

Auto Industry Division

Study Guide

Miscellaneous Statutes & Regulations
2017-2018



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Statutes- Vehicles & Traffic, Insurance, Consumer & Commercial Affairs, Criminal Code, Uniform Commercial Code and Consumer Credit Code

42-3-203. Standardized plates - notice of funding through gifts, grants, and donations - rules - repeal

- (1) (a) Unless otherwise authorized by statute, the department shall issue all Class C vehicles a single type of standardized license plate. Unless otherwise authorized by statute, the department shall issue all Class B vehicles, except recreational trucks, a single type of standardized license plate.
 - (b) Repealed.
- (2) An owner who has applied for renewal of registration of a vehicle but who has not received the number plates or plate for the ensuing registration period may operate or permit the operation of such vehicle upon the highways, upon displaying the number plates or plate issued for the preceding registration period, for such time as determined by the department as it may find necessary for issuance of such new plates.
- (3) (a) (i) **The department may issue individual temporary registration number plates and certificates good for a period not to exceed sixty days upon application by an owner of a motor vehicle or the owner's agent and the payment of a registration fee of two dollars, one dollar and sixty cents to be retained by the authorized agent or department issuing the plates and certificates and the remainder to be remitted monthly to the department to be transmitted to the state treasurer for credit to the highway users tax fund.**
 - (ii) The authorized agent may issue individual temporary registration number plates and certificates good for a period not to exceed sixty days upon application by an owner of special mobile machinery or the owner's agent and the payment of a registration fee of two dollars, one dollar and sixty cents to be retained by the authorized agent or department issuing the plates and certificates and the remainder to be remitted monthly to the department to be transmitted to the state treasurer for credit to the highway users tax fund.
 - (iii) It is unlawful for a person to use a number plate and certificate after it expires. A person who violates any provision of this paragraph (a) commits a class B traffic infraction.
- (b) The department may issue to licensed motor vehicle dealers temporary registration number plates and certificates in blocks of twenty-five upon payment of a fee of six dollars and twenty-five cents for each block of twenty-five. The department shall transmit any money it receives from this sale to the state treasurer for credit to the highway users tax fund and allocation and expenditure as specified in section 43-4-205

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(5.5)(b), C.R.S. The department may promulgate rules creating a system for the dealer to:

- (I) Print on the temporary plates the temporary registration number, vehicle identification number, and other information required by the department; and
 - (II) Print temporary registration certificates with the information required by the department.
- (c)
- (I) Subject to subparagraph (III) of this paragraph (c), the department shall not issue more than two temporary registration number plates and certificates per year to a Class A or Class B motor vehicle.
 - (II) Beginning July 1, 2008, the department shall track by vehicle identification number the number of temporary registration number plates and certificates issued to a motor vehicle.
 - (III) The department may promulgate rules authorizing the issuance of more than two temporary registration number plates and certificates per year if the motor vehicle title work or lien perfection has caused the need for such issuance.
- (d)
- (I) By July 1, 2016, the department shall make temporary registration number plates or certificates so that each complies with the requirements of section 42-3-202, including being fastened, visible, and readable; except that a temporary plate is affixed only to the rear of the vehicle. The department shall implement an electronic issuance system for temporary license plates. The department may promulgate rules to implement this system.

(II) & (III) Repealed.

- (e) A dealer may issue a second temporary registration number plate in accordance with this subsection (3) if the dealer:
- (I) Has issued a temporary plate to the owner when selling the motor vehicle to the owner;
 - (II) Has not delivered or facilitated the delivery of the certificate of title to the purchaser or the holder of a chattel mortgage as required in section 42-6-112 or 42-6-119 (3) within sixty days after the motor vehicle was purchased; and
 - (III) Has taken every reasonable action necessary to deliver or facilitate the delivery of the certificate of title.

(4) All or part of the face of the license plates furnished pursuant to this section shall be coated with a reflective material.

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:

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- (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.

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- (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

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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 that is licensed pursuant to part 1 of article 6 of title 12 and that 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) (a)** "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,

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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

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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.

42-4-310. 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 subsection (1)(a) do not apply to motor vehicle transactions at wholesale between motor vehicle dealers licensed pursuant to part 1 of article 6 of title 12. 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.

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- (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)** Repealed.
 - (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.

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- (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

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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.

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- (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

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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 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 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

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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) & (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

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must have been performed at a licensed inspection and readjustment station by a licensed emissions mechanic.

- (I) 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 authorized agents 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 a 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. The notice must also include a notification that the registered owner of the vehicle may return the notice to the authorized agent with the payment as set forth on the notice to pay for the clean screen program. The receipt of the payment from the motor vehicle owner is notice 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 authorized agents 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;

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- (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 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 the certification, the owner shall have the vehicle inspected and shall obtain a certification of emissions control for diesel smoke opacity compliance. The certificate shall expire on the earliest to occur of the following:

 - (A)** The anniversary of the day of the issuance of the certification when the 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 the certification when the vehicle has reached its fourth model year if it is a heavy-duty diesel vehicle;
 - (C)** The anniversary of the day of the issuance of the certification when the vehicle has reached its sixth model year if the vehicle has a gross vehicle weight rating of twenty-six thousand pounds or more and it is of a model year of 2014 or newer; or
 - (D)** On the date of the transfer of ownership if the date is within twelve months before the certification would expire under sub-subparagraph (A), (B), or (C) of this subparagraph (II), unless the 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) (I) Except as provided in subparagraph (II) of this paragraph (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, until the date of the transfer of ownership.
- (II) If a new diesel vehicle has a gross vehicle weight rating of at least twenty-six thousand pounds and is of a model year of 2014 or newer, the commission shall exempt the vehicle from testing until the vehicle has reached its sixth model year or, if ownership of the vehicle is transferred after the vehicle has reached its fifth model year, until the date of the transfer of ownership.

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- (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) & (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.

42-6-201. Definitions

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.

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- (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 section 12-6- 102.

42-6-202. Prohibited acts

- (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 - department of records

- (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.
- (1.7) (a) The department shall allow an insurer, as defined in section 10-1- 102 and that is regulated under title 10, or a salvage pool that is licensed as a used motor vehicle dealer to use the electronic systems created in section 42-4-2103 (3)(c)(III) to access owner and lienholder information of a motor vehicle in the department's records if the motor vehicle is:
- (I) The subject of an insurance claim being processed by the insurer; or
- (II) Possessed by a salvage pool.
- (b) The department shall ensure that the information available to the insurer or the salvage pool is correct and is limited to the information needed to verify and contact the owner and lienholder of the motor vehicle.

- (c) The department may charge the insurer or the salvage pool a fee in an amount not to exceed the lesser of five dollars or the direct and indirect costs of implementing this subsection (1.7). The department shall deposit the fee in the special purpose account created in section 42-1-211.
- (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 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.

42-6-113. New vehicles - bill of sale - certificate of title - rules

- (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) (a) Except as otherwise provided in subsection (4)(b) of this section, 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.
- (b) If an applicant for the filing of a Colorado certificate of title for a vehicle for which another state has issued a certificate of title presents either a copy of a manufacturer's certificate of origin or a purchase receipt from the dealer or the out-of-state seller from whom the applicant purchased the vehicle and either document indicates that the applicant purchased the vehicle as new, the applicant need not include a vehicle identification number inspection form as part of the application.

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.

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- (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;
 - (II) An employee of the motor vehicle dealer or wholesaler;
 - (III) 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
- (e) A spouse or dependent child living in the same household as the licensed dealer or wholesaler.

- (f) 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.
- (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 - definitions - 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).

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- (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

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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)** **(A)** In addition to any other fee imposed by this section, the owner, in order to register a motor vehicle or low-power scooter, must pay a motorist insurance identification fee. The department shall annually adjust the fee based upon appropriations made 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). This subsection (18)(d)(I)(A) is repealed, effective September 1, 2018.

(B) In addition to any other fee imposed by this section, the owner, in order to register a motor vehicle or low-power scooter, must pay a motorist insurance identification fee. The department shall annually adjust the fee based upon appropriations made 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 DRIVES vehicle services account created in

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section 42-1-211 (2). This subsection (18)(d)(I)(B) takes effect September 1, 2018.

- (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, authorized agents, 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 need not pay the emissions inspection fee if the authorized agent 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)** Authorized agents may retain three and one-third percent of the fee so collected to cover the agent's expenses in the collection and remittance of the fee. County treasurers shall, no later than ten days after the last business day of each month, remit the remainder of the fee to the clean screen authority created in section 42-4-307.5. The clean screen authority shall transmit the fee to the state treasurer, who shall deposit the remainder in the clean screen fund, which fund is hereby created. The clean screen fund is a pass-through trust account to be held in trust solely for the purposes and the beneficiaries specified in this subsection (19). Money in the clean screen fund is not fiscal year spending of the state for purposes of section 20 of article X of the state constitution and is a custodial fund that is not subject to appropriation by the general assembly. Interest earned from the deposit and investment of money 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.

