

## No. 249

## AN ACT

## HB 514

Amending the act of April 29, 1959 (P.L.58), entitled "An act consolidating and revising the Vehicle Code, the Tractor Code, the Motor Vehicle Financial Responsibility Act and other acts relating to the ownership, possession and use of vehicles and tractors," extending the validity of certain liens and encumbrances without renewal to fifteen years.

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

Section 1. Subsection (b) of section 203 and section 208, act of April 29, 1959 (P.L.58), known as "The Vehicle Code," amended July 17, 1963 (P.L.270), are amended to read:

Section 203. Contents, Delivery, Effect and Life of Certificate of Title.—

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(b) Where there are no liens or encumbrances upon the motor vehicle, trailer or semi-trailer, the certificate of title shall be delivered to the owner, but otherwise it shall be delivered to the person holding the first lien or encumbrance upon said motor vehicle, trailer or semi-trailer, and shall be retained by such person until the entire amount of such first lien or encumbrance is fully paid by the owner of said motor vehicle, trailer or semi-trailer. The outstanding certificate of title, when issued by the secretary showing a lien or encumbrance, shall be adequate notice to the Commonwealth, creditors, subsequent mortgagees, lienors, encumbrancers and purchasers that a lien against the motor vehicle, trailer or semi-trailer exists, and failure to transfer possession of the vehicle, trailer or semi-trailer shall not invalidate said lien or encumbrance. Upon payment of any lien or encumbrance, the outstanding certificate of title shall be delivered immediately to the owner of said motor vehicle, trailer or semi-trailer with proper evidence of satisfaction of same, providing there are no subsequent liens or encumbrances. If there are any subsequent liens or encumbrances upon the motor vehicle, trailer or semi-trailer, the outstanding certificate of title, upon payment of any lien or encumbrance, shall be returned to the department by the person whose lien or encumbrance has been discharged by such payment within forty-eight (48) hours of such payment. A corrected certificate of title, together with a statement of the remaining liens or encumbrances on record, shall be delivered to the person holding the next lien or encumbrance upon said motor vehicle, trailer or semi-trailer, and be retained by such person until the entire amount of such lien or encumbrance is fully paid by the owner of said motor vehicle, trailer or semi-trailer. A corrected certificate of title

without statement of liens or encumbrances shall be issued by the department, upon request of the owner, when the outstanding certificate of title is returned with proper evidence that all recorded liens or encumbrances have been satisfied, or when the outstanding certificate of title cannot be returned and proper evidence is produced that all recorded liens or encumbrances have been satisfied, or when the lien or encumbrance upon the motor vehicle, trailer or semi-trailer *except as to a mobilehome or house trailer* has not been renewed within the five (5) years immediately preceding the issuance of such corrected certificate of title *and as to a mobilehome or house trailer, has not been renewed within fifteen (15) years immediately preceding the issuance of such corrected certificate of title.*

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Penalty.—Any person failing to deliver upon demand a satisfied certificate of title, as required by the provisions of subsection (b) of this section, shall, upon summary conviction before a magistrate, for a first offense, be sentenced to pay a fine of ten dollars (\$10.00) and costs of prosecution, and, in default of the payment thereof, shall undergo imprisonment for not more than five (5) days, and for every subsequent failure to deliver upon demand such satisfied certificate of title, be sentenced to pay a fine of twenty-five dollars (\$25.00) and costs of prosecution, and, in default of the payment thereof, shall undergo imprisonment for not more than ten (10) days.

Any person failing to return to the department a certificate of title, where there are subsequent liens or encumbrances, for correction and delivery, as required by the provisions of subsection (b) of this section, shall, upon summary conviction before a magistrate, be sentenced to pay a fine of ten dollars (\$10.00) and costs of prosecution, and, in default of the payment thereof, shall undergo imprisonment for not more than five (5) days, and for every subsequent failure to return such certificate of title shall be sentenced to pay a fine of twenty-five dollars (\$25.00) and costs of prosecution, and, in default of the payment thereof, shall undergo imprisonment for not more than ten (10) days: Provided, That no person shall be deemed guilty of a violation of this section if he shall deliver the certificate of title to the department within forty-eight (48) hours of the satisfaction of any lien or encumbrance.

