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HOUSE BILL NO. 1991

Offered January 10, 2001

Prefiled January 10, 2001

A *BILL to amend and reenact §§ 46.2-628 and 46.2-631 of the Code of Virginia, relating to recordation of security instrument upon transfer of vehicle title.*

Patrons—Black and Abbitt

Referred to Committee on Transportation

Be it enacted by the General Assembly of Virginia:

1. That §§ 46.2-628 and 46.2-631 of the Code of Virginia are amended and reenacted as follows:

§ 46.2-628. How certificate of title transferred.

The owner of a motor vehicle, trailer, or semitrailer registered under this chapter, when transferring or assigning his title or interest thereto, shall fully and correctly endorse the assignment and warranty of title on the certificate of title of the motor vehicle, trailer, or semitrailer to its purchaser, with a statement of all security interests on it, and shall deliver the certificate to the purchaser or transferee at the time of delivering the motor vehicle, trailer, or semitrailer, *except as provided in subsection B*. Any owner who willfully fails fully and correctly to endorse the assignment and warranty of title shall be guilty of a Class 3 misdemeanor.

B. When a motor vehicle dealer places, or is required to place, a statement of a security interest on a certificate of title to a motor vehicle, trailer or semitrailer that has been transferred or assigned to a purchaser, the dealer may submit the properly transferred or assigned title directly to the Department on behalf of the purchaser or transferee.

§ 46.2-631. When transferred certificate of title need not be forwarded.

When the transferee of a motor vehicle, trailer, or semitrailer is a dealer who holds it for resale and operates it only for sales purposes under a dealer's license plate, the transferee shall not be required to register it nor forward the certificate of title to the Department, as provided in § 46.2-630, but the transferee, on transferring his title or interest to another person, shall notify the Department of the transfer and shall endorse and acknowledge an assignment and warranty of title on the certificate and deliver it to the person to whom the transfer is made, *except as provided in subsection B*.

B. When a transferee motor vehicle dealer places, or is required to place, a statement of a security interest on a certificate of title to a motor vehicle, trailer or semitrailer that has been transferred or assigned to another transferee, the dealer may submit the properly transferred or assigned title directly to the Department on behalf of the ultimate transferee.

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