

VIRGINIA ACTS OF ASSEMBLY — CHAPTER

An Act to amend and reenact §§ 46.2-603, 46.2-623, 46.2-629, 46.2-1542, and 46.2-1561 of the Code of Virginia and to amend the Code of Virginia by adding a section numbered 46.2-603.1, relating to electronic titling.

[S 686]

Approved

Be it enacted by the General Assembly of Virginia:

1. That §§ 46.2-603, 46.2-623, 46.2-629, 46.2-1542, and 46.2-1561 of the Code of Virginia are amended and reenacted and that the Code of Virginia is amended by adding a section numbered 46.2-603.1 as follows:

§ 46.2-603. Issuance of certificate of title and registration card.

A. The Department, on receiving an application for a certificate of title for a motor vehicle, trailer, or semitrailer, shall issue to the owner a certificate of title and a registration card as separate documents.

B. Subject to all applicable federal laws, the Department may, at the written request of the owner or lienholder listed on the application for certificate of title, supplemental lien, or transfer of lien, refrain from issuing a certificate of title in paper form and, instead, shall create only the electronic record of such title to be retained by the Department in its existing electronic title record system with a notation that no certificate of title has been printed on paper. The owner of a vehicle will be deemed to have obtained and the Department will be deemed to have issued a certificate of title when such title record has been created electronically as provided in this subsection. An owner or lienholder listed on a title record so created may at any time request and the Department shall provide a paper certificate of title for the vehicle. ~~All~~ Except as provided in § 46.2-603.1, all transfers of vehicle ownership shall require a paper certificate of title in accordance with, and subject to, all applicable federal laws.

§ 46.2-603.1. Electronic titling program.

The Department may establish an electronic titling program for any "new motor vehicle" as that term is defined in § 46.2-1500. Participants in the electronic titling program shall submit electronic applications for original motor vehicle titles in a form and format prescribed by the Department. Participants must provide all documentation or information required by the Department to process the electronic title application, including an electronic manufacturer's certificate of origin and any information required by the Department in accordance with § 46.2-623. The records of a nationally recognized motor vehicle title database shall be searched prior to transfer of vehicle ownership. Participants shall collect from the purchaser of the new motor vehicle any fee charged for the search of the nationally recognized motor vehicle title database. Upon receipt of a completed electronic application, the Department shall refrain from issuing a certificate of title in paper form and, instead, shall create only the electronic record of such title to be retained by the Department in its existing electronic title record system with a notation that no certificate of title has been printed on paper. The owner of a motor vehicle will be deemed to have obtained and the Department will be deemed to have issued a certificate of title when such title record has been created electronically as provided in this section. An owner listed on a title record so created may at any time request and the Department shall provide a paper certificate of title for the vehicle.

§ 46.2-623. Statements in application.

A. Every application for a certificate of title shall contain (i) a statement of the applicant's title and of all liens or encumbrances on the vehicle and the names and addresses of all persons having any interest in the vehicle and the nature of every interest in the vehicle; (ii) the Social Security number, if any, of the owner and, if the application is in the name of an employer for a business vehicle, the employer's identification number assigned by the United States Internal Revenue Service; and (iii) a brief description of the vehicle to be titled or registered, including the name of the maker, the vehicle identification or serial number and, when titling or registering a new vehicle, the date of sale by the manufacturer or dealer to the person first operating the vehicle.

B. ~~Not later than July 15, 1998, the~~ The lessor of a qualifying vehicle, as defined in § 58.1-3523, shall send a report to the Department for each such qualifying vehicle ~~it was leasing as of July 1, 1998, and has leased between January 1, 1998, and June 30, 1998,~~ containing (i) the name and address of the lessee as it appears in the lease contract; (ii) the social security number of the lessee; and (iii) the registration number of the vehicle as described under Article 1 (§ 46.2-600 et seq.) of Chapter 6 of Title 46.2.

C. Beginning with August 1998, such ~~Such~~ lessor shall send a monthly report to the Department, by

the fifteenth day of the month or such later day as may be prescribed in the guidelines promulgated under § 58.1-3532, listing any changes, additions or deletions to the information provided under subsection B as of the last day of the preceding month.

D. The application for title or registration shall contain such additional information as may be required by the Department.

E. The Department may require that an applicant present proof reasonably acceptable to the Department of the accuracy of information provided on the application, *including proof of identity*, and may refuse to issue a certificate of title until such proof has been provided.

§ 46.2-629. Odometer reading to be reported on certificate of title, application, or power of attorney.

