

**First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 25-0864.01 Brita Darling x2241

SENATE BILL 25-160

SENATE SPONSORSHIP

Snyder and Jodeh, Liston

HOUSE SPONSORSHIP

Hamrick and Mauro,

Senate Committees

Business, Labor, & Technology

House Committees

A BILL FOR AN ACT

101 **CONCERNING REQUIRING CERTAIN MOTOR VEHICLE MANUFACTURERS**
102 **THAT HAVE AFFILIATES TO SELL THROUGH FRANCHISED MOTOR**
103 **VEHICLE DEALERS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill amends the definition of a "manufacturer" of new motor vehicles to include an affiliate of a manufacturer and defines the term "affiliate".

The bill clarifies that the provision in current law prohibiting a manufacturer from owning, operating, or controlling a motor vehicle

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

dealer or used motor vehicle dealer in the state also includes competing against a motor vehicle dealer or used motor vehicle dealer. Further, the bill extends the prohibition to include motor vehicle dealer-operated service centers in the state.

Current law does not prohibit ownership, operation, or control of one or more motor vehicle dealers by a manufacturer if the manufacturer manufactures only electric vehicles and has no franchised dealers of the same line-make in the state. Under the bill, the ownership, operation, or control of one or more motor vehicle dealers by a manufacturer is not prohibited if the manufacturer manufactures any vehicle and has never had franchised dealers of any line-make in the state.

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

2 **SECTION 1.** In Colorado Revised Statutes, 44-20-102, **amend**
3 (14) introductory portion; and **add** (1.3) as follows:

4 **44-20-102. Definitions.** As used in this part 1, and in part 4 of this
5 article 20, unless the context or section 44-20-402 otherwise requires:

6 (1.3) "AFFILIATE" MEANS ANY PERSON, INCLUDING AN ENTITY,
7 THAT:

8 (a) DIRECTLY OR INDIRECTLY, OR THROUGH ONE OR MORE
9 INTERMEDIARIES, CONTROLS OR IS CONTROLLED BY, OR IS UNDER COMMON
10 CONTROL WITH, A SPECIFIED PERSON OR ENTITY, OR HAS THE POWER TO
11 EXERCISE, DIRECTLY OR INDIRECTLY, A CONTROLLING INFLUENCE OVER
12 THE MANAGEMENT OR POLICIES OF THAT PERSON OR ENTITY; AND

13 (b) MANUFACTURES, DISTRIBUTES, SELLS, OR OFFERS FOR SALE OR
14 LEASE NEW MOTOR VEHICLES TO RETAIL CONSUMERS.

15 (14) "Manufacturer" means any person, firm, association,
16 corporation, AFFILIATE, or trust, resident or nonresident, ~~who~~ THAT
17 manufactures or assembles new and unused motor vehicles; except that
18 "manufacturer" does not include:

19 **SECTION 2.** In Colorado Revised Statutes, 44-20-126, **amend**

1 (1) and (2)(g); and add (2)(h) and (2)(i) as follows:

2 **44-20-126. Independent control of dealer - definitions.**

3 (1) Except as otherwise provided in this section, ~~no~~ A manufacturer shall
4 NOT own, operate, ~~or~~ control, ~~any~~ OR COMPETE AGAINST A motor vehicle
5 dealer, MOTOR VEHICLE DEALER-OPERATED SERVICE CENTER, or used
6 motor vehicle dealer in Colorado IN THE RETAIL SALE, LEASE, RETAIL
7 SERVICE, OR WARRANTY SERVICE OF MOTOR VEHICLES.

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

10 (g) Ownership, operation, or control of one or more motor vehicle
11 dealers if the manufacturer manufactures ~~only electric vehicles~~ ANY
12 VEHICLE and has ~~no~~ NEVER HAD ANY franchised dealers of ~~the same~~ ANY
13 line-make in this state.

14 (h) THE SERVICE OR REPAIR OF MOTOR VEHICLES OWNED BY A
15 MANUFACTURER BEFORE THE MOTOR VEHICLES ARE DELIVERED TO A
16 MOTOR VEHICLE DEALER.

17 (i) OFFERING OR PROVIDING UPDATES TO OR REPAIRS OF MOTOR
18 VEHICLE SOFTWARE THAT IS TRANSMITTED REMOTELY AT NO COST TO THE
19 RETAIL CONSUMER.

20 **SECTION 3. Act subject to petition - effective date.** This act
21 takes effect at 12:01 a.m. on the day following the expiration of the
22 ninety-day period after final adjournment of the general assembly; except
23 that, if a referendum petition is filed pursuant to section 1 (3) of article V
24 of the state constitution against this act or an item, section, or part of this
25 act within such period, then the act, item, section, or part will not take
26 effect unless approved by the people at the general election to be held in

- 1 November 2026 and, in such case, will take effect on the date of the
- 2 official declaration of the vote thereon by the governor.