Section 208. Change of Ownership by Operation of Law and Judicial Sale.—In the case of the transfer of ownership or possession of a motor vehicle, trailer or semi-trailer, by operation of law, as upon inheritance, devise or bequest, order in bankruptcy, insolvency, replevin or execution sale, or whenever a motor vehicle, trailer or semi-trailer is sold at public sale to satisfy storage or repair charges, or repossession is had upon default in performance of the terms of a chattel mortgage, lease, contract of conditional sale, or other like agreement made upon, or in connection with, any encumbrance or lien recorded and continuing of record in the

department, it shall thereupon become the duty of the person from whose possession such motor vehicle, trailer or semi-trailer was taken, if there are no liens, encumbrances or legal claims thereon, and without prejudice to his rights in the premises, immediately to surrender the certificate of title for such motor vehicle, trailer or semi-trailer to the person to whom possession of such motor vehicle, trailer or semi-trailer has so passed. The secretary, upon surrender of the outstanding certificate of title, or when that is not possible, or when the said certificate of title for such motor vehicle, trailer or semi-trailer is held by a person holding a first lien, encumbrance or legal claim thereon, upon presentation of satisfactory proof to the secretary of ownership and right of possession to such motor vehicle, trailer or semi-trailer, and upon payment of the fee prescribed in this act, and presentation of an application for a certificate of title, may issue to the applicant to whom possession of such motor vehicle, trailer or semi-trailer has so passed a certificate of title thereto; but where a first lien, encumbrance or legal claim upon such motor vehicle, trailer or semi-trailer is held by another, the secretary shall deliver the said certificate of title, containing thereon a statement of the liens, encumbrances or legal claims upon such motor vehicle, trailer or semi-trailer, to the person holding such first lien, encumbrance or legal claim, which shall be retained by such person until the entire amount of such first lien, encumbrance or legal claim is fully paid by the owner of said motor vehicle, trailer or semi-trailer, when the said certificate of title shall be delivered to said owner by the person who held the first lien, encumbrance or legal claim, with proper evidence of satisfaction of same. A corrected certificate of title, without statement of liens, encumbrances or legal claims, shall be issued by the secretary, upon request of the owner, when the outstanding certificate of title is returned with proper evidence that all liens, encumbrances or legal claims have been satisfied, or when the outstanding certificate of title cannot be returned, and proper evidence is produced that all said liens, encumbrances or legal claims have been satisfied, or when the lien or encumbrance upon the motor vehicle, trailer or semi-trailer *except as to a mobilehome or house trailer* has not been renewed within five (5) years immediately preceding the issuance of such corrected certificate of title *and as to a mobilehome or house trailer, has not been renewed within fifteen (15) years immediately preceding the issuance of such corrected certificate of title*. The certificate of title, when issued by the secretary, showing a lien or encumbrance shall be adequate notice to the Commonwealth, creditors, subsequent mortgagees, lienors, encumbrancers and purchasers that a lien against the motor vehicle, trailer or semi-trailer exists, and failure to transfer possession of the vehicle, trailer or semi-trailer shall not invalidate said lien or encumbrance: Provided, That the secretary shall not incur any personal liability in carrying out the provisions of this section or in furnishing any information from the records of the department with

respect to the existence or nonexistence of any lien or encumbrance on any motor vehicle, trailer or semi-trailer.

Penalty.—Any person violating any of the provisions of this section, shall, upon summary conviction before a magistrate, be sentenced to pay a fine of twenty-five dollars (\$25.00) and costs of prosecution, and, in default of the payment thereof, shall undergo imprisonment for not more than ten (10) days.

Section 2. This act shall take effect immediately.

APPROVED—The 26th day of October, A. D. 1972.

MILTON J. SHAPP

The foregoing is a true and correct copy of Act of the General Assembly No. 249.

A handwritten signature in black ink, reading "C. McLaughlin Tucker". The signature is written in a cursive style with a large initial "C" and a prominent "T" at the end.

*Secretary of the Commonwealth.*