

1 **REGISTRATION AND TITLE PROVISIONS**

2 2006 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Dan R. Eastman**

5 House Sponsor: Patrick Painter

7 **LONG TITLE**

8 **General Description:**

9 This bill modifies the Motor Vehicles Code by amending motor vehicle registration and
10 title provisions.

11 **Highlighted Provisions:**

12 This bill:

- 13 ▶ requires that a registration for a vehicle that is leased for more than 45, rather than
14 30, days shall contain certain information;
- 15 ▶ requires an owner of a manufactured or mobile home to:
 - 16 • file an Affidavit of Mobile Home Affixture within 45, rather than 30, days of
17 attaching to real property; or
 - 18 • apply for a certificate of title within 45, rather than 30, days of separating from
19 real property;
- 20 ▶ requires a dealer to apply for a certificate of title or Affidavit of Mobile Home
21 Affixture within 45, rather than 30, days of selling a new off-highway vehicle,
22 vessel, or outboard motor;
- 23 ▶ requires a dealer, upon the sale and delivery of a motor vehicle, to submit within 45,
24 rather than 30, days a certificate of title or manufacturer's certificate of origin to the
25 Motor Vehicle Division;
- 26 ▶ requires a dealer, upon the sale and delivery of a motor vehicle, to provide written
27 notice within 45, rather than 30, days of the sale to the Motor Vehicle Division;



- 28 ▶ provides that constructive notice of certain documents dates from the time of
29 execution of the documents;
- 30 ▶ authorizes a dealer to issue a temporary permit to a bona fide purchaser of a motor
31 vehicle for use for a period not to exceed 45, rather than 30, days;
- 32 ▶ provides that a temporary permit outstanding after 45, rather than 30, days is
33 delinquent; and
- 34 ▶ makes technical changes.

35 **Monies Appropriated in this Bill:**

36 None

37 **Other Special Clauses:**

38 ~~§~~ → [None] This bill takes effect on July 1, 2006. ← ~~§~~

39 **Utah Code Sections Affected:**

40 AMENDS:

- 41 **41-1a-213**, as last amended by Chapter 184, Laws of Utah 1994
42 **41-1a-503**, as renumbered and amended by Chapter 1, Laws of Utah 1992
43 **41-1a-519**, as last amended by Chapter 221, Laws of Utah 1993
44 **41-1a-605**, as renumbered and amended by Chapter 1, Laws of Utah 1992
45 **41-3-301**, as last amended by Chapter 7, Laws of Utah 1995
46 **41-3-302**, as renumbered and amended by Chapter 234, Laws of Utah 1992

48 *Be it enacted by the Legislature of the state of Utah:*

49 Section 1. Section **41-1a-213** is amended to read:

50 **41-1a-213. Contents of registration cards.**

51 (1) The registration card shall be delivered to the owner and shall contain:

- 52 (a) the date issued;
- 53 (b) the name and address of the owner;
- 54 (c) a description of the vehicle registered including the year, the make, the
55 identification number, and the license plate assigned to the vehicle;
- 56 (d) the expiration date; and
- 57 (e) other information as determined by the commission.

58 (2) If a vehicle is leased for a period in excess of [~~30~~] 45 days, the registration shall

59 contain:

60 (a) the owner's name;

61 (b) the name of the lessee; and

62 (c) the bona fide residence address of the lessee.

63 (3) On all vehicles registered under Subsections 41-1a-1206(1)(d) and (1)(e), the
64 registration card shall also contain the gross laden weight as given in the application for
65 registration.

66 Section 2. Section **41-1a-503** is amended to read:

67 **41-1a-503. Certificate of title or Affidavit of Mobile Home Affixture required --**
68 **Application by owner.**

69 (1) The owner of a manufactured home or mobile home shall apply to the division for a
70 certificate of title or an Affidavit of Mobile Home Affixture.

71 (2) (a) An owner of a manufactured home or mobile home previously issued a
72 certificate of title who attaches that home to real property shall apply for an Affidavit of Mobile
73 Home Affixture within [~~30~~] 45 days of attaching to the property.

74 (b) Upon application, the division shall issue an Affidavit of Mobile Home Affixture in
75 lieu of a certificate of title.

76 (c) However, manufactured homes and mobile homes are not exempt from the other
77 requirements of this part.

78 (3) (a) The owner of a manufactured home or mobile home previously issued an
79 Affidavit of Mobile Home Affixture who separates that home from the real property shall apply
80 for a certificate of title within [~~30~~] 45 days of the separation, prior to any transfer of ownership
81 of that home.

82 (b) Upon application, the division shall issue a certificate of title in lieu of an Affidavit
83 of Mobile Home Affixture.

84 Section 3. Section **41-1a-519** is amended to read:

85 **41-1a-519. Dealer requirements for certificate of title or Affidavit of Mobile**
86 **Home Affixture.**

87 (1) If a dealer delivers a new off-highway vehicle, vessel, or outboard motor to the
88 purchaser, the dealer shall apply for issuance of a certificate of title or Affidavit of Mobile
89 Home Affixture, as appropriate, in the purchaser's name within [~~30~~] 45 days of the date of sale.

90 (2) A dealer who purchases or takes in trade a used off-highway vehicle, vessel, or
91 outboard motor on which a certificate of title has previously been issued is not required to
92 apply for a certificate of title.