A. Every owner or transferor of any motor vehicle, including a dealer, shall, at the time of transfer of ownership of any motor vehicle by him, record on the certificate of title, if one is currently issued on the vehicle in the Commonwealth, and on any application for certificate of title the reading on the odometer or similar device plus any known additional distance traveled not shown by the odometer or similar device of the motor vehicle at the time of transfer. If, however, a transferor gives his power of attorney to a dealer or other person for the purpose of assigning the transferor's interest in a motor vehicle, the transferor shall conspicuously record on the power of attorney the reading on the odometer or similar device at the time of the assignment. *The owner or transferor of a motor vehicle may electronically provide, in a form and format prescribed by the Commissioner, the reading on the odometer or similar device at the time of transfer if a paper certificate of title was not issued by the Department in accordance with § 46.2-603.1 and electronic provision of odometer readings is permitted under the Federal Odometer Act (49 U.S.C. § 32701 et seq.) or any federal regulations promulgated thereunder.*

B. The Department shall not issue to any transferee any new certificate of title to a motor vehicle unless subsection A ~~of this section~~ has been complied with.

C. It shall be unlawful for any person knowingly to record an incorrect odometer or similar device reading plus any known additional distance not shown by the odometer or similar device on any certificate of title or application for a title, or on any power of attorney as described in subsection A ~~of this section~~.

D. Notwithstanding other provisions of this section, an owner or transferor, including a dealer, of any of the following types of motor vehicles need not disclose the vehicle's odometer reading:

1. Vehicles having gross vehicle weight ratings of more than 16,000 pounds; and

2. Vehicles that were manufactured for a model year at least 10 years earlier than the calendar year in which the sale or transfer occurs and were previously exempt from recording an odometer reading on the certificate of title in another state, provided that the Department shall brand the titles of all such vehicles to indicate this exemption.

E. Violation of this section shall constitute a Class 1 misdemeanor.

F. The provisions of subsections A and B ~~of this section~~ shall not apply to transfers under § 46.2-633.

G. This section shall not apply to transfers or application for certificates of title of all-terrain vehicles or off-road motorcycles as defined in § 46.2-100.

§ 46.2-1542. Temporary registration.

A. Notwithstanding §§ 46.2-617 and 46.2-628, whenever a dealer licensed by the Board sells or conditionally sells and delivers to a purchaser a motor vehicle, the dealer may issue temporary license plates and a certificate of temporary registration. The temporary license plates and the certificates for temporary registration shall be obtained from the Commissioner or may be printed according to terms set by the Commissioner and may be issued if (i) the dealer has the title or the certificate of origin for the vehicle or (ii) is unable at the time of the sale to deliver to the purchaser the certificate of title or certificate of origin for the vehicle because the certificate of title or certificate of origin is lost or is being detained by another in possession or for any other reason beyond the dealer's control. The temporary registration certificate shall bear its date of issuance, the name and address of the purchaser, the identification number of the vehicle, the registration number to be used temporarily on the vehicle, the name of the state in which the vehicle is to be registered, the name and address of the person from whom the dealer acquired the vehicle, and whatever other information may be required by the Commissioner. A copy of the temporary registration certificate and a bona fide buyer's order shall be delivered to the purchaser and shall be in the possession of the purchaser at all times when operating the vehicle. One copy of the certificate shall be retained by the dealer, which copy may be retained in electronic format under terms set by the Commissioner, and shall be subject to inspection at any time by the Department's agents. The original of the certificate shall be forwarded by the dealer to the Department directly on issuance to the purchaser if the vehicle is to be titled outside the Commonwealth, along with the physical or electronic application for title. The issuance of a temporary certificate of registration to a purchaser pursuant to this section shall have the effect of vesting sufficient

interest in the vehicle in the purchaser for the period that the certificate remains effective for purposes of allowing the purchaser (a) to obtain and provide insurance coverage for the vehicle, including but not limited to insurance indemnifying the purchaser against liability or providing for recovery for damage to or loss of the vehicle and (b) to operate the vehicle as if the purchaser had full rights of ownership, all subject to cancellation by applicable law or agreement between the dealer and the purchaser prior to the time the dealer submits an application for title along with all required fees. If the dealer or purchaser exercises the statutory or contractual rights to cancel a purchaser's contract to buy a vehicle before application for title to the vehicle has been submitted to the Department in the name of the purchaser, the dealer shall have the right to possession of the vehicle without claim of possession by the purchaser within 24 hours of written or oral notice to the purchaser and without regard to the provision of Title 8.9A, provided the dealer's right to possession is enforced otherwise in accordance with law and without breach of the peace. In the event the dealer regains possession of the vehicle, in the same condition, normal wear and tear excepted, as delivered to the purchaser, the purchaser shall have the right to possession of any trade-in and return of any down payment, and if the dealer fails to return the trade-in and/or down payment the dealer may be held liable under § 59.1-200 of the Virginia Consumer Protection Act (§ 59.1-196), in addition to any other rights and remedies available by statute or contract.