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- (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 by this article. Notwithstanding section 43-4-203, the department shall transmit the

fee to the state treasurer, who shall credit it to the peace officers standards and training board cash fund, created in section 24-31-303 (2)(b); except that authorized agents may retain five percent of the fee collected to cover the agents' expenses in the collection and remittance of the fee. All of the money in the fund that is collected under this subsection (24) shall be used by the peace officers standards and training board for the purposes specified in section 24-31-310.

- (25) (a) In addition to any other fee imposed by this section, each authorized agent shall annually collect a fee of fifty dollars at the time of registration on every plug-in electric motor vehicle. The authorized agent 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, and twenty dollars of each fee to the electric vehicle grant fund created in section 24-38.5-103.
- (b) The department of revenue shall create an electric vehicle decal, which an authorized agent shall give to each person who pays the fee charged under subsection (25)(a) of this section. 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.

10-4-619. Coverage compulsory

- (1) Every owner of a motor vehicle who operates the motor vehicle on the public highways of this state or who knowingly permits the operation of the motor vehicle on the public highways of this state shall have in full force and effect a complying policy under the terms of this part 6 covering the said motor vehicle, and any owner who fails to do so shall be subject to the sanctions provided under sections 42-4-1409 and 42-7-301, C.R.S., of the "Motor Vehicle Financial Responsibility Act". This section shall not apply to persons who hold a current and valid certificate of self-insurance pursuant to section 10-4-624.
- (2) An insurer shall not refuse to provide benefits to an insured on the basis that the insured is a volunteer for a fire department and is injured in a motor vehicle while responding to an emergency.

6-1-708. Vehicle sales and leases - deceptive trade practice

- (1) A person engages in a deceptive trade practice when, in the course of the 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, used motor vehicle, powersports vehicle, or used powersports vehicle:
 - (I) Guarantees to a purchaser or lessee of a motor vehicle, used motor vehicle, powersports vehicle, or used powersports vehicle who conditions the purchase or lease on the approval of a consumer credit transaction as defined in section 5-1-301 (12) that such purchaser or lessee has been approved for a consumer credit transaction if the approval is not final. For purposes of this subsection (1)(a)(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 the vehicle is certain.
 - (II) Accepts a used vehicle as a trade-in on the purchase or lease of a motor vehicle, used motor vehicle, powersports vehicle, or used powersports vehicle and sells or leases the vehicle that has been traded in before the purchaser or lessee has been approved for a consumer credit transaction as defined in section 5-1-301 (12) if the approval is a condition of the purchase or lease;
 - (III) Fails to return to the consumer any collateral or down payment tendered by the consumer conditioned upon a guarantee by a motor vehicle dealer, used motor vehicle dealer, powersports vehicle dealer, or used powersports vehicle dealer that a consumer credit transaction as defined in section 5-1-301 (12) has been approved if the approval was a condition of the sale or lease and if the financing is not approved and the consumer 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), 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 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 or powersports 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.
- (a) Repealed.

18-5-303. Bait advertising

- (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

As used in this part 1, unless the context otherwise requires:

- (1) "All-terrain vehicle" means a three- or four-wheeled vehicle that travels on low-pressure tires with a seat that is straddled by the rider and with handlebars for steering control.
- (1.5) "Authorized agent" has the same meaning as set forth in section 42-1- 102 (5).
- (1.7) "Brand" means a permanent designation or marking on a motor vehicle's title, associated with the vehicle identification number, that conveys information about the value of the vehicle or indicates that the vehicle:
- (a) Is a salvage vehicle;
 - (b) Is rebuilt from salvage;
 - (c) Is nonrepairable;
 - (d) Is flood damaged;
 - (e) Has had its odometer tampered with; or
 - (f) Has a designation placed on the title by another jurisdiction.
- (2) "Dealer" means any person, firm, partnership, corporation, or association licensed under the laws of this state to engage in the business of buying, selling, exchanging, or otherwise trading in motor vehicles.
- (3) "Department" means the department of revenue.
- (4) "Director" means the executive director of the department of revenue.
- (5) (a) "Electronic record" means a record generated, created, communicated, received, sent, or stored by electronic means.
- (b) A record covered by this article may not be denied legal effect, validity, or enforceability solely because it is in the form of an electronic record. Except as otherwise provided in this article, if a rule of law requires a record to be in writing or provides consequences if it is not, an electronic record satisfies that rule of law.
- (6) "File" means the creation of or addition to an electronic record maintained for a certificate of title by the director or an authorized agent.
- (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.
- (6.4) "Junk" means a vehicle that is incapable of operating on roads and is no longer a vehicle because it has been destroyed, dismantled, or changed. These vehicles may not be issued a certificate of

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title, and any title secured in the purchase of such a vehicle is to be surrendered to the department, which shall cancel the vehicle identification number and remove the vehicle from the motor vehicle system.

- (6.5)** "Kit vehicle" means a passenger-type motor vehicle assembled, by other than a licensed manufacturer, from a manufactured kit that includes a prefabricated body and chassis and is accompanied by a manufacturer's statement of origin.
- (7)** "Lien" means a security interest in a motor vehicle under article 9 of title 4, C.R.S., and this article.
- (8)** "Manufacturer" means a person, firm, partnership, corporation, or association engaged in the manufacture of new motor vehicles, trailers, or semitrailers.
- (9)** "Mortgage" or "chattel mortgage" means a security agreement as defined in section 4-9-102 (76), C.R.S.
- (10)** "Motor vehicle" means any self-propelled vehicle that is designed primarily for travel on the public highways and is generally and commonly used to transport persons and property over the public highways, including trailers, semitrailers, and trailer coaches, without motive power. "Motor vehicle" does not include the following:
- (a)** A low-power scooter, as defined in section 42-1- 102;
 - (b)** A vehicle that operates only upon rails or tracks laid in place on the ground or that travels through the air or that derives its motive power from overhead electric lines;
 - (c)** A farm tractor, farm trailer, and any other machines and tools used in the production, harvesting, and care of farm products; or
 - (d)** Special mobile machinery or industrial machinery not designed primarily for highway transportation.
- (11)** "New vehicle" means a motor vehicle being transferred for the first time from a manufacturer or importer, or dealer or agent of a manufacturer or importer, to the end user or customer. A motor vehicle that has been used by a dealer for the purpose of demonstration to prospective customers shall be considered a "new vehicle" unless such demonstration use has been for more than one thousand five hundred miles. Motor vehicles having a gross vehicle weight rating of sixteen thousand pounds or more shall be exempt from this definition.
- (11.2)** "Nonrepairable" means a motor vehicle that:
- (a)** Is incapable of safe operation on the road and that has no resale value except as scrap or as a source of parts; or
 - (b)** The owner has designated as scrap or as a source of parts.
- (11.3)** "Nonrepairable title" means a title document issued by the director or authorized agent to indicate ownership of a nonrepairable vehicle.

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- (11.5) (a)** "Off-highway vehicle" means a self-propelled vehicle that is:
- (I)** Designed to travel on wheels or tracks in contact with the ground;
 - (II)** Designed primarily for use off of the public highways; and
 - (III)** Generally and commonly used to transport persons for recreational purposes.
- (b)** "Off-highway vehicle" includes vehicles commonly known as all-terrain vehicles and snowmobiles but does not include:
- (I)** Toy vehicles;
 - (II)** Vehicles designed and used primarily for travel on, over, or in the water;
 - (III)** Military vehicles;
 - (IV)** Golf carts or golf cars;
 - (V)** Vehicles designed and used to carry persons with disabilities;
 - (VI)** Vehicles designed and used specifically for agricultural, logging, or mining purposes; or
 - (VII)** Motor vehicles.
- (11.7)** "Off-highway vehicle dealer" means both of the following as defined in section 12-6-502, C.R.S.:
- (a)** A powersports vehicle dealer; and
 - (b)** A used powersports vehicle dealer.
- (12)** "Owner" means a person or firm in whose name the title to a motor vehicle is registered.
- (13)** "Person" means natural persons, associations of persons, firms, limited liability companies, partnerships, or corporations.
- (14)** "Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in a perceivable form.
- (15)** "Roadworthy" means a condition in which a motor vehicle has sufficient power and is fit to operate on the roads and highways of this state after visual inspection by appropriate law enforcement authorities. In order to be roadworthy, such vehicle, in accord with its design and use, shall have all major parts and systems permanently attached and functioning and shall not be repaired in such a manner as to make the vehicle unsafe. For purposes of this subsection (15), "major parts and systems" shall include, but not be limited to, the body of a motor vehicle with related component parts, engine, transmission, tires, wheels, seats, exhaust, brakes, and all other equipment required by Colorado law for the particular vehicle
- (15.5) (a)** "Rolling chassis" means that:
- (I)** For a motorcycle, the motorcycle has a frame, a motor, front forks, a transmission, and wheels;

suspension, and brake systems, modifications to the body through the use of materials such as steel or fiberglass, and modifications to any other safety or comfort features.

