragraph (b) of subsection (2) of this section shall relieve the prior owner of the obligation to make such refund.

(4) Any owner, seller, or transferor of a vehicle rebuilt from salvage who fails to comply with the provisions of this section shall be guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine for a first offense not to exceed one thousand five hundred dollars and a fine of five thousand dollars for each subsequent offense.

(5) The executive director of the department of revenue shall prescribe rules and regulations for the purpose of implementing the provisions of this section.

(6) As used in this section, unless the context otherwise requires:

(a) "Sale" means any sale or transfer of a vehicle rebuilt from salvage.

(b) "Salvage vehicle" shall have the same meaning as set forth in section 42-6-102 (17).

42-6-146. Repossession of motor vehicle - owner must notify law enforcement agency - penalty.
(1) If a mortgagee, lienholder, or the mortgagee's or lienholder's assignee or the agent of either repossesses a motor or off-highway vehicle because of default in the terms of a secured debt, the repossessor shall notify, either orally or in writing, a law enforcement agency, as provided in this section, of the repossession, the name of the owner, the name of the repossessor, and the name of the mortgagee, lienholder, or assignee. The notification must be made at least one hour before, if possible, and in any event no later than one hour after, the repossession occurs. If the repossession takes place in an incorporated city or town, the repossessor shall notify the police department, town marshal, or other local law enforcement agency of the city or town. If the repossession takes place in the unincorporated area of a county, the repossessor shall notify the county sheriff.

(2) A repossessor who violates subsection (1) of this section is guilty of a class 2 misdemeanor and, upon conviction, shall be punished as provided in section 18-1.3-501, C.R.S.

(3) If a motor or off-highway vehicle being reposessed is subject to the "Uniform Commercial Code - Secured Transactions", article 9 of title 4, C.R.S., the repossession is governed by section 4-9-629, C.R.S.

(4) As used in this section, the term "repossessor" means the party who physically takes possession of the motor or off-highway vehicle and drives, tows, or transports the vehicle for delivery to the mortgagee, lienholder, or assignee or the agent of the mortgagee, lienholder, or assignee.

4-9-629. Secured party's liability when taking possession after default - legislative declaration - fund

(a) The general assembly recognizes that, in the past, certain debtors may have been disadvantaged by the actions of repossessors and that such debtors were then unable to obtain just redress for their losses in the courts, especially in cases in which the creditor who initiated the action by employing or contracting with the repossessor was shielded from liability because the repossessor was categorized by the courts as an independent contractor. The general assembly wishes to ensure that the repossessor is bonded or that the secured party or assignee is held responsible at law as a principal under the general principles of agency law for the actions of a repossessor who is acting at the behest of the creditor in the event that no bond has been posted.

(b) A secured party or such party's assignee who wishes to contract with a person to recover or take possession of collateral upon default, including a motor vehicle repossessed pursuant to section 42-6-146, C.R.S., shall contract to recover or take possession of collateral only with a person who is bonded for property damage to or conversion of such collateral in the amount of at least fifty thousand dollars. Such bond shall be filed with and drawn in favor of the attorney general of the state of Colorado for use of the people of the state of Colorado, and shall be revocable only with the written consent of the attorney general pursuant to rules promulgated by the office of the attorney general. The office of the attorney general may charge a fee to be paid by the person filing such bond in order to cover the direct and indirect costs incurred by such office in fulfilling its duties under the provisions of this section.

(c) A secured party or secured party's assignee who employs or contracts with a person who has not complied with the requirements specified in subsection (b) of this section shall be liable as principal for the actions of any person the secured party or assignee employs or contracts with to recover or take
possession of the collateral after default as provided in section 4-9-609 in the same manner as if such person were the agent of the secured party or assignee, whether or not such person has been or may be deemed to be acting as an independent contractor in law.

(d) A repossessor shall not engage in repossessing, recovering, or removing collateral or personal property on behalf of a secured creditor or assignee without first disclosing to such secured creditor or assignee whether such repossessor is bonded pursuant to this article. Any person who fails to disclose or misrepresents to a secured party such person's bonded status or fails to file such bond with the attorney general shall be in violation of the "Colorado Consumer Protection Act", article 1 of title 6, C.R.S., and shall be subject to remedies or penalties or both pursuant to said article.

(e) Any person who knowingly falsifies a repossessor bond application or misrepresents information contained therein commits a class 1 misdemeanor and shall be punished as provided in section 18-1.3-501, C.R.S.

(f) All moneys collected by the attorney general pursuant to this section shall be transmitted to the state treasurer, who shall credit the same to the general fund.

(g) Notwithstanding any provision by contract or common law, in exercising its rights after default, a secured party or lessor taking possession of a motor vehicle may not disable or render unusable any computer program or other similar device embedded in the motor vehicle if immediate injury to any person or property is a reasonably foreseeable consequence of such action. Any secured party or lessor who disables or renders unusable such a computer program or other similar device in such circumstances shall be liable in accordance with applicable rules of law to any person who sustains an injury to person or property as a reasonably foreseeable result of the secured party's or lessor's action.

