SENATE BILL 379:
Issuance of Unregisterable Cert. of Title.

2021-2022 General Assembly

Committee:	Senate Commerce and Insurance. If favorable, re-refer to Rules and Operations of the Senate	**Date:**	May 6, 2021
Introduced by:	Sens. B. Jackson, McInnis	**Prepared by:**	Howard Marsilio Staff Attorney
Analysis of:	First Edition		

OVERVIEW: Senate Bill 379 would require the Division of Motor Vehicles (DMV) to create and issue an unregisterable certificate of title for certain eligible motor vehicles, and would create an application process for insurance companies or their agents and contractors to apply for an unregistrable certificate of title under certain circumstances.

CURRENT LAW: Generally certificates of titles evidence the ownership of vehicles and the liens against vehicles. A new title is issued when a title is lost or vehicle ownership or lienholder information changes. Vehicle titles can be issued, duplicated, corrected, cancelled, branded, and junked.

Procedures vary for certificate of title applications based on the type of vehicle and other circumstances as outlined by law. Currently, there is no certificate of title, title application process, or title brand that relates to an unregisterable certificate of title.

BILL ANALYSIS: Senate Bill 379 would:

- Require DMV to create and issue an unregisterable certificate of title to an owner of an eligible vehicle, which looks different than other types of titles and contains a notice stating that the vehicle is no longer able to be registered in this State for highway use, and only allows for ownership transfer for parts, destruction, or recycling.
- Clarify that the Division may rescind an unregisterable certificate of title issued in error.
- Create an application process for an insurance company to apply for an unregisterable certificate of title to a vehicle registered in another state, under certain conditions, when the insurance company is unable to obtain a properly endorsed title or other ownership documents for the vehicle. These conditions include, among others, that the vehicle is a declared a total loss vehicle, and the owner has accepted an insurance settlement from the insurance company.
- Create a towing and storage lien and priority for out-of-state registered vehicles in the possession, with the owner's permission, of an insurance company, agent, or contractor of the insurance company.
- Authorize the application for an unregisterable certificate of title by the agent or contractor for the purpose of selling the vehicle to satisfy the towing and storage lien, if the insurance company denies coverage or fails to reach a settlement and the owner or lienholder fails to pay the lien and take possession of the vehicle.
- Would specify that any owner, lienholder, or subsequent purchaser would have no cause of action against the Division based on harm that results from an unregisterable certificate of title issuance to, or actions by, an insurance company, agent or contractor under these processes.

This bill analysis was prepared by the nonpartisan legislative staff for the use of legislators in their deliberations and does not constitute an official statement of legislative intent.

EFFECTIVE DATE: This act would become effective October 1, 2021.