- (21) "Transfer by inheritance" means the transfer of ownership after the death of an owner by means of a will, a written statement, a list as described in section 15-11-513, C.R.S., or upon lawful descent and distribution upon the death intestate of the owner of the vehicle.
- (22) "Used vehicle" means a motor vehicle that has been sold, bargained, exchanged, or given away, or has had the title transferred from the person who first took title from the manufacturer or importer, dealer, or agent of the manufacturer or importer, or has been so used as to have become what is commonly known as a secondhand motor vehicle. A motor vehicle that has been used by a dealer for the purpose of demonstration to prospective customers shall be considered a "used vehicle" if such demonstration use has been for more than one thousand five hundred miles.
- (23) "Vehicle" means any motor vehicle as defined in subsection (10) of this section.

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.

- (b) 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.
- (3) (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 or off-highway vehicle - owner must notify law enforcement agency - definition - 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 reposessor 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 reposessor, 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 reposessor 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 reposessor shall notify the county sheriff.
- (2) A reposessor 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 repossessed 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 "reposessor" 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 reposessor was shielded from liability because the reposessor was categorized by the courts as an independent contractor. The general assembly wishes to ensure that the reposessor 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 reposessor 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 reposessor 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 reposessor 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 reposessor 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 5-18-103 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.

42-10-101. Definitions

As used in this article, unless the context otherwise requires:

- (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.

42-10-107. Statute of limitations

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.

Regulations- Motor Vehicle and Powersports vehicle manufacturers, distributors, and Manufacturer's Representatives and also Motor Vehicle Buyers Agents

1 CCR 210-2 REGULATION 12-6-105(1)(c)

All applications for licenses must be approved by the administrator before they can be issued.

An application for a new license shall be acted upon promptly and written notice of the action taken by the administrator sent to the applicant either by personal service upon him or by certified mail sent to the last address furnished to the administrator by the applicant. If the applicant becomes subject to denial, the grounds therefor shall be given to the applicant and an opportunity for a hearing provided within 30 days after notice is given to the applicant. Such hearings shall be held in accordance with and in the same manner as those hearings which involve a suspension or revocation of a license. Failure to

appear for the hearing without good cause shown shall be grounds for automatic denial of the application.

1 CCR 210-2 REGULATION 12-6-105(1)(d)

The administrator, on his own motion or upon the sworn complaint of any person, charging any licensee with a violation of any provision of the law or any rule or regulation promulgated by the administrator concerned with the sale and distribution of motor vehicles shall determine through an investigation conducted by him and his agents and representatives, the probable truth of such charge or charges.

1 CCR 210-2 REGULATION 12-6-105(1)(e)

1. All applications for licenses shall be made upon forms prescribed by the administrator. No application will be considered which is not complete in every material detail, nor which is not accompanied by a remittance in full for the whole amount of the annual license fee.

If the applicant is a partnership, it shall submit with the application a certificate of partnership.

If the applicant is a corporation, it shall submit with the application a copy of its articles of incorporation, and if a foreign corporation, evidence of its qualification to do business within the state. In addition, each corporation applicant shall submit the names and addresses of all persons holding over ten percent of the outstanding and issued capital stock of said corporation. Any transfer of ten percent or more of the capital stock of any corporation holding a license under the provisions of this article shall be reported to the administrator not less than ten days prior to such transfer. All such reports shall be made on forms supplied by the administrator.

Upon request of the administrator, each applicant for a license shall provide suitable additional evidence of their residence, good character and reputation. Applicants and licensees shall also submit upon request by the administrator all required information concerning financial and management associations and interests of other persons in the business.

No licensee shall change the name or trade name of the business, his place of business or business address without submitting written notice to the administrator, not less than ten days prior to the change.

All information submitted to the administrator, by application for license or otherwise, shall be given fully, faithfully, truthfully and fairly. The failure of an applicant or licensee to so inform the administrator shall be grounds for the suspension, revocation, or denial of the license.

2. A change in the operating entity of a licensee's business shall be cause for the revocation of the license and shall require a new application and fee.

1 CCR 210-2 REGULATION 12-6-105(1)(f)

If it shall appear from an investigation by the administrator and his agents and representatives, or shall otherwise come to the attention of the administrator that there is probable cause to believe that a licensee has violated any provision set forth in this article or any rule or regulation promulgated in accordance therewith, the administrator shall issue and cause to be served upon such licensee either by certified mail at the last address furnished the executive director by the licensee, or by personal service upon the licensee, a notice of hearing.

A hearing shall be held at a place and time designated by the administrator on the day stated in the notice, or upon such other day as may be set for good cause shown. Evidence in support of the charges shall be given first, followed by cross-examination of those testifying thereto. The licensee, in person or by counsel, shall then be permitted to give evidence in defense and explanation, and shall be allowed to give evidence and statements in mitigation of the charges. In the event the licensee is found to have committed the violation charged, evidence and statements in aggravation of the offense shall also be permitted.

After considering all the evidence and arguments presented at the hearing, the administrator will make a final determination either at the hearing or within a reasonable time thereafter, and send the licensee by certified mail at the last address furnished the administrator by the licensee or by personal service upon him a notice of final determination. In the event the licensee is found not to have violated any law, rule or regulation, the charges against him will be dismissed. If the licensee is found to have violated some law, rule or regulation, a cease and desist order shall be issued by the administrator, and in the proper case his license suspended or revoked on such terms and conditions and for such period of time as to the administrator shall appear fair and just. The decision of the administrator shall include a statement of findings and conclusions upon all the material issues of fact, law, or discretion presented by the record and the appropriate rule, order, sanction, relief or denial thereof. Failure to appear for the hearing without good cause shown shall be grounds for automatic suspension or revocation of the license.

Cease and desist orders shall be issued by the administrator, after due notice and hearing in accordance with this article and the rules and regulations promulgated therewith for any unlawful acts engaged in by a licensee as enumerated in Section 12-6-120 (2), C.R.S., as amended.

1 CCR 210-2 REGULATION 12-6-114

The administrator, by accepting the filing of written warranties, is not authorized to mediate disputes between manufacturers, dealers and retail purchasers of motor vehicles.

If the manufacturer provides no written warranty on any motor vehicle or parts thereof, written notice of this fact shall be given to the administrator and placed on file with him. The filing of such disclaimer of warranty shall not exempt such manufacturer from possible claims against him under this article.

1 CCR 210-2 REGULATION 12-6-115(5)

Agreement means contract or franchise or any other terminology used to describe the contractual relationship between manufacturers, distributors and motor vehicle dealers.

Manufacturers and distributors shall notify the administrator immediately of the appointment of any additional dealers, of any revisions or additions to the typical written agreement on file, or of any supplements to such agreement. Agreements are deemed to be continuing unless the manufacturer or distributor has notified the administrator of the discontinuation or cancellation of the agreement of any of its dealers.

If a manufacturer or distributor does not enter into any formal written agreement with its dealers, written notice to this effect shall be given to the administrator and placed on file by him.

The administrator may be appointed as the agent for service of process in the state of Colorado. In any case wherein a licensee or licensees are served with process by service thereof upon the administrator, the administrator shall no later than two days after the service of said process upon him mail a copy thereof to each such licensee addressed to the licensee at the last address furnished to the administrator by the licensee, by certified mail with request for return receipt.

1 CCR 210-2 REGULATION 12-6-118(l)(b)

No license shall be issued to or held by any person, unless he is with respect to his character, record and reputation, satisfactory to the administrator.

1 CCR 210-2 REGULATION 12-6-505(1)

All manufacturers doing business in the state of Colorado, irrespective of whether they maintain or have places of business herein, must be licensed as such.

The sale of any new and unused powersports vehicles, either directly or indirectly in the state of Colorado shall constitute doing business in the state by the manufacturer and shall subject such manufacturer to the requirements of this article.