5-5-110. Notice of right to cure.

(1) With respect to a consumer credit transaction, after a consumer has been in default for ten days for failure to make a required payment and has not voluntarily surrendered possession of goods or the mobile home that are collateral, a creditor may give the consumer the notice described in this section. A creditor gives notice to the consumer pursuant to this section when the creditor delivers the notice to the consumer or mails the notice to the consumer at the consumer's residence, as defined in section 5-1-201 (6).

(2) Except as provided in subsection (3) of this section, the notice shall be in writing and conspicuously state: The name, address, and telephone number of the creditor to which payment is to be made, a brief identification of the credit transaction, the right to cure the default, and the amount of payment and date by which payment must be made to cure the default. A notice in substantially the following form complies with this subsection (2):

(Name, address, and telephone number of creditor)

(Account number, if any)
(Brief identification of credit transaction)

______________________(Date) is the LAST DATE FOR PAYMENT.

______________________(Amount) is the AMOUNT NOW DUE.

You are late in making your payment(s). If you pay the AMOUNT NOW DUE (above) by the LAST DAY FOR PAYMENT (above), you may continue with the contract as though you were not late. If you do not pay by this date, we may exercise our rights under the law.

If you are late again in making your payments, we may exercise our rights without sending you another notice like this one. If you have questions, write or telephone the creditor promptly.

(3) If the consumer credit transaction is a consumer insurance premium loan, the notice shall conform to the requirements of subsection (2) of this section, and a notice in substantially the form specified in subsection (2) of this section shall be deemed compliance with this subsection (3) except for the following:

(a) In lieu of a brief identification of the credit transaction, the notice shall identify the transaction as a consumer insurance premium loan and shall identify each policy or contract that may be canceled;

(b) In lieu of the statement in the form of notice specified in subsection (2) of this section that the creditor may exercise its rights under law, a statement shall be included that each policy or contract identified in the notice may be canceled; and

(c) The last paragraph of the form of notice specified in subsection (2) of this section shall be omitted.

(4) A notice of right to cure delivered or mailed to a cosigner pursuant to this section shall be modified to state that the consumer is late in making his or her payment, include the consumer's name, and that if the amount now due is not paid by the last date for payment, the creditor may exercise its rights against the consumer, cosigner, or both.

5-5-111. Cure of default.

(1) With respect to a consumer credit transaction, except as provided in subsection (2) of this section, after a default consisting only of the consumer's failure to make a required payment, a creditor, because of that default, may neither accelerate maturity of the unpaid balance of the obligation nor take possession of or otherwise enforce a security interest in the goods or the mobile home that are collateral until twenty days after giving the consumer a notice of right to cure described in section 5-5-110. Until the expiration of the minimum applicable period after the notice is given, all defaults consisting of a failure to make the required payment may be cured by tendering to the creditor the amount of all unpaid sums due at the time of the tender, without acceleration, plus any unpaid delinquency or deferral charges. Cure restores the consumer to his or her rights under the agreement as though the defaults had not occurred.
(2) With respect to defaults on the same obligation, other than defaults on an obligation secured by a mobile home, after a creditor has once given the consumer a notice of right to cure described in section 5-5-110, this section gives no right to cure and imposes no limitation on the creditor's right to proceed against the consumer or goods that are collateral with respect to any subsequent default that occurs within twelve months of such notice. With respect to defaults on the same obligation that is secured by a mobile home, this section gives no right to cure and imposes no limitation on the creditor's right to proceed against the consumer or goods that are collateral with respect to any third default that occurs within twelve months of such notice. For the purpose of this section, in connection with revolving credit accounts, the obligation is the consumer's account, and there is no right to cure and no limitation on the creditor's rights with respect to any default that occurs within twelve months after an earlier default as to which a creditor has given the consumer notice of right to cure.

(3) Unless a creditor has provided the cosignor on a consumer credit transaction with a notice of right to cure that complies with section 5-5-110 and this section, in addition to the notice of right to cure provided to the consumer, the creditor may neither accelerate maturity of the unpaid balance of the obligation as to the cosignor nor report that amount on the cosignor's consumer report with a consumer reporting agency as defined in section 12-14.3-102, C.R.S., and 15 U.S.C. sec. 1681a.

(4) This section and the provisions on waiver, agreements to forego rights, and settlement of claims do not prohibit a consumer from voluntarily surrendering possession of goods that are collateral and the creditor from thereafter enforcing its security interest in the goods at any time after default.

(5) This section shall not apply to consumer credit transactions that are payable in four or fewer installments.


(1) "Consumer" means the purchaser, other than for purposes of resale, of a motor vehicle normally used for personal, family, or household purposes, any person to whom such motor vehicle is transferred for the same purposes during the duration of a manufacturer's express warranty for such motor vehicle, and any other person entitled by the terms of such warranty to enforce the obligations of the warranty.

