

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## HOUSE BILL

No. 1014 Session of  
2005

INTRODUCED BY GEIST, McCALL, ARMSTRONG, BALDWIN, CALTAGIRONE,  
CAPPELLI, CRAHALLA, CREIGHTON, DALLY, J. EVANS, FAIRCHILD,  
GERBER, GILLESPIE, GOOD, HARRIS, M. KELLER, W. KELLER,  
KILLION, MARSICO, MCGILL, MCILHINNEY, R. MILLER, NAILOR,  
PHILLIPS, PICKETT, PRESTON, REICHLEY, ROBERTS, SCAVELLO,  
SCHRODER, SHANER, B. SMITH, SOLOBAY, STAIRS, STERN, STURLA,  
SURRA, E. Z. TAYLOR, THOMAS, WALKO, WANSACZ, WOJNAROSKI AND  
YOUNGBLOOD, MARCH 16, 2005

AS REPORTED FROM COMMITTEE ON TRANSPORTATION, HOUSE OF  
REPRESENTATIVES, AS AMENDED, MAY 11, 2005

## AN ACT

1 Amending Title 75 (Vehicles) of the Pennsylvania Consolidated  
2 Statutes, further providing for APPLICATION FOR CERTIFICATE <—  
3 OF TITLE, FOR TRANSFER OF OWNERSHIP OF VEHICLE, FOR  
4 APPLICATION FOR CERTIFICATE OF TITLE BY AGENT AND FOR an  
5 electronic titling program.

6 The General Assembly of the Commonwealth of Pennsylvania  
7 hereby enacts as follows:

8 Section 1. Sections 1103.1(G.1), 1111(A), 1119 AND 1151 and <—  
9 ~~1152~~ of Title 75 of the Pennsylvania Consolidated Statutes are  
10 amended to read:

11 § 1103.1. APPLICATION FOR CERTIFICATE OF TITLE. <—

12 \* \* \*

13 (G.1) VERIFICATION.--IN LIEU OF NOTARIZATION OF ANY DOCUMENT  
14 REQUIRED TO BE SUBMITTED WITH THE APPLICATION FOR CERTIFICATE OF  
15 TITLE, THE DEPARTMENT SHALL ACCEPT THE VERIFICATION OF A  
16 PERSON'S SIGNATURE BY A WHOLESALE VEHICLE AUCTION LICENSED BY

1 THE STATE BOARD OF VEHICLE MANUFACTURERS, DEALERS AND  
2 SALESPERSONS OR ITS EMPLOYEE, OR AN ISSUING AGENT[, ] WHO IS  
3 LICENSED AS A VEHICLE DEALER BY THE STATE BOARD OF VEHICLE  
4 MANUFACTURERS, DEALERS AND SALESPERSONS, OR ITS EMPLOYEE. THE  
5 [ISSUING AGENT'S] NAME AND IDENTIFICATION NUMBER AND THE  
6 SIGNATURE OF THE ISSUING AGENT OR [ITS] WHOLESALE VEHICLE  
7 AUCTION OR RESPECTIVE EMPLOYEE SHALL BE WRITTEN IN THE SPACE  
8 RESERVED FOR A NOTARIZATION OR VERIFICATION. IF AN ISSUING AGENT  
9 OR [ITS] WHOLESALE VEHICLE AUCTION OR RESPECTIVE EMPLOYEE  
10 FALSELY VERIFIES A PERSON'S SIGNATURE, THE DEPARTMENT SHALL  
11 SUSPEND THE ISSUING AGENT'S OR WHOLESALE VEHICLE AUCTION'S  
12 AUTHORITY TO ISSUE TEMPORARY REGISTRATION PLATES AND CARDS FOR  
13 NOT LESS THAN 30 DAYS. WHEN VERIFICATION IS USED IN LIEU OF  
14 NOTARIZATION, THE ISSUING AGENT OR ITS EMPLOYEE SHALL VERIFY A  
15 PERSON'S IDENTITY BY USING AT LEAST ONE FORM OF GOVERNMENT-  
16 ISSUED PHOTO IDENTIFICATION. A COPY OF THE FORM OF  
17 IDENTIFICATION USED SHALL BE MAINTAINED BY THE ISSUING AGENT FOR  
18 A PERIOD OF THREE YEARS FROM THE DATE OF THE VERIFICATION.

19 \* \* \*

20 § 1111. TRANSFER OF OWNERSHIP OF VEHICLE.