1 CCR 210-2 REGULATION 12-6-505(1)(g)

1. All applications for licenses shall be made upon forms prescribed by the executive director. No application will be considered which is not complete in every material detail, nor which is not accompanied by a remittance in full for the whole amount of the annual license fee.

If the applicant is a partnership, it shall submit with the application a certificate of partnership.

If the applicant is a corporation, it shall submit with the application a copy of its articles of incorporation, and if a foreign corporation, evidence of its qualification to do business within the state. In addition, each corporation applicant shall submit the names and addresses of all persons holding ten percent or more of the outstanding and issued capital stock of said

corporation. Any transfer of ten percent or more of the capital stock of any corporation holding a license under the provisions of this article shall be reported to executive director not less than ten days prior to such transfer. All such reports shall be made on forms supplied by the executive director.

Upon request of the executive director, applicants for a license shall provide suitable additional evidence of residence, good character and reputation. Applicants and licensees shall also submit upon request by the executive director all required information concerning financial and management associations and interests of other persons in the business.

No licensee shall change the name or trade name of the business, the place of business or business address without submitting written notice to the executive director, not less than ten days prior to the change.

All information submitted to the executive director, by application for license or otherwise, shall be given fully, faithfully, truthfully and fairly. The failure of an applicant or licensee to so inform the executive director shall be grounds for the suspension, revocation, or denial of the license.

2. A change in the nature of the legal structure of a licensee's business shall be cause for the revocation of the license and shall require a new application and fee.

1 CCR 210-2 REGULATION 12-6-505(1)(h)

If it shall appear from an investigation by the executive director and executive director agents and representatives, or shall otherwise come to the attention of the executive director that there is probable cause to believe that a licensee has violated any provision set forth in this article or any rule or regulation promulgated in accordance therewith, executive director shall issue and cause to be served upon such licensee either by certified mail at the last address furnished the executive director by the licensee, or by personal service upon the licensee, a notice of hearing.

A hearing shall be held at a place and time designated by the executive director on the day stated in the notice, or upon such other day as may be set for good cause shown. Evidence in support of the charges shall be given first, followed by cross-examination of those testifying thereto. The licensee, in person or by counsel, shall then be permitted to give evidence in defense and explanation, and shall be allowed to give evidence and statements in mitigation of the charges. In the event the licensee is found to have committed the violation charged, evidence and statements in aggravation of the offense shall also be permitted.

After considering all the evidence and arguments presented at the hearing, the executive director will make a final determination either at the hearing or within a reasonable time thereafter, and send the licensee by certified mail at the last address furnished the executive director by the licensee or by personal service upon the licensee a notice of final determination. In the event the licensee is found not

to have violated any law, rule or regulation, the charges against the licensee will be dismissed. If the licensee is found to have violated some law, rule or regulation, a cease and desist order shall be issued by the executive director, and in the proper case the licensee's license suspended or revoked on such terms and conditions and for such period of time as to the executive director shall appear fair and just. The decision of the executive director shall include a statement of findings and conclusions upon all the material issues of fact, law, or discretion presented by the record and the appropriate rule, order, sanction, relief or denial thereof. Failure to appear for the hearing without good cause shown shall be grounds for automatic suspension or revocation of the license.

1 CCR 210-2 REGULATION 12-6-517(5)

"Agreement" means contract or franchise or any other terminology used to describe the contractual relationship between manufacturers, distributors and powersports vehicle dealers.

Manufacturers and distributors shall notify the executive director immediately of the appointment of any additional dealers, of any revisions or additions to the typical written agreement on file, or of any supplements to such agreement. Agreements are deemed to be continuing unless the manufacturer or distributor has notified the executive director of the discontinuation or cancellation of the agreement of any of its dealers.

If a manufacturer or distributor does not enter into any formal written agreement with its dealers, written notice to this effect shall be given to the executive director and placed on file.

Regulations- Titles & Registration

1 CCR 204-10 RULE 8. DEALER TITLE

Basis: The statutory bases for this regulation are 42-1-204, 42-6-102(2), 42-6-111(2), 42-6-137(6), 42-6-138(4), 12-6-102(15), 12-6-102(18), C.R.S.

Purpose: The purpose of this regulation is to provide guidelines to motor vehicle dealers or wholesalers for proof of ownership and the requirements for the processing of certificates of title.

1.0 Definitions

1.1 "Agent(s)" means any individual authorized by a dealer or wholesaler to act on behalf of that dealer or wholesaler.

1.2 "Chattel Mortgage Company" means a company that has filed a security agreement as defined in section 4-9-102(76), C.R.S.

1.3 "Dealer" means any person, firm, partnership, corporation, or association licensed under the laws of this state to engage in the business of buying, selling, exchanging, or otherwise trading in motor vehicles.

- 1.4** “Department” for purposes of this regulation means the Colorado Department of Revenue, Division of Motor Vehicles, Title and Registration Section.
- 1.5** “Manufacturer” means any person, firm, partnership, corporation or association, engaged in the manufacturing of new motor vehicles, trailers, or semitrailers.
- 1.6** “Manufacturer's Certificate of Origin” (MCO) means the document provided by the manufacturer which sets forth the manufacturer's vehicle description and 17 digit vehicle identification number and is used to convey ownership.
- 1.7** “Motor Vehicle” means any self-propelled vehicle that is designed primarily for travel on the public highways and is generally and commonly used to transport persons and property over the public highways, including trailers, semitrailers, and trailer coaches, without motive power. “Motor Vehicle” does not include the following:
- a.** A low-power scooter, as defined in section 42-1-102, C.R.S.; or,
 - b.** A vehicle that operates only upon rails or tracks laid in place on the ground or that travels through the air or that derives its motive power from overhead electric lines; or,
 - c.** A farm tractor, farm trailer, and any other machines and tools used in the production, harvesting, and care of farm products; or,
 - d.** Special mobile machinery or industrial machinery not designed primarily for highway transportation.
- 1.8** “One Working Day” means the daily period beginning at 8:00 a.m. and ending at 3:00 p.m. Monday through Friday, with the exception of those days designated as official state holidays by statute or Executive Order of the Governor.
- 1.9** “Secure and Verifiable Identification” means a document issued by a state or federal jurisdiction or recognized by the United States Government and that is verifiable by federal or state law enforcement, intelligence, or the Homeland Security Agency.
- 1.10** “Letter of Authorization” means a letter on a dealer's or wholesaler's letterhead from a designated representative of a dealer or wholesaler to the Department authorizing a specific person to act as an agent for the dealer or the wholesaler.
- 1.11** “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.
- 2.0 Proof of Ownership Requirements**
- 2.1** All Colorado dealers or wholesalers must maintain the following evidence of ownership for each vehicle in their possession:
- a.** A used vehicle with a Colorado title:

Study Guide- Miscellaneous Statutes & Regulations

1. A Colorado title assigned to the dealer, wholesaler, or chain of ownership evidenced by the Colorado Dealer's Bill(s) of Sale for a Motor Vehicle; and,
 2. Odometer disclosure if required.
- b. A used vehicle with an out-of-state title:
1. The out-of-state title assigned to the dealer, wholesaler, or out-of-state title with proper chain of ownership; and,
 2. Odometer disclosure if required; and,
 3. Colorado Dealer's Out-of-State Vehicle Information Disclosure; and,
 4. Colorado verification of Vehicle Identification Number.
- c. A new vehicle assigned by MCO to a dealer or wholesaler:
1. MCO assigned or reassigned to a franchised dealer or wholesaler; and,
 2. Odometer disclosure if required.
 3. No dealer or wholesaler shall hold a MCO unless that dealer or wholesaler is franchised to sell that specific make of vehicle as indicated on the MCO.
- d. A new vehicle assigned or re-assigned with its MCO from an out-of-state franchised dealer or wholesaler to a franchised Colorado dealer or wholesaler:
1. MCO reassigned to the franchised dealer or wholesaler; and,
 2. Odometer disclosure if required; and,
 3. Verification of vehicle identification number.
 4. No dealer or wholesaler shall hold a MCO unless that dealer or wholesaler is franchised to sell that specific make of vehicle as indicated on the MCO.
- e. If a title or an MCO has been surrendered by the dealer or wholesaler to a bank or financing organization or any other person as collateral under a Floor Plan agreement, the dealer or wholesaler must have in its possession evidence acceptable to the Department of the location of the title or the MCO. The dealer's or wholesaler's right to ownership shall be clear from such evidence. The title or MCO must be procured by the dealer or wholesaler upon the sale and delivery of the vehicle and delivered or mailed to the purchaser or chattel mortgage company within thirty (30) days pursuant to 42-6-112, C.R.S.
- f. Vehicles with incomplete or insufficient titles shall be marked "Not for Sale" and withheld from any public offering.