(2) "Motor vehicle" means a self-propelled private passenger vehicle, including pickup trucks and vans, designed primarily for travel on the public highways and used to carry not more than ten persons, which is sold to a consumer in this state; except that the term does not include motor homes as defined in section 42-1-102 (57) or vehicles designed to travel on three or fewer wheels in contact with the ground.

(3) "Warranty" means the written warranty, so labeled, of the manufacturer of a new motor vehicle, including any terms or conditions precedent to the enforcement of obligations under that warranty.

42-10-102. Repairs to conform vehicle to warranty.

If a motor vehicle does not conform to a warranty and the consumer reports the nonconformity to the manufacturer, its agent, or its authorized dealer during the term of such warranty or during a period of one year following the date of the original delivery of the motor vehicle to a consumer, whichever is the
earlier date, the manufacturer, its agent, or its authorized dealer shall make such repairs as are necessary to conform the vehicle to such warranty, notwithstanding the fact that such repairs are made after the expiration of such term or such one-year period.

42-10-103. Failure to conform vehicle to warranty - replacement or return of vehicle.

(1) If the manufacturer, its agent, or its authorized dealer is unable to conform the motor vehicle to the warranty by repairing or correcting the defect or condition which substantially impairs the use and market value of such motor vehicle after a reasonable number of attempts, the manufacturer shall, at its option, replace the motor vehicle with a comparable motor vehicle or accept return of the motor vehicle from the consumer and refund to the consumer the full purchase price, including the sales tax, license fees, and registration fees and any similar governmental charges, less a reasonable allowance for the consumer's use of the motor vehicle. Refunds shall be made to the consumer and lienholder, if any, as their interests may appear. A reasonable allowance for use shall be that amount directly attributable to use by the consumer and any previous consumer prior to the consumer's first written report of the nonconformity to the manufacturer, agent, or dealer and during any subsequent period when the vehicle is not out of service by reason of repair.

(2) (a) It shall be presumed that a reasonable number of attempts have been undertaken to conform a motor vehicle to the warranty if:

(I) The same nonconformity has been subject to repair four or more times by the manufacturer, its agent, or its authorized dealer within the warranty term or during a period of one year following the date of the original delivery of the motor vehicle to the consumer, whichever is the earlier date, but such nonconformity continues to exist; or

(II) The motor vehicle is out of service by reason of repair for a cumulative total of thirty or more business days of the repairer during the term specified in subparagraph (I) of this paragraph (a) or during the period specified in said subparagraph (I), whichever is the earlier date.

(b) For the purposes of this subsection (2), the term of a warranty, the one-year period, and the thirty-day period shall be extended by any period of time during which repair services are not available to the consumer because of war, invasion, strike, or fire, flood, or other natural disaster.

(c) In no event shall a presumption under paragraph (a) of this subsection (2) apply against a manufacturer unless the manufacturer has received prior written notification by certified mail from or on behalf of the consumer and has been provided an opportunity to cure the defect alleged. Such defect shall count as one nonconformity subject to repair under subparagraph (I) of paragraph (a) of this subsection (2).

(d) Every authorized motor vehicle dealer shall include a form, containing the manufacturer's name and business address, with each motor vehicle owner's manual on which the consumer may give written notification of any defect, as such notification is required by paragraph (c) of this subsection (2), and the
form shall clearly and conspicuously disclose that written notification by certified mail of the nonconformity is required, in order for the consumer to obtain remedies under this article.

(3) The court shall award reasonable attorney fees to the prevailing side in any action brought to enforce the provisions of this article.

42-10-104. Affirmative defenses.

(1) It shall be an affirmative defense to any claim under this article that:

(a) An alleged nonconformity does not substantially impair the use and market value of a motor vehicle; or

(b) A nonconformity is the result of abuse, neglect, or unauthorized modifications or alterations of the motor vehicle by a consumer.

42-10-105. Limitations on other rights and remedies.

Nothing in this article shall in any way limit the rights or remedies which are otherwise available to a consumer under any other state law or any federal law. Nothing in this article shall affect the other rights and duties between the consumer and a seller, lessor, or lienholder of a motor vehicle or the rights between any of them. Nothing in this article shall be construed as imposing a liability on any authorized dealer with respect to a manufacturer or creating a cause of action by a manufacturer against its authorized dealer; except that failure by an authorized dealer to properly prepare a motor vehicle for sale, to properly install options on a motor vehicle, or to properly make repairs on a motor vehicle, when such preparation, installation, or repairs would have prevented or cured a nonconformity, shall be actionable by the manufacturer.

42-10-106. Applicability of federal procedures.

If a manufacturer has established or participates in an informal dispute settlement procedure which substantially complies with the provisions of part 703 of title 16 of the code of federal regulations, as from time to time amended, the provisions of section 42-10-103 (1) concerning refunds or replacement shall not apply to any consumer who has not first resorted to such procedure.


Any action brought to enforce the provisions of this article shall be commenced within six months following the expiration date of any warranty term or within one year following the date of the original delivery of a motor vehicle to a consumer, whichever is the earlier date; except that the statute of limitations shall be tolled during the period the consumer has submitted to arbitration under section 42-10-106.