21 (A) DUTY OF TRANSFEROR.--IN THE EVENT OF THE SALE OR  
22 TRANSFER OF THE OWNERSHIP OF A VEHICLE WITHIN THIS COMMONWEALTH,  
23 THE OWNER SHALL EXECUTE AN ASSIGNMENT AND WARRANTY OF TITLE TO  
24 THE TRANSFEREE IN THE SPACE PROVIDED ON THE CERTIFICATE OR AS  
25 THE DEPARTMENT PRESCRIBES, SWORN TO BEFORE A NOTARY PUBLIC OR  
26 OTHER OFFICER EMPOWERED TO ADMINISTER OATHS OR VERIFIED BY A  
27 WHOLESALE VEHICLE AUCTION LICENSED BY THE STATE BOARD OF VEHICLE  
28 MANUFACTURERS, DEALERS AND SALESPERSONS, OR ITS EMPLOYEE, OR AN  
29 ISSUING AGENT[, ] WHO IS LICENSED AS A VEHICLE DEALER BY THE  
30 STATE BOARD OF VEHICLE MANUFACTURERS, DEALERS AND SALESPERSONS,

OR ITS EMPLOYEE, AND DELIVER THE CERTIFICATE TO THE TRANSFEREE  
AT THE TIME OF THE DELIVERY OF THE VEHICLE.

\* \* \*

§ 1119. APPLICATION FOR CERTIFICATE OF TITLE BY AGENT.

(A) AUTHORIZATION TO MAKE APPLICATION.--

(1) EXCEPT AS PROVIDED IN PARAGRAPH (2), NO PERSON SHALL  
MAKE APPLICATION FOR A CERTIFICATE OF TITLE WHEN ACTING FOR  
ANOTHER PERSON UNLESS AUTHORIZATION TO MAKE THE APPLICATION  
IS IN EFFECT AND IS VERIFIED BY OATH OR AFFIRMATION OF THE  
OTHER PERSON, MADE NOT MORE THAN 90 DAYS BEFORE THE  
APPLICATION IS RECEIVED BY THE DEPARTMENT.

(2) THE 90-DAY PROVISION CONTAINED IN PARAGRAPH (1)  
SHALL NOT APPLY TO:

(I) FLEET OWNERS WHO ARE LESSEES OF VEHICLES.

(II) A WHOLESALE VEHICLE AUCTION LICENSED PURSUANT  
TO THE ACT OF DECEMBER 22, 1983 (P.L.306, NO.84), KNOWN  
AS THE BOARD OF VEHICLES ACT.

(III) BLANKET POWERS OF ATTORNEY ISSUED FOR GENERAL  
PURPOSES NOT LIMITED TO THE SALE, PURCHASE OR TRANSFER OF  
VEHICLES.

(B) CERTIFICATE NOT TO BE ASSIGNED IN BLANK.--NO PERSON  
SHALL MAKE APPLICATION FOR, OR ASSIGN OR PHYSICALLY POSSESS, A  
CERTIFICATE OF TITLE, OR DIRECT OR ALLOW ANOTHER PERSON IN HIS  
EMPLOY OR CONTROL TO MAKE APPLICATION FOR, OR ASSIGN OR  
PHYSICALLY POSSESS, A CERTIFICATE OF TITLE, UNLESS THE NAME OF  
THE TRANSFEREE IS PLACED ON THE ASSIGNMENT OF CERTIFICATE OF  
TITLE SIMULTANEOUSLY WITH THE NAME OF THE TRANSFEROR AND DULY  
NOTARIZED. WHOLESALE VEHICLE AUCTIONS AND VEHICLE DEALERS  
LICENSED PURSUANT TO THE BOARD OF VEHICLES ACT ARE EXEMPT FROM  
THE LIMITATIONS OF THIS SUBSECTION WITH RESPECT TO CERTIFICATES

OF TITLE FOR VEHICLES THAT ARE ENTRUSTED TO THE LICENSED  
WHOLESALE VEHICLE AUCTION FOR SALE OR TRANSFER.

\* \* \*

§ 1151. Electronic media system for vehicle titles.

(a) Initial responsibilities of department.--The department is authorized to form a task force for the purpose of developing a system which will permit the voluntary recording of vehicle title information for new, transferred and corrected certificates of title, including the perfection and release of security interests, through electronic media in a cost-effective manner in lieu of the submission and maintenance of paper documents otherwise required by this chapter. The members of the task force shall be appointed by the secretary and shall include representatives from the department, the commercial banking industry, sales finance companies, credit unions, savings institutions and the vehicle dealership industry.