3.0 Requirements for Obtaining Titles in One Working Day

- 3.1** Dealers and wholesalers may obtain a “Dealer Resale, No Sales Taxes Paid” title in the licensed name of the dealer or wholesaler within one working day, at the Department of Revenue, Title and Registration Section, Vehicle Services Unit, after submitting the required documents outlined in section 4.0 below and upon payment of the statutorily required fee.
- 3.2** All dealers or wholesalers requesting one working day service shall submit a letter of authorization to the Department, listing the names of all persons who will be acting as agents on their behalf. All authorization letters will be kept on file at the Department. It shall be the responsibility of the requesting dealer or wholesaler to notify the Department of any changes in agents.
- 3.3** The agent shall be required to present secure and verifiable identification at the time of application and upon receipt of a certificate of title. The agent shall sign a receipt verifying the certificate of title.
- 3.4** Agents representing several dealers or wholesalers must have authorization from each individual dealer or wholesaler in order to obtain titles.
- 4.0 Requirements for Acceptance of Applications**
- 4.1** Applications will only be accepted when:
- a.** The supporting ownership document is a MCO properly assigned to a dealer or wholesaler or reassigned to a dealer or wholesaler; or,
 - b.** The supporting ownership document is a title properly assigned to a dealer or wholesaler; or,
 - c.** The supporting ownership document is a salvage title for a vehicle that has been made roadworthy and is being submitted for a dealer title in the dealer's or wholesaler's name.
- 4.2** Applications must be free and clear of all liens and encumbrances.
- 4.3** All applications must be complete and all documents in the proper order.
- 4.4** The Department may limit title applications to three title applications per dealer or wholesaler per day. Additional title applications above the maximum limit of three may not be processed in one working day.
- 5.0 Processing Timeframes**
- 5.1** Applications submitted prior to 3:00 p.m. may be picked up between 8:00 a.m. and 3:00 p.m. of the next working day.
- 5.2** One working day processing is contingent upon applications clearing computer edits, document review, and extraordinary circumstances beyond the control of the Department.

- 5.3** Overnight mail service of applications will be accepted. Prepaid return envelopes must be provided to ensure return of certificates of title by overnight service. Otherwise, all titles will be mailed by First Class Mail.
- 5.4** Titles not picked up by the eighth working day after the printing of the title may be cancelled and the original paperwork will be mailed by First Class Mail back to the applying dealer or wholesaler.
- 5.5** Only titles applied for at the Department of Revenue, Title and Registration Section, Vehicle Services Unit may be picked up in person.
- 6.0 Duplicate Certificates of title**
- 6.1** Only licensed Colorado dealers or wholesalers may, at the Department's discretion, obtain duplicate certificates of title directly from the Department of Revenue, Title and Registration Section, Vehicle Services Unit.
- 6.2** Dealers or wholesalers may obtain duplicate certificates of title for vehicles that have been "traded-in" to them, but the owner has lost, misplaced, or accidentally destroyed the certificate of title.
- 6.3** The dealer or wholesaler must provide a power of attorney from the previous owner and the vehicle must be in the dealer's or wholesaler's possession before an application for a duplicate title will be accepted.
- 6.4** Duplicate certificates of title showing an active recorded lien will not be provided to a dealer or wholesaler. If a proper lien release is submitted with a duplicate title application, the satisfied lien will be removed from the duplicate title and a duplicate title will be provided to the dealer or wholesaler.
- 7.0 Payment**
- 7.1** Applications will not be processed until all statutorily required fees are paid.
- 7.2** Any check returned for insufficient funds, will require any and all future payments by that dealer or wholesaler to be made by cash or certified funds.
- 7.3** Refunds will be processed at the discretion of the Department.

1 CCR 204-10 RULE 9. DEPOT LICENSE PLATES

Basis: The statutory bases for this rule are sections 42-1-204, 42-3-116, and 42-3-301, C.R.S.

Purpose: The following is promulgated to establish criteria for the issuance and use of Depot License Plates.

1.0 Definitions

- 1.1** "Dealer" – means a Colorado licensed dealership as defined in Code of Colorado Regulation 1 CCR 204-10 Rule 48. Colorado Dealer License Plates.

1.2 “Depot License Plate(s)” also referred to as “Depot Tags” – means a numbered license plate issued by the Department that has the stacked “DPT” lettering on the Colorado blue and white graphic license plate.

2.0 Requirements

2.1 A Dealer requesting Depot License Plates must complete and submit to the Department form DR 2521 Depot Plate Application, together with a copy of the Dealer’s license and required fees.

2.2 A Dealer can obtain one Depot License Plate per mechanic or service technician employed by the Dealer. Upon application or renewal, the owner or authorized representative of the Dealer must certify the number of mechanics or service technicians currently employed by the Dealer.

2.3 Applications, issuance, renewals, and replacements may be conducted via mail (including U.S. Postal Service, FedEx, UPS, DHL, etc.). The Dealer must provide a self-addressed, postage-paid envelope for Depot License Plates if requesting delivery by mail services. Depot License Plates cannot be mailed to a non-Colorado address.

2.4 Use of Depot License Plates is limited to the purposes described in section 42-3-116(4)(a), C.R.S.

3.0 Lost or Stolen Depot License Plates

3.1 A Dealer must report lost or stolen Depot License Plates within seventy-two (72) hours to the local law enforcement agency and to the Department using form DR 2283 Lost or Stolen License Plates/Permits Affidavit.

4.0 Surrender of Depot License Plates

4.1 A Dealer whose dealer license is suspended, denied, revoked, or expired, or otherwise ceases to operate must surrender to the Department all Depot License Plates in its possession within seventy-two (72) hours.

4.2 The Department will not refund any portion of the original fees paid when Depot License Plates are surrendered.

1 CCR 204-10 RULE 18. SATISFACTORY EVIDENCE OF VEHICLE OWNERSHIP

Basis: The statutory bases for this regulation are sections 42-1-204, 42-6-106(1)(d), 42-6-106(1)(e), 42- 6-107, 42-6-109, 42-6-110, 42-6-113, 42-6-114, 42-6-115, and 42-6-119, C.R.S.

Purpose: The following rules and regulations are promulgated to establish the process for proving vehicle ownership for the purpose of issuing a certificate of title.

1.0 Definitions

1.1 “Current Registration” means a vehicle registration card or other document that demonstrates the vehicle is currently registered.

1.2 “Foreign Jurisdiction” means any state, other than the State of Colorado, or any country other than the United States, or sovereign nation.

2.0 Satisfactory Evidence of Vehicle Ownership

2.1 The Department may accept the following documents as evidence of vehicle ownership:

- a.** A certificate of title issued by the State of Colorado or a Foreign Jurisdiction transferred as provided in section 42-6-110, C.R.S.;
- b.** A Current Registration for the vehicle listing the applicant's name if issued by a Foreign Jurisdiction that does not issue a title for that vehicle type;
- c.** A bill of sale for a vehicle not previously required to be titled or registered in the State of Colorado;
- d.** A bill of sale for a vehicle from a Foreign Jurisdiction if the Department verifies that the jurisdiction does not issue a title for or register that vehicle type;
- e.** A Current Registration issued by the U.S. Armed Services;
- f.** A copy of a court order describing the vehicle by year, make, and Vehicle Identification Number (VIN), and directing the Department to issue a Colorado certificate of title to the applicant, or a judgment for possession obtained through a civil proceeding pursuant to section 42-6-114, C.R.S.;
- g.** A completed DR 2409 Statement of Assembly of Homemade Trailer and Assignment of Trailer I.D. Number if the trailer is a homemade vehicle as defined in section 42-5-201(4), C.R.S.; or
- h.** Other evidence deemed by the Department to be satisfactory evidence of vehicle ownership.

2.2 If an applicant does not have the Colorado certificate of title and the Colorado record has been purged, any of the following documents listing the applicant's name, submitted together with a completed DR 2116 Motor Vehicle Bill of Sale For a Purged Colorado Record, may be considered satisfactory evidence of proof of vehicle ownership:

- a.** Colorado registration;
- b.** Colorado registration renewal card;
- c.** Photocopy of the Colorado certificate of title;
- d.** A certified copy of the Colorado motor vehicle record; or
- e.** Other documentation deemed by the Department to be satisfactory evidence of vehicle ownership.

2.3 Any document provided as evidence of vehicle ownership must include the VIN, vehicle year, vehicle make, and the applicant's name listed as the owner, buyer, or transferee.

2.4 The Department will not accept documents that do not contain all elements required to prove authenticity (e.g., certification, notary, acceptable transfers, assignments, etc...).