93 Section 4. Section **41-1a-605** is amended to read:

94 **41-1a-605. Date of constructive notice.**

95 ~~[If the documents referred to in Section 41-1a-602 are received and filed with the~~
96 ~~division within 30 days after the date the documents were executed, the constructive]~~
97 Constructive notice for the documents referred to in Section 41-1a-602 dates from the time of
98 the execution of the documents~~[- otherwise, constructive notice dates from the time of receipt~~
99 ~~and filing of the documents by the division as shown by its endorsement].~~

100 Section 5. Section **41-3-301** is amended to read:

101 **41-3-301. Sale by dealer, sale by auction -- Temporary permit -- Delivery of**
102 **certificate of title or origin -- Notice to division.**

103 (1) (a) Each dealer licensed under Part 2, Licensing, upon the sale and delivery of any
104 motor vehicle for which a temporary permit is issued under Section 41-3-302 shall within [30]
105 45 days submit a certificate of title or manufacturer's certificate of origin for that motor vehicle,
106 endorsed according to law, to the Motor Vehicle Division, accompanied by all documents
107 required to obtain a new certificate of title and registration in the new owner's name.

108 (b) If a temporary permit is not issued, the certificate of title or manufacturer's
109 certificate of origin shall be delivered to the vendee, endorsed according to law, within 48
110 hours, unless the vendee is a dealer or dismantler in which case the title or manufacturer's
111 certificate of origin shall be delivered within 21 days.

112 (c) (i) A motor vehicle consigned to an auction and sold is considered sold by the
113 consignor to the auction and then sold by the auction to the consignee.

114 (ii) Both the consignor and auction are subject to this section.

115 (d) (i) (A) A motor vehicle consigned to a wholesale motor vehicle auction and sold to
116 a licensed dealer or dismantler is considered sold by the consignor to the licensed dealer or
117 dismantler.

118 (B) Both the consignor and the wholesale motor vehicle auction are subject to the title
119 delivery requirements of Subsection (1)(b).

120 (C) The consignor, or the wholesale motor vehicle auction as the consignor's agent,

121 shall endorse the certificate of title according to law. By endorsing the certificate of title as
122 agent of the consignor, the wholesale motor vehicle auction does not become the owner, seller,
123 or assignor of title.

124 (ii) (A) A wholesale motor vehicle auction may purchase or sell motor vehicles in its
125 own name.

126 (B) If a wholesale motor vehicle auction purchases or sells a motor vehicle in its own
127 name, the wholesale motor vehicle auction is subject to Subsections (1)(a) and (1)(b).

128 (2) (a) (i) Each dealer licensed under Part 2, Licensing, upon the sale and delivery of a
129 motor vehicle for which a temporary permit is issued under Section 41-3-302, shall within [30]
130 45 days give written notice of the sale to the Motor Vehicle Division upon a form provided by
131 the Motor Vehicle Division.

132 (ii) The notice shall contain:

133 (A) the date of the sale;

134 (B) the names and addresses of the dealer and the purchaser;

135 (C) a description of the motor vehicle;

136 (D) the motor vehicle's odometer reading at the time of the sale; and

137 (E) other information required by the division.

138 (b) If no temporary permit is issued, the notice shall be filed with the division within
139 [30] 45 days after the sale, and a duplicate copy shall be given to the purchaser at the time of
140 sale, unless the purchaser is a dealer or dismantler.

141 (c) The administrator may make rules in accordance with Title 63, Chapter 46a, Utah
142 Administrative Rulemaking Act, providing that the notice required under Subsections (2)(a)
143 and (2)(b) may be filed in electronic form or on magnetic media.

144 Section 6. Section **41-3-302** is amended to read:

145 **41-3-302. Temporary permits -- Purchasers of motor vehicles -- Penalty for use**
146 **after expiration -- Sale and rescission.**

147 (1) (a) (i) [~~Under rules made by the administrator, dealers and~~] A dealer or the division
148 may issue a temporary [permits, the forms for which are furnished by the division to dealers]
149 permit.

150 (ii) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act,
151 the administrator shall makes rules for the issuance of a temporary permit under Subsection

152 (1)(a)(i).

153 (iii) The division shall furnish the forms for temporary permits issued by dealers under
154 Subsection (1)(a)(i).

155 (b) [~~Dealers may issue temporary permits to bona fide purchasers of motor vehicles for~~
156 ~~use~~] A dealer may issue a temporary permit to a bona fide purchaser of a motor vehicle for a
157 period not to exceed [30] 45 days on a motor vehicle sold to the purchaser by the dealer.

158 (c) The dealer is responsible and liable for the registration fee of each motor vehicle for
159 which the permit is issued.

160 (d) All issued temporary permits that are outstanding after [30] 45 days from the date
161 they are issued are delinquent and a penalty equal to the registration fee shall be collected from
162 the issuing dealer.

163 (2) If a temporary permit is issued by a dealer under this section and the sale of the
164 motor vehicle is subsequently rescinded, the temporary permit may be voided and the issuing
165 dealer is not liable for the registration fee or penalty.

165a **§→ Section 7. Effective date.**

165b **This bill takes effect on July 1, 2006. ←§**

Legislative Review Note
as of 2-1-06 10:49 AM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

Office of Legislative Research and General Counsel

State Impact

This bill will reduce penalty revenue to the General Fund by \$85,000 and Dedicated Credit revenue by \$20,000. The Dedicated Credit revenue is operating revenue to the Tax Commission and is a budget reduction.

	<u>FY 2007</u> <u>Approp.</u>	<u>FY 2008</u> <u>Approp.</u>	<u>FY 2007</u> <u>Revenue</u>	<u>FY 2008</u> <u>Revenue</u>
General Fund	\$0	\$0	(\$85,000)	(\$85,000)
Dedicated Credits	\$0	\$0	(\$20,000)	(\$20,000)
TOTAL	\$0	\$0	(\$105,000)	(\$105,000)

Individual and Business Impact

Businesses will pay \$105,000 less in audit penalties and temporary permit sales.