B. A temporary certificate of registration issued by a dealer to a purchaser pursuant to this section shall expire when the certificate of title to the vehicle is issued by the Department in the name of the purchaser *or vehicle ownership is transferred in accordance with § 46.2-603.1* and the permanent license plates have been affixed to the vehicle, but in no event shall any temporary certificate of registration issued under this section be effective for more than ~~thirty~~ 30 days from the date of its issuance. In the event that the dealer fails to produce the old certificate of title or certificate of origin to the vehicle, *fails to transfer vehicle ownership in accordance with § 46.2-603.1*, or fails to apply for a replacement certificate of title pursuant to § 46.2-632, thereby preventing delivery to the Department or purchaser before the expiration of the temporary certificate of registration, the purchaser's temporary rights may terminate and the purchaser shall have the right to return the vehicle to the dealer and obtain a full refund of all payments made toward the purchase of the vehicle, provided the purchaser provides notice to the dealer of a decision to return the vehicle before issuance of a title for the vehicle by the Department, less any damage to the vehicle incurred while ownership was vested in the purchaser, and less a reasonable amount for use not to exceed one-half the amount allowed per mile by the Internal Revenue Service, as provided by regulation, revenue procedure, or revenue ruling promulgated pursuant to § 162 of the Internal Revenue Code, for use of a personal vehicle for business purposes.

C. Notwithstanding subsection B ~~of this section~~, if the dealer fails to deliver the certificate of title or certificate of origin to the purchaser *or fails to transfer vehicle ownership in accordance with § 46.2-603.1* within ~~thirty~~ 30 days, a second temporary certificate of registration may be issued. However, the dealer shall, not later than the expiration of the first temporary certificate, deliver to the Department an application for title, copy of the bill of sale, all required fees and a written statement of facts describing the dealer's efforts to secure the certificate of title or certificate of origin to the vehicle. On receipt of the title application with attachments as described herein, the Department shall record the purchaser's rights hereunder to the vehicle and may authorize the dealer to issue a second ~~thirty-day~~ 30-day temporary certificate of registration. If the dealer does not produce the certificate of title or certificate of origin to the vehicle before the expiration of the second temporary certificate, the purchaser's rights to the vehicle under this section may terminate and he shall have the right to return the vehicle as provided in subsection B ~~of this section~~.

D. If the dealer is unable to produce the certificate of title or certificate of origin to the vehicle *or transfer vehicle ownership in accordance with § 46.2-603.1* within the ~~sixty-day~~ 60-day period from the date of issuance of the first temporary certificate, the Department may extend temporary registration for an additional period of up to ~~ninety~~ 90 days, provided the dealer makes application in the format required by the Department. If the dealer does not produce the certificate of title or certificate of origin to the vehicle *or transfer vehicle ownership in accordance with § 46.2-603.1* before the expiration of the additional ~~ninety-day~~ 90-day period, the purchaser's rights hereunder to the vehicle may terminate and he shall have the right to return the vehicle as provided in subsection B ~~of this section~~.

E. The Commissioner, on determining that the provisions of this section or the directions of the Department are not being complied with by a dealer, may suspend, after a hearing, the right of the dealer to issue temporary certificates of registration.

§ 46.2-1561. To whom temporary plates shall not be issued; dealer to forward application for current titling and registration; misstatements and false information.

No dealer shall issue, assign, transfer, or deliver temporary license plates to other than the bona fide purchaser or owner of a vehicle, whether or not the vehicle is to be registered in Virginia. If the vehicle is to be registered in Virginia, the dealer shall submit to the Department a written application for the current titling and registration of the purchased vehicle, accompanied by the prescribed fees. Any dealer

179 who issues temporary license plates to a purchaser who fails or declines to request that his application
180 be forwarded promptly to the Department forthwith shall notify the Department of the issuance in the
181 manner provided in this article. No dealer shall lend temporary license plates to any person for use on
182 any vehicle. If the dealer does not have in his possession the certificate of title or certificate of origin he
183 may issue temporary license plates even though the purchaser has current license plates to be
184 transferred. The dealer shall present the title or certificate of origin to the customer *or transfer vehicle*
185 *ownership in accordance with § 46.2-603.1* within 30 days of purchase and after this transaction is
186 completed the customer shall transfer his current license plates to the vehicle. If the title or certificate of
187 origin cannot be produced for a vehicle *or the dealer fails to transfer vehicle ownership in accordance*
188 *with § 46.2-603.1* within 30 days, a second set of temporary license plates may be issued provided that a
189 temporary certificate of ownership is issued as provided in § 46.2-1542. It shall be unlawful for any
190 person to issue any temporary license plates containing any misstatement of fact, or for any person
191 issuing or using temporary license plates knowingly to insert any false information on their face.