- 2.5** An applicant who cannot provide satisfactory proof of vehicle ownership documents must satisfy all requirements set forth in section 42-6-115, C.R.S., and 1 CCR 204-10. Rule 19. Bonding for Colorado Certificate of Title.

1 CCR 204-10 RULE 31. SALVAGE AND REBUILT FROM SALVAGE CERTIFICATE OF TITLE REQUIREMENTS

Basis: The statutory bases for this regulation are 38-20-116(2.5), 42-6-102 (10), (15), (16), (17), and (23), 42-6-104, 42-6-110, 42-6-116 and 42-6-136.5, and 42-6-206, C.R.S.

Purpose: The following rule is promulgated to establish the information required to be submitted to the Department regarding salvage vehicles in connection with an application for a salvage certificate of title.

1.0 Definitions

- 1.1** "Rebuilt From Salvage" means a salvage vehicle as defined in section 42-6-102(17), C.R.S., that has been repaired to a roadworthy condition as defined in section 42-6-102(15), C.R.S.
- 1.2** "Rebuilt From Salvage Certificate of Title" means a Colorado Certificate of Title that contains the designation "Rebuilt from Salvage" in a conspicuous place on the title in accordance with section 42-6-136.5(2)(a), C.R.S.
- 1.3** "Repair Shop" means a "motor vehicle repair facility" as defined in section 42-9-102(3), C.R.S.

2.0 Salvage Vehicle Determination

- 2.1** A vehicle is determined to be a salvage vehicle as set forth in section 42-6-102 (17)(a)(I)(C), C.R.S.

3.0 Salvage Title Requirements

- 3.1** Applicants for a salvage certificate of title may apply to the director or one of the authorized agents, as defined in section 42-6-102(1.5) and (4), C.R.S., using Form DR 2410 Application for Salvage or Nonrepairable Title.
- a.** The application includes the estimated cost of repairs to restore the vehicle to a roadworthy condition pursuant to section 42-6-102(17)(a)(I)(C), C.R.S.
- 3.2** Purchasers or transferees of a salvage vehicle, other than transactions that are not subject to taxation pursuant to section 39-26-104, C.R.S., must apply for title pursuant to section 42-6-110, C.R.S.
- a.** If an insurance company acquires a vehicle that has been declared a salvage vehicle, as defined in section 42-6-102(17), C.R.S., the insurance company must apply for a salvage certificate of title before transferring ownership of the vehicle.
- b.** If the owner retains a vehicle upon settlement of a claim with an insurance company and the vehicle has been declared a salvage vehicle, as defined in section 42-6-102(17),

C.R.S., the owner must apply for a salvage certificate of title in the owner's name within sixty days.

- c. A Repair Shop may apply for a salvage certificate of title for an abandoned motor vehicle as defined in section 38-20-116(2.5), C.R.S., that also qualifies as a salvage vehicle if the retail fair market value of the vehicle is greater than two hundred dollars.

4.0 Rebuilt from Salvage Title Requirements

- 4.1 Applicants for a rebuilt from salvage certificate of title shall follow the Form DR 2415 Title Established by Salvage Title Checklist and submit all required documentation listed on that form.

1 CCR 204-10 RULE 34. DEALER ISSUED TEMPORARY REGISTRATION PERMITS

Basis: The statutory bases for this rule are 24-72.1-102, 42-1-204 and 42-3-203, C.R.S.

Purpose: The following rule is promulgated to establish criteria for the issuance of Temporary Registration Permits by Licensed Colorado Motor Vehicle Dealers

1.0 Definitions

- 1.1 "Licensed Colorado Motor Vehicle Dealer" or "Dealer" means the same as defined in section 42-6-102(2), C.R.S.
- 1.2 "Mounting Boards" means the Department approved device that a printed Temporary Registration Permit is affixed to.
- 1.3 "Temporary Registration Permit" or "Temporary Registration Number Plate and Certificate" means the Department approved form that is printed when performing a Temporary Registration Permit Issuance transaction on the Approved Vendor System that when affixed to a Mounting Board and mounted to a vehicle provides evidence that the vehicle has been issued a temporary registration.
- 1.4 "Approved Vendor System" means the Department approved vendor hosted system provided to a Dealer for the performance of Temporary Registration Permit transactions.
- 1.5 "Secure and Verifiable Identification" or "SVID" means an identification document issued by a state or federal jurisdiction or recognized by the United States Government and that is verifiable by federal or state law enforcement, intelligence, or homeland security agencies.

2.0 Requirements

- 2.1 Dealer issued Temporary Registration Permits must be processed and issued through the Approved Vendor System. A Dealer must register its dealership and each individual authorized user in the Approved Vendor System. A Dealer must not issue Temporary Registration Permits unless registered in the Approved Vendor System.
- 2.2 A Dealer whose license is inactive, suspended, or revoked must not issue Temporary Registration Permits.

- 2.3** A Temporary Registration Permit is only valid if issued through the Approved Vendor System and affixed to a Mounting Board.
- 2.4** Dealers must purchase Mounting Boards directly from a Department authorized Mounting Board vendor(s). A Dealer must only use Department approved Mounting Boards for affixing Temporary Registration Permits.
- 2.5** Upon the sale of a motor vehicle, the Dealer shall:
- a.** Perform the Temporary Registration Permit issuance transaction in the Approved Vendor System;
 - b.** Print the Temporary Registration Permit generated by the Approved Vendor System;
 - c.** Print the Colorado registration receipt generated by the Approved Vendor System ;
 - d.** Affix the printed Temporary Registration Permit to a Mounting Board;
 - e.** Affix the Mounting Board with the Temporary Registration Permit according to statute; and
 - f.** Provide the printed Colorado registration receipt to the purchaser.
- 2.6** A Dealer must verify the purchaser(s) SVID prior to the issuance of a Temporary Registration Permit.
- 2.7** If the Temporary Registration Permit and/or Mounting Board are damaged during issuance, the Dealer may issue a corrected Temporary Registration Permit through the Approved Vendor System. The Dealer must destroy the original Temporary Registration Permit and Mounting Board to render it unreadable and unusable.
- 2.8** A Temporary Registration Permit is valid for up to sixty (60) days from the date of sale/issuance. A Temporary Registration Permit cannot not expire on a Saturday, Sunday, or legal holiday. If the sixtieth day falls on a Saturday, Sunday, or legal holiday, the Temporary Registration Permit will expire on the first weekday prior to the Saturday, Sunday, or legal holiday.
- 2.9** A Temporary Registration Permit is not renewable, but when circumstances outlined in section 42-3-203(3)(d), C.R.S., are met, the Dealer may issue a second Temporary Registration Permit pursuant to the requirements in this rule.
- 2.10** A Dealer must not place hand written markings, stickers, items, decorations, decals, or other markings on the printed Temporary Registration Permit and/or Mounting Board. Mounting frames must not obstruct any portion of or otherwise render the Temporary Registration Permit unreadable pursuant to in section 42-3-202(2)(b), C.R.S.
- 2.11** A Dealer must not alter the printing of the Temporary Registration Permit by resizing it, rotating it, or by any other alteration. Altering the printing of the Temporary Registration Permit will render it invalid.

- 2.12** A Temporary Registration Permit must not be issued to vehicles sold as “Tow Away” or to vehicles that are not roadworthy. A Temporary Registration Permit must not be used to demonstrate, transport, or deliver vehicles.
- 2.13** Dealers must ensure that the Approved Vendor System is secure and accessible only by authorized users. Dealers must meet all training and system requirements to use the Approved Vendor System.
- 2.14** Dealers are required to select a payment plan with the Approved Vendor System vendor and must pay the vendor based on the payment plan selected. Dealers who fail to timely pay the vendor will be denied access to the Approved Vendor System.
- 2.15** Mounting Boards must be kept in a secure location. Dealers must file a police report with local law enforcement within twenty-four (24) hours of discovering that a Mounting Board(s) has been lost or stolen. A copy of the police report must be supplied to the Department.
- 2.16** All Mounting Boards must be surrendered immediately to the Department of Revenue, Enforcement Business Group, Auto Industry Division, when a Dealer’s license has been suspended or revoked.
- 2.17** After notice and hearing conducted pursuant to 24-4-104 and 24-4-105, C.R.S., a Dealer found to have violated this rule may have its privilege of issuing Temporary Registration Permits suspended or revoked.

1 CCR 204-10 RULE 35. TRANSPORTER LICENSE PLATES

Basis: The statutory bases for this rule are 42-1-204, 42-3-116(1), and 42-3-304(7)(a), C.R.S.

Purpose: The purpose of this rule is to establish criteria for the issuance, renewal, and to regulate the use of Transporter License Plates.

