

CONFIDENTIAL
LEGISLATIVE BILL REVIEW FORM: 2015

Bill Number: H.61 Name of Bill: An act relating to motor vehicle titles

Agency/Dept: Vermont State Police Author of Bill Review: Lt. Garry Scott

Date of Bill Review: 01/30/2015 Related Bills and Key Players: DMV

Status of Bill: (check one)

Upon Introduction As passed by 1st body As passed by both bodies

Recommended Position:

Support Oppose Remain Neutral Support with modifications identified in # 8 below

Analysis of Bill

1. Summary of bill and issue it addresses.

- (1) Provide for the Commissioner of Motor Vehicles to issue titles for vehicles not required to be titled under Vermont law, if an owner requests a title and satisfies certain conditions and the requirements of law governing issuance of titles;
- (2) Expand the out-of-state market for, and thereby enhance the value of, Vermont vehicles no previously eligible for titles under Department of Motor Vehicles practice;
- (3) Authorize the State to pass along to the vehicle owner reasonable costs associated with issuing a title for a vehicle not required to be titled under Vermont law, up to \$100.00.

2. Is there a need for this bill? DMV opposes this Bill. This Bill would not impact the State Police. The State Police is not responsible for titling issues.

3. What are likely to be the fiscal and programmatic implications of this bill for this Department?

No known cost to the State Police

4. What might be the fiscal and programmatic implications of this bill for other departments in state government, and what is likely to be their perspective on it? DMV would be affected by this Bill and provided the following information that could be of issue:

- TA-VD-119I Registration Application
- TA-VN-48 Dealer Guide
- TA-VT-01 Certificate of Title
- TA-VT-04 Duplicate Title
- TA-VT-15a Title Inquiry
- TA-VT-17 Salvage Title
- TA-VT-28 Tax and Title

Procedure Costs = \$3,500.00

Procedures that may be affected:
Miscellaneous title Information
Rating Salvage titles

Title Application Section 2
Title Application Section 7
Vehicle Identification Number & Hull Identification Number Assignment

Program Costs = \$4,000.00

Will need to change the 15 year title purge to not delete these titles; 1 week.

BGS testing; 1.5 weeks

Web Costs = \$200.00

Correction of current web and intranet pages containing information on titles.

5. What might be the fiscal and programmatic implications of this bill for others, and what is likely to be their perspective on it?

According to the DMV this bill would negatively impact all DMV customers as it would increase the transaction time and wait time, requirements, and fees on all vehicles this bill specifies. The customer would be required to surrender the previous title (and bills of sale for each transfer from the titled owner to the newest buyer) as a supporting document for the transaction.

Complicating the title laws also increases the number of phone calls the DMV receives and the number of return letters the DMV has to write to the customer requesting additional documentation or fees. All these considered, this bill would likely not be supported by the public.

Dealers are also likely to oppose this bill as they currently only need to submit a registration application, Dealer Report of Sale, and fees.

6. Other Stakeholders:

6.1 Who else is likely to support the proposal and why?

Vehicle owners that believe that they need a title to sell a vehicle to a buyer that is trying to register the vehicle out of state. In these cases, the buyer should request a letter from the DMV specifying that vehicle does not meet our title requirements.

6.2 Who else is likely to oppose the proposal and why?

None Identified.

7. Rationale for recommendation:

The DMV feels that this bill addresses a problem that does not exist.

Once the first title of this type has been issued, a person contemplating a purchase must check with DMV to determine if a title exists for every vehicle since that is the only way to address potential fraudulent sales. This would have an adverse effect on productivity.

9A V.S.A. § 9-501 (UCC) requires a financing statement to be filed in the Secretary of State's Office since the lien cannot be otherwise perfected.

Applicant would need to submit something from the Sec. of State indicating no UCC filing had been made or that a filing had been made and the lien had been satisfied. DMV would need to check NMVTIS to determine if a title exists elsewhere.

If an applicant must satisfy existing title requirements, then he/she will have to prove the chain of

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ownership from the MCO or last title to the applicant. Also, the lack (or existence) of liens would have to be established. Otherwise, this so-called "title" is nothing but an official appearing piece of paper.

23 V.S.A. § 2020 provides that satisfactory proof of ownership must be provided as well as that there are no liens on the vehicle, if these cannot be established, DMV may then either refuse titling or require the applicant to post a bond in the amount of one and one-half times the value as determined by the Commissioner

8. Specific modifications that would be needed to recommend support of this bill: DMV would suggest that no changes are needed.

9. Gubernatorial appointments to board or commission?

A handwritten signature in blue ink, appearing to be 'K. Gray', is written over a faint rectangular stamp.

Secretary/Commissioner has reviewed this document

Date: 3/11/15