(b) Task force responsibilities.--The task force shall research methods whereby the department, lending institutions and sales finance companies may exchange and maintain information concerning the perfection and release of vehicle security interests without submitting or receiving the paper title document. Further, the task force shall develop methods whereby lending institutions and sales finance companies may submit, through a variety of electronic media, updated information pertaining to the title record, including the addition, assignment or release of vehicle security interests.

(c) Expiration.--This section expires January 1, 2007.

~~§ 1152. Development of pilot program.~~

~~(a) Pilot program development.--The task force appointed under section 1151 (relating to electronic media system for~~

~~vehicle titles) shall develop a pilot program to implement voluntary electronic transactions in lieu of the paper documents required by this chapter. The department may limit the number of counties in which the pilot program will be in effect and may also limit the number of lending institutions and sales finance companies participating in the program, but shall encourage lending institutions and sales finance companies of various sizes to participate.~~

~~(b) Expiration. This section expires January 1, 2007.~~

Section 2. Title 75 is amended by adding a section to read:

§ 1151.1. Program.

(a) General rule.--The department shall administer an electronic titling program that permits the recording of vehicle title information for new, transferred and corrected certificates of title through electronic media in a cost-effective manner in lieu of the submission and maintenance of paper documents otherwise required by this chapter.

(b) Description.--The electronic titling program shall include, but not be limited to, methods by which vehicle title information, including the perfection, release and assignment of vehicle security interests may be submitted by lienholders through electronic media.

(c) Deadline and transition.--

(1) Except as set forth in paragraph (2), on and after January 1, 2007, a lienholder that has a valid lien recorded in the department against a vehicle during any month within the immediately preceding calendar year must participate in the electronic titling program.

(2) The department shall provide for and has the authority to require lienholders to participate in a phased

implementation of the electronic titling program in  
accordance with the following schedule:

(i) As of January 1, 2006, a minimum of 33% of total  
vehicle title information received by the department for  
new, transferred and corrected certificates of title and  
the perfection, lienholder notification, release and  
assignment of vehicle security interests must be  
submitted through electronic media.

(ii) As of July 1, 2006, a minimum of 66% of total  
vehicle title information for new, transferred and  
corrected certificates of title and the perfection,  
lienholder notification, release and assignment of  
vehicle security interests must be submitted through  
electronic media.

Section 3. ~~Section~~ SECTIONS 1152 AND 1154 of Title 75 ~~is~~ ARE  
amended to read:

§ 1152. DEVELOPMENT OF PILOT PROGRAM.

(A) PILOT PROGRAM DEVELOPMENT.--THE TASK FORCE APPOINTED  
UNDER SECTION 1151 (RELATING TO ELECTRONIC MEDIA SYSTEM FOR  
VEHICLE TITLES) SHALL DEVELOP A PILOT PROGRAM TO IMPLEMENT  
VOLUNTARY ELECTRONIC TRANSACTIONS IN LIEU OF THE PAPER DOCUMENTS  
REQUIRED BY THIS CHAPTER. THE DEPARTMENT MAY LIMIT THE NUMBER OF  
COUNTIES IN WHICH THE PILOT PROGRAM WILL BE IN EFFECT AND MAY  
ALSO LIMIT THE NUMBER OF LENDING INSTITUTIONS AND SALES FINANCE  
COMPANIES PARTICIPATING IN THE PROGRAM, BUT SHALL ENCOURAGE  
LENDING INSTITUTIONS AND SALES FINANCE COMPANIES OF VARIOUS  
SIZES TO PARTICIPATE.

(B) EXPIRATION.--THIS SECTION EXPIRES JANUARY 1, 2007.

§ 1154. Expansion of pilot program.

(a) Pilot program expansion.--If, after 12 months of

1 operation, the secretary certifies in the Pennsylvania Bulletin  
2 that the pilot program created under section 1152 (relating to  
3 development of pilot program) has been successful, the  
4 department shall promulgate regulations governing voluntary  
5 electronic media transactions in lieu of submission and  
6 maintenance of paper documents otherwise required by this  
7 chapter. Until the regulations are adopted, the department may  
8 maintain and expand the pilot program provided for in section  
9 1152.

10 (b) Expiration.--This section expires January 1, 2007.

11 Section 4. This act shall take effect in 60 days.