1.0 Definitions

- 1.1** “Financial Institution” means a bank, savings bank, savings and loan association, industrial bank, industrial loan company, credit union, or bank or savings association holding company organized under federal law or the laws of any state, the District of Columbia, a territory or protectorate of the United States, or an operating subsidiary or affiliate of such entities.
- 1.2** “Repair Activity” means “Repairs on a Motor Vehicle” or “Repairs” as those terms are defined in 42-9-102(5), C.R.S.
- 1.3** “Repair Facility” means “Motor Vehicle Repair Facility” as that term is defined in 42-9-102(3), C.R.S.
- 1.4** “Transporter Tag(s)” or “Transporter License Plate(s)” means the numbered license plate issued by the Department on the Colorado blue and white license plate graphic with the stacked lettering “TRP”.

2.0 Issuance and Renewal Requirements

- 2.1** An applicant requesting a Transporter License Plate or renewal must submit to the Department:
- a.** A form DR 2222 Transporter Plate Application;
 - I.** Requests for annual renewal must include the renewal notice attached to the DR 2222 Transporter Plate Application.
 - b.** The documentation or other evidence identified in paragraphs 2.2 a. through 2.2 i. below proving that the applicant meets the requirement to be issued a Transporter License Plate; and
 - c.** The fees required in 42-3-301(1)(a) and 42-3-304(7)(a), C.R.S.
- 2.2** A Transporter License Plate will only be issued and renewed to:
- a.** A Dealer or auctioneer that provides a valid license issued by the Colorado Department of Revenue, Auto Industry Division.
 - b.** A manufacturer that provides a valid license issued by the Colorado Department of Revenue, Auto Industry Division.
 - c.** A Distributor, as defined in 12-6-102(5), C.R.S., that provides a valid license issued by the Colorado Department of Revenue, Auto Industry Division.
 - d.** A Dealer of special mobile machinery that provides: (1) a valid Colorado Sales Tax License; and (2) a business license or other proof that the Dealer is engaged in the sale of special mobile machinery in the ordinary course of business.
 - e.** A Government agency that is acting in the capacity of disposing, auctioning, or movement of vehicles previously owned by the Government.
 - f.** A Repair Facility that provides a current executed written agreement proving that it is engaged in Repair Activity for a State of Colorado licensed dealer and a valid Colorado Sales Tax License.
 - g.** A drive-away or tow-away transporter that provides: (1) a valid Colorado Sales Tax License; and, (2) a current executed written agreement proving that it is providing drive-away or tow-away services for a person listed in this subsection 2.2; or (3) other proof demonstrating that it is providing drive-away or tow-away services for a lawful purpose.
 - h.** A Financial Institution that provides to the Department a copy of its certificate of charter or other documentation proving its authority to do business in the State of Colorado.
 - i.** A reposessor that provides proof of a bond filed with and drawn in favor of the State of Colorado Attorney General pursuant to 4-9-629(b), C.R.S.
- 2.3** The Department will not mail or otherwise deliver a Transporter License Plate to an out of state address.
- 3.0** Lost or Stolen Transporter License Plate

- 3.1** A person who has been issued a Transporter License Plate shall report the loss or theft of a plate to local law enforcement and the Department within seventy-two (72) hours. A lost or stolen Transporter License Plate will be replaced upon receipt by the Department of a form DR 2283 Lost or Stolen License Plate/Permit Affidavit along with a filed police report. The fees required in 42-3-301(1)(a) and 42-3-304(7)(a), C.R.S., must be paid at the time of replacement.
- 4.0 Surrender of Transporter License Plate**
- 4.1** If a person who has been issued a Transporter License Plate no longer meets the requirements in paragraph 2.2, that person shall surrender all Transporter License Plates to the Department within seventy-two (72) hours. The Department will not refund any portion of the fees paid for the Transporter License Plate(s).
- 5.0 Denial and Enforcement**
- 5.1** Providing false information on an application may result in criminal charges pursuant to 18-8-503, C.R.S., and/or denial of the application and cancellation of the registration of all Transporter License Plate(s) issued to the person providing such false information.
- 5.2** Any violation of Title 42 pertaining to Transporter License Plates or this Rule may result in cancellation of the registration of the Transporter License Plate(s) issued to the person engaged in such violation.
- 6.0 Application Rejection or Loss of Transporter License Plates Appeals**
- 6.1** Applicants who have been denied issuance or persons subject to loss of one or more Transporter License Plate(s) may request a hearing, in writing, within thirty days of receiving notice of the pending action. The request for hearing shall be submitted to the Department of Revenue, Hearings Division. If a hearing is not requested, within thirty days, the Transporter License Plate(s) in question may be suspended. If so, the plate shall be surrendered to the Department of Revenue, Division of Motor Vehicles, Title and Registration Section within ten days of the date of notice of the suspension at the cost of person/business subject to the loss.
- 6.2** The hearing shall be held at the Department of Revenue, Hearings Division. The presiding hearing officer shall be an authorized representative designated by the Executive Director. The law enforcement officer or Department Investigator who submits the documents and affidavit related to the action in question need not be present at the hearing unless his or her presence is required by the presiding officer, or requested by the person/business subject to the loss at the time the written request for hearing is submitted. If the law enforcement officer or investigator is not present at the hearing, the hearing officer may use the written documents and affidavit submitted by the officer or investigator.

1 CCR 204-10 RULE 48. COLORADO DEALER LICENSE PLATES

Basis: The statutory bases for this regulation are sections 42-1-102(22), 42-1-204, 42-3-116, and 42-3-304, C.R.S.

Purpose: The following rules and regulations are promulgated to establish criteria for issuance and use of dealer license plates.

1.0 Definitions

- 1.1** “Dealer” means every person engaged in the business of buying, selling, or exchanging vehicles of a type required to be registered under articles 1 to 4 of Title 42 of the C.R.S., who has an established place of business for such purpose in this state and who is authorized by the issuance of a DR 2118 Dealer’s License from the Department of Revenue, Enforcement Business Group, Auto Industry Division. Dealer for the purpose of this regulation shall also include motor vehicle wholesale businesses, vehicle auction businesses, manufacturers, and all persons selling vehicles under a class of dealer license issued pursuant to Article 6 of Title 12 or Title 42 of the C.R.S.
- 1.2** “Dealer Demonstration” means the Dealer Demonstration license plate that has stacked “DMO” lettering on the Colorado blue and white graphic license plate.
- 1.3** “Dealer Full Use” means the Dealer Full Use license plate that has stacked “DLR” lettering on the Colorado blue and white graphic license plate.
- 1.4** “Dealer In-Transit” means the Dealer In-Transit license plate that has stacked “INT” lettering on the Colorado blue and white graphic license plate.
- 1.5** “Dealer License Plates” means the Dealer Demonstration, Dealer Full Use, Dealer In-Transit, or SMM Dealer Demonstration license plate.
- 1.6** “Department” means the Department of Revenue of this state acting directly or through its duly authorized officers and agents.
- 1.7** “Established Place of Business” means the place actually occupied either continuously or on a regular basis by a dealer where such dealer’s books and records are kept and a majority of his or her business is transacted.
- 1.8** “Legitimate Business Interest” means:
- A.** One or more specific and identifiable reasons as to why the use of a dealership vehicle by a person serves the bona fide business needs of the dealership; and
 - B.** Use of the vehicle is benefiting the bona fide business need.
- 1.9** “Motorcycle License Plate” means a license plate manufactured as standard motorcycle size and configuration.
- 1.10** “Motor Vehicle” means a motor vehicle as defined in section 42-1-102(58), C.R.S.
- 1.11** “Normal Business Hours” for the purpose of this regulation means 7:00 a.m. – 7:00 p.m. Monday through Saturday or as defined by the Motor Vehicle Dealer Board.
- 1.12** “Offered for Sale” means a vehicle that meets the following requirements:

