

No. 1995-74

AN ACT

SB 476

Amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, further providing for the transfer of ownership of a vehicle; and providing for the development of an electronic lien program.

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

Section 1. Section 1111 of Title 75 of the Pennsylvania Consolidated Statutes is amended by adding a subsection to read:

§ 1111. Transfer of ownership of vehicle.

* * *

(a.1) Exception for dealers.—When a certificate of title for a vehicle acquired by a licensed dealer for the purpose of resale is encumbered by a lien, delivery of the certificate of title by the dealer as a transferor at the time of delivery of the vehicle upon resale shall not be required for a vehicle being titled in this Commonwealth if, prior to delivery of the vehicle, the dealer obtains the applicable powers of attorney to properly execute transfer of the title and the dealer requests and receives the departmental verification of any lienholders, ownership, odometer information, title brands and any other information that the department deems necessary to be verified. Upon payment of the established fee, the department shall provide the dealer or authorized messenger service with verification of the required information. The department may supply the verified information by either written or electronic means. The application and a properly assigned certificate of title shall be delivered to the department within the time period prescribed by section 1103.1 (relating to application for certificate of title). If a dealer sells a vehicle after verification of the required information for a certificate of title encumbered by a lien, but fails to satisfy the lien or deliver an assignment and warranty of title to the dealer's transferee within 90 days of the date of purchase, and this failure is the result of an act or omission by the dealer, the dealer shall accept return of the vehicle from the transferee and shall refund the purchase price less actual depreciation of the vehicle while it was within the possession of the transferee. In refunding the purchase price, the price shall include the listed dollar value of any trade-in vehicle as stated in the sales transaction document in lieu of returning the transferee's trade-in vehicle.

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Section 2. Chapter 11 of Title 75 is amended by adding a subchapter to read:

CHAPTER 11
CERTIFICATE OF TITLE AND SECURITY INTERESTS

* * *

SUBCHAPTER C
ELECTRONIC LIEN PROGRAM

Sec.

1151. Electronic media system for vehicle titles.

1152. Development of pilot program.

1153. Administration of system.

1154. Expansion of pilot program.

1155. Certification.

§ 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.

§ 1152. Development of pilot program.

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.

§ 1153. Administration of system.

To carry out its responsibilities under this subchapter, the department is authorized to contract with private industries for the purpose of administering a system which will permit the electronic communication of title information

and security interest notification. A third party operating a secured host computer system interfacing with the department's computer system and the computer system of a lending institution or other sales finance company shall be bonded in the amount specified by the department and shall maintain audit trails for a period of time specified by the department. The department is authorized to pay a reasonable fee to a third party to administer the system. Information received under this section by a third party shall remain confidential as specified by the department.

§ 1154. Expansion of pilot program.

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

§ 1155. Certification.

Notwithstanding any other provision of law, a written or printed report of an electronic transaction or recording permitted under this subchapter, if certified as true and correct by the department, shall serve as evidence of any signature, acknowledgment or information which was provided to or by the department through electronic means, and the certification shall be admissible in any legal proceeding as evidence of the facts stated therein.

Section 3. This act shall take effect as follows:

(1) The amendment of 75 Pa.C.S. § 1111 shall take effect upon publication of a notice to that effect in the Pennsylvania Bulletin.

(2) The remainder of this act shall take effect immediately.

APPROVED—The 20th day of December, A.D. 1995.

THOMAS J. RIDGE