

DEPARTMENT OF REVENUE

Division of Motor Vehicles – ~~Title and Registration Vehicle Services~~ Section

1 CCR 204-10

RULE 8. DEALER TITLE

Basis: The statutory basis for this ~~regulation rule~~ are ~~42-1-204~~, 42-6-102(2), ~~42-6-104~~, 42-6-111(2), 42-6-137(6), and 42-6-138(4), ~~42-6-102(15)~~, ~~42-6-102(18)~~, C.R.S.

Purpose: The purpose of this ~~regulation rule~~ is to ~~provide guidelines to establish requirements for a~~ motor vehicle dealers or wholesalers for ~~providing~~ 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 “Assigned” means a certificate of title or MCO that is signed by a seller and accompanied by the Colorado dealer’s bill of sale for motor vehicle to evidence the chain of ownership progression to the 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.~~

1.63 “Manufacturer's Certificate of Origin” or (“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. has the same meaning as Colorado Code of Regulation 1 CCR 204-10 Rule 22. Manufacturer’s Certificate of Origin – Requirements and Use.~~

~~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.~~

1.84 “~~One~~ Working Day” means the daily period beginning at 8:00 a.m. and ending at ~~35:00~~ 5:00 p.m. Monday through Friday, with the exception of those days designated as official ~~state~~ State of Colorado holidays by statute or Executive Order of the Governor.

1.95 “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.

1.406 “Letter of Authorization” means ~~a letter~~ an authorization 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~~ 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~~ proof of ownership for each vehicle in their possession:

- a. ~~A~~ If the vehicle is a used vehicle with a Colorado ~~certificate of~~ title:

1. A Colorado ~~certificate of title assigned~~ Assigned to the dealer, or 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~~ If the vehicle is a used vehicle with an out-of-state ~~certificate of title~~:
1. The out-of-state ~~certificate of title assigned~~ Assigned to the dealer, or 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~~ Assigned by MCO to a dealer or wholesaler:
1. MCO ~~assigned~~ Assigned or re-~~assigned~~Assigned to a franchised dealer or wholesaler; and,
 2. Odometer disclosure if required.
 3. ~~No~~ A dealer or wholesaler shall ~~not~~ 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~~ Assigned or re-~~assigned~~Assigned with its MCO from an out-of-state franchised dealer or wholesaler to a franchised Colorado dealer or wholesaler:
1. MCO re-~~assigned~~-Assigned to the franchised dealer or wholesaler; and,
 2. Odometer disclosure if required; and,
 3. ~~Verification of vehicle identification number.~~
 43. ~~No~~A dealer or wholesaler shall ~~not~~ 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.~~

- fe. ~~Vehicles~~ A vehicle with incomplete or insufficient ~~certificate of title~~ titles shall be marked "Not for Sale" and withheld from any public offering.

3.0 Requirements for Obtaining **Certificate of Titles** in One Working Day

- 3.1 ~~A Dealer and/or~~ wholesalers may obtain a "~~Dealer Resale, No Sales Taxes Paid~~" certificate of title in the licensed name of the dealer or wholesaler within one ~~working day~~ Work Day, at the Department of Revenue, ~~Title and Registration Section, Vehicle Services Unit,~~ after ~~submitting~~ providing 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 issue a certificate of title to an ~~Agent~~ must provide a Letter of Authorization, listing the names of all persons who will be acting as ~~a~~ Agents on their behalf. ~~All authorization letters~~ Letters of Authorization 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~~ Agents. A person attempting to obtain a Dealer Resale certificate of title that is not listed on the dealer's or wholesaler's Letter of Authorization will not be permitted to receive the certificate of title. If the dealer, wholesaler, or Agent fails to pick up the certificate of title after one Working Day the Department may choose to hold the certificate of title until it is picked up or mail it to the dealer or wholesaler.
- 3.3 The ~~agent~~ Agent shall be required to present ~~secure and verifiable identification~~ Secure and Verifiable Identification at the time of application and upon receipt of a certificate of title. The ~~agent~~ Agent shall sign a receipt verifying ~~receipt of~~ the certificate of title.
- 3.4 ~~An Agent~~ Agents representing ~~several more than one~~ dealers or wholesalers must have ~~authorization~~ a Letter of Authorization from each ~~individual~~ dealer or wholesaler for which the Agent is and authorized Agent for in order to obtain a certificate of titles on behalf of that dealer or wholesaler.

