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THE GENERAL ASSEMBLY OF PENNSYLVANIA

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HOUSE BILL

No. 1014 Session of  
2005

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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

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REFERRED TO COMMITTEE ON TRANSPORTATION, MARCH 16, 2005

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AN ACT

1 Amending Title 75 (Vehicles) of the Pennsylvania Consolidated  
2 Statutes, further providing for an electronic titling  
3 program.

4 The General Assembly of the Commonwealth of Pennsylvania  
5 hereby enacts as follows:

6 Section 1. Sections 1151 and 1152 of Title 75 of the  
7 Pennsylvania Consolidated Statutes are amended to read:

8 § 1151. Electronic media system for vehicle titles.

9 (a) Initial responsibilities of department.--The department  
10 is authorized to form a task force for the purpose of developing  
11 a system which will permit the voluntary recording of vehicle  
12 title information for new, transferred and corrected  
13 certificates of title, including the perfection and release of  
14 security interests, through electronic media in a cost-effective  
15 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.

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

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

12     (c) Deadline and transition.--

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

18         (2) The department shall provide for and has the  
19 authority to require lienholders to participate in a phased  
20 implementation of the electronic titling program in  
21 accordance with the following schedule:

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

28             (ii) As of July 1, 2006, a minimum of 66% of total  
29 vehicle title information for new, transferred and  
30 corrected certificates of title and the perfection,

1        lienholder notification, release and assignment of  
2        vehicle security interests must be submitted through  
3        electronic media.

4        Section 3. Section 1154 of Title 75 is amended to read:

5        § 1154. Expansion of pilot program.

6        (a) Pilot program expansion.--If, after 12 months of  
7 operation, the secretary certifies in the Pennsylvania Bulletin  
8 that the pilot program created under section 1152 (relating to  
9 development of pilot program) has been successful, the  
10 department shall promulgate regulations governing voluntary  
11 electronic media transactions in lieu of submission and  
12 maintenance of paper documents otherwise required by this  
13 chapter. Until the regulations are adopted, the department may  
14 maintain and expand the pilot program provided for in section  
15 1152.

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

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