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- A.** The title to the vehicle has been properly assigned to the dealership, or if a new motor vehicle, evidence of a manufacturer's certificate of origin for the vehicle; and
 - B.** The vehicle is identified on the dealership inventory list maintained by the dealership for sale.
- 1.13** "Passenger Plate" means a license plate manufactured as standard passenger vehicle size and configuration.
- 1.14** "Registration Expiration Date" means the expiration of the applicable registration period required in section 42-3-102, C.R.S.
- 1.15** "SMM Dealer" means a person who sells special mobile machinery in the ordinary course of business.
- 1.16** "SMM Dealer Demonstration" means the SMM Dealer Demonstration license plate that has dual stacked "SMM" and "DMO" lettering on the Colorado blue and white license plate graphic.
- 1.17** "Special Mobile Machinery" or "SMM" means special mobile machinery as defined in section 42-1-102(93.5), C.R.S.
- 1.18** "Vehicle" means a vehicle as defined in section 42-1-102(112), C.R.S.
- 2.0 Requirements**
 - 2.1** Dealers meeting all statutory and regulatory requirements may be issued dealer license plates.
 - 2.2** SMM Dealers meeting all statutory and regulatory requirements may be issued SMM Dealer Demonstration license plates.
 - 2.3** Dealer license plates shall be issued, registered, and renewed by the County Motor Vehicle Office in the county in which the dealer or SMM Dealer has an established place of business.
 - 2.4** Dealer license plates shall be manufactured and offered as:
 - A.** Dealer Demonstration – single passenger plate and single motorcycle plate.
 - B.** Dealer In-Transit – single passenger plate.
 - C.** Dealer Full Use – single passenger plate and single motorcycle plate.
 - D.** SMM Dealer Demonstration – single passenger plate.
 - 2.5** Issuance of dealer license plates shall be:
 - A.** Dealer Demonstration license plates may be Issued in unrestricted quantities to:
 - 1.** Dealers with the "DEMO:999" indicator on the DR 2118 Dealer's License. The "DEMO:999" indicator must be valid at all times during the registration period if the dealer desires to be issued additional Dealer Demonstration license plates.
 - B.** Dealer In-Transit license plates may be issued in unrestricted quantities to:
 - 1.** Dealers with a current and valid DR 2118 Dealer's License.

- C.** Dealer Full Use license plates may be issued in unrestricted quantities to:
- 1.** Dealers with the "FULL: Y" indicator on the DR 2118 Dealer's License. The "FULL: Y" indicator shall be valid at all times during the registration period if the dealer desires to be issued additional Dealer Full Use license plates.
 - a.** Dealer Full Use license plates shall not be issued to Dealers with a "FULL: N" indicator on the DR 2118.
- D.** SMM Dealer Demonstration license plates may be issued in unrestricted quantities to:
- 1.** SMM Dealers who provide to the department satisfactory evidence of the scope of their business and documentation detailing previous sales of special mobile machinery.
 - a.** Evidence may be, but is not limited to:
 - (1)** Dealers license issued pursuant to Article 6 of Title 12 or Title 42, C.R.S. or;
 - (2)** A Sales Tax License, or;
 - (3)** Sales invoices (current or from past sales completed), or;
 - (4)** SMM Dealer inventory records listing special mobile machinery being offered for sale.
 - 2.** Prior to initial issuance of SMM Dealer Demonstration license plates the SMM Dealers will be assigned a SMM Dealer number that begins with "S" by the County Motor Vehicle Office. This SMM Dealer number shall be used for the issuance, renewal, and reporting of SMM Dealer Demonstration license plates registered under that "S" number. This SMM Dealer number shall be retained by the SMM Dealer and be used for all SMM transactions with regard to SMM Dealer Demonstration license plates.

2.6 Fees for dealer license plates shall be paid upon issuance and renewal as listed below:

- A.** Dealer Demonstration and Dealer In-Transit license plates shall pay the fees as required by sections 42-3-304(6), 42-3-301, and 42-1-210, C.R.S.
- B.** Dealer Full Use license plates shall pay the fees as required by sections 42-3-116(6)(b)(II), 42-3-301, and 42-1-210, C.R.S
- C.** SMM Dealer Demonstration license plates shall pay the fees as required by sections 42-3-116(7)(b)(II), 42-3-301, and 42-1-210, C.R.S.

2.7 Use and display of dealer license plates shall be as listed below:

- A.** Dealer Demonstration License Plates:
 - 1.** Shall only be displayed on vehicles offered for sale by a dealer.

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2. May be displayed on vehicles for demonstration drive purposes, during normal business hours, when a dealership employee is in the vehicle with the prospective buyer.
 - a. May be displayed on vehicles operated by a prospective buyer for demonstration drives. Demonstration drives by a prospective purchaser shall not exceed seven calendar days. The dealer or wholesaler must issue an authorization letter to any prospective buyer operating the vehicle with Dealer Demonstration license plates after normal business hours. The authorization letter must include the name and address of the prospective buyer, Dealer Demonstration license plate number, dates of the demonstration drive, vehicle make, vehicle model, and vehicle identification number. The authorization letter must be maintained in the vehicle when operated and presented to law enforcement upon request.
 3. May be displayed on a vehicles being operated by a dealership employee, during normal business hours, for conducting legitimate dealership business.
 4. Dealer Demonstration license plates may not be displayed on vehicles that:
 - a. Have been sold, leased, or rented, or;
 - b. Are being delivered to the purchaser, or;
 - c. Are dealer or dealership employees' personal vehicles, or;
 - d. Are loaned or donated by the dealership, or;
 - e. Are being pulled, hauled, or are otherwise considered cargo, or;
 - f. Are tow vehicles or parts pickup/delivery vehicles.
- B. Dealer In-Transit License Plates:**
1. May be displayed on vehicles that:
 - a. Are for intra-state and inter-state transport of vehicles offered for sale, consigned to be sold, or owned by a dealer.
 - b. Are being operated from point of purchase to the point of storage, or from the point of storage to the point of sale.
 - c. Are for demonstration purposes only when a dealership employee is in the vehicle with the prospective buyer.
 - d. Are in a safe roadworthy condition.
 2. Dealer In-Transit license plates may not be displayed on vehicles that:

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- a. Are being operated by prospective buyers without a dealership employee being present in the vehicle while being operated, or;
- b. Have been sold, leased, or rented, or;
- c. Are dealer or dealership employees' personal vehicles, or;
- d. Are loaned or donated by the dealership, or;
- e. Are being pulled, hauled or are otherwise considered cargo, or;
- f. Are tow vehicles or parts pickup/delivery vehicles.

C. Dealer Full Use License Plates:

- 1. May be displayed on vehicles offered for sale by a dealer.
- 2. Vehicle must continue to be owned by the dealership while assigned to any of the persons listed below. The DR 2574 Colorado Registration Receipt issued with the Dealer Full Use license plate must be maintained in the vehicle displaying the Dealer Full Use license plate along with the dealer ownership documents.
 - a. Owners and co-owners of the dealership.
 - b. Employees of the dealership.
 - c. Any person, including former, current, and prospective customers, in order to serve the legitimate business interest of the dealership.
 - d. Spouse or dependent child living in the same household as the dealer.
- 3. Dealer Full Use license plates may not be displayed on vehicles that:
 - a. Have been sold, leased, rented, or donated by the dealership.
 - b. Are being pulled, hauled, or are otherwise considered cargo.
 - c. Are tow vehicles or parts pickup/delivery vehicles.

D. SMM Dealer Demonstration License Plates:

- 1. May be displayed on special mobile machinery:
 - a. Offered for sale by a SMM Dealer, or;
 - b. Being demonstrated for purposes of a sale, or;
 - c. That is either designed for operation on the highway or off of the highway.
- 2. May not be displayed on:
 - a. Special Mobile Machinery that has been sold, leased, or rented, or;
 - b. Special Mobile Machinery that is loaned or donated by the SMM dealer, or;

- c.** Vehicles or motor vehicles that do not meet the definition of Special Mobile Machinery.
- 2.8** The registered name of a dealer may only be changed upon approval from the Department of Revenue, Enforcement Business Group, Auto Industry Division.
- 2.9** Dealers and SMM Dealers shall maintain a record of all dealer license plates issued to them which shall include the name, address, and phone number of the individual currently authorized to use the dealer license plate.
- 2.10** All dealer license plates shall be immediately surrendered to the Department, at the cost of the dealer or SMM dealer, whenever:

 - A.** Through either a voluntary or an involuntary action, the dealer or SMM dealer ceases to be a dealer or SMM dealer.
 - B.** Upon suspension or revocation of the dealer's DR 2118 Dealer's License by the Motor Vehicle Dealer Board.
- 2.11** A change of dealership or SMM dealer operating entity status requires the issuance of new dealer license plates. Dealer license plates are not transferable between entities.
- 2.12** Lost or stolen dealer license plates must be reported within seventy-two hours to local law enforcement and to the County that issued the dealer license plates. A copy of the police report must be attached to the DR 2283 Lost or Stolen License Plate / Permit Affidavit when submitted to the County.
- 2.13** Secure and verifiable identification shall be required for issuance and replacement of dealer license plates. Dealers and SMM Dealers shall provide letters to the Department listing all personnel authorized to conduct dealer license plate transactions with the Department on the dealer's or SMM dealer's behalf.