4.0 Requirements for Acceptance of Applications for Dealer Resale **Certificate of Title**

- 4.1 ~~An Applications~~ application for dealer resale certificate of title will only be accepted when:

- a. The supporting ownership document is a MCO properly ~~assigned~~ **Assigned** to a dealer or wholesaler or ~~reassigned-re-~~**Assigned** to a dealer or wholesaler; or,
 - b. The supporting ownership document is a ~~certificate of~~ **certificate of** title properly ~~assigned~~ **Assigned** to a dealer or wholesaler; or,
 - c. The supporting ownership document is a salvage ~~certificate of~~ **certificate of** title for a vehicle that has been made roadworthy, ~~as defined in C.R.S. 42-6-102(15), and is being submitted for a~~ **dealer dealer resale certificate** title in the dealer's or wholesaler's name.
- 4.2 ~~An Applications application for a dealer resale certificate of title~~ must be free and clear of all liens and encumbrances.
- 4.3 ~~An All applications for a dealer resale certificate of title~~ must be complete and ~~contain all required documents listed in section 2.0 Proof of Ownership Requirements above in the proper order.~~
- 4.4 The Department may limit ~~dealer resale certificate of~~ **dealer resale certificate of** title applications to three ~~title~~ applications per dealer, ~~or~~ wholesaler ~~or Agent~~ per ~~day~~**Working Day**. Additional ~~title~~ applications above the maximum limit of three may not be processed in one ~~working day~~**Working Day**.

5.0 Dealer Resale Certificate of Title Application Processing Timeframes

- 5.1 ~~An Applications application for a dealer resale certificate of title~~ submitted prior to 3:00 p.m. ~~on a Working Day~~ may be picked up, ~~at the Department,~~ between 8:00 a.m. and ~~35:00 p.m.~~ of the next ~~working day~~**Working Day**. ~~An application submitted after 3:00 p.m. on a Working Day will not be processed until the following Working Day.~~
- 5.2 One ~~working day~~ **Working Day** processing is contingent upon ~~an applications clearing computer edits, document review meeting requirements, passing Department auditing of the application and documents,~~ and extraordinary circumstances beyond the control of the Department.
- 5.3 ~~A dealer or wholesaler may request Overnight overnight mail service of a applications dealer resale certificate of title will be accepted.~~ If overnight mail service is requested the dealer or wholesaler must provide the Department with a ~~Prepaid pre-paid return envelopes must be provided to ensure return of certificates of title by overnight service.~~ Otherwise, ~~all titles~~ the Department will be mailed any dealer resale certificate of title that is not picked up or overnight mailed by ~~First-Class Mail~~ **first class mail** to the dealer or wholesaler.

5.4 ~~Titles not picked up by the eighth working day after the printing of the title~~A dealer resale certificate of title that is not picked up by the dealer, wholesaler, or Agent within eight Working Days of submitting the application will be mailed to the dealer or wholesaler. If mailing instructions are not provided to the Department with the application, the Department will destroy the dealer resale certificate of title and the dealer or wholesaler will be required to apply for a duplicate title.

~~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~~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 ~~A Dealers dealer~~ or wholesalers may obtain a duplicate certificates of title for a vehicles that ~~have has~~ 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 ~~certificate of~~ title will be accepted.

6.4 ~~A Duplicate-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 ~~certificate of~~ title application, the satisfied lien will be removed from the ~~duplicate title vehicle record~~ and a duplicate ~~certificate of~~ title will be provided to the dealer or wholesaler.

7.0 Payment

7.1 ~~An Applications~~ application for a dealer resale certificate of title 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.

8.0 Appeals

8.1 If a dealer or wholesaler has been denied issuance of a dealer resale certificate of title or a duplicate title, the dealer or wholesaler may request a hearing, in writing, within 60 days after the date of the notice of denial.

Written hearing requests shall be submitted to the Department of Revenue, Hearings Division.

- 8.2 The hearing shall be held at the Department of Revenue, Hearing Division. The presiding hearing officer shall be an authorized representative designated by the Executive Director. The Department's representative need not be present at the hearing unless the presiding hearing officer requires his or her presence or the dealer or wholesaler requests his or her presence in writing. If the Department's representative is not present at the hearing, the hearing officer has the discretion to consider any written documents and affidavits submitted by the Department.