

HB 913 -- Certificate of Ownership on Motor Vehicles

Sponsor: Jones (117)

This bill prohibits an entity that finances or establishes a line of credit enabling motor vehicle dealers to purchase motor vehicles from holding or precluding the dealer from holding any certificate of ownership as part of the financing or line of credit. Any entity convicted of doing so will be guilty of a class A misdemeanor for a first offense and a class D felony for a subsequent offense.

The bill also changes the laws regarding the issuance of lien titles for motor vehicles, trailers, outboard motors, aircrafts, and vessels. The bill:

(1) Changes from three months to 45 days from the completion of the requested labor when a lienholder may apply to the Director of the Department of Revenue for a certificate of ownership or title when the charges for the labor have not been paid;

(2) Specifies that if the charges are for storage and/or for towing an item and the item has not been redeemed within 45 days after the charges for storage have commenced, the lienholder must notify the owner and any lienholder of record, by certified mail, that an application for a lien title will be made unless the owner or lienholder makes satisfactory arrangements within 30 days. Currently, the item must not have been redeemed within three months after the charges for storage commenced and the lienholder must make satisfactory arrangements within 45 days;

(3) Allows a lienholder to apply for a lien title 30 days after the notice by certified mail has been returned marked "not forwardable" or "addressee unknown" instead of the current 45 days;

(4) Allows a lienholder to apply for a lien title after notice by certified mail has been sent and not returned accompanied with an affidavit from the lienholder that written notice was provided to all owners and lienholders and a copy of the written notice given by certified mail evidencing the notice was sent; and

(5) Requires the department director to issue a lien title upon satisfaction that the application is genuine, proof of lienholder notification is provided, and no lienholder or owner has redeemed the item or demanded a hearing. Currently, the department director must notify the owner and lienholder upon receipt of the application.