

MOTOR VEHICLE TITLE REQUIREMENTS

2004 GENERAL SESSION

STATE OF UTAH

Sponsor: Todd E. Kiser

LONG TITLE

General Description:

This bill modifies the Motor Vehicles Code by amending transfer of vehicle provisions.

Highlighted Provisions:

This bill:

- ▶ prohibits a certificate of title from being endorsed and assigned to a new owner for more than one transfer;
- ▶ eliminates a provision that allowed for the transfer of interest in a vehicle to a third party;
- ▶ prohibits a person who is not the owner or lienholder from selling or offering for sale a vehicle unless the person is a dealer, is otherwise acting as required by law, is donating the vehicle to a charitable organization, or is selling the vehicle for an immediate family member;
- ▶ provides that a violation is a class B misdemeanor; and
- ▶ makes technical changes.

Monies Appropriated in this Bill:

None

Other Special Clauses:

This bill takes effect on July 1, 2004.

Utah Code Sections Affected:

AMENDS:

41-1a-702, as last amended by Chapter 221, Laws of Utah 1993



28 **41-1a-705**, as enacted by Chapter 1 and last amended by Chapter 218, Laws of Utah
29 1992

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

32 Section 1. Section **41-1a-702** is amended to read:

33 **41-1a-702. Endorsement of assignment and warranty of title -- Co-owners.**

34 (1) (a) To transfer a vehicle, vessel, or outboard motor the owner shall endorse the
35 certificate of title issued for the vehicle, vessel, or outboard motor in the space for assignment
36 and warranty of title.

37 (b) The endorsement and assignment shall include a statement of all liens or
38 encumbrances on the vehicle, vessel, or outboard motor.

39 (c) Upon the endorsement and assignment of a certificate of title, the provisions of
40 Subsections 41-1a-705(4) and (5) apply and the same certificate of title may not be reendorsed
41 and reassigned to a new owner.

42 (2) (a) If a title certificate reflects the names of two or more people as co-owners in the
43 alternative by use of the word "or" or "and/or," each co-owner is considered to have granted the
44 other co-owners the absolute right to endorse and deliver title and to dispose of the vehicle,
45 vessel, or outboard motor.

46 (b) If the title certificate reflects the names of two or more people as co-owners in the
47 conjunctive by use of the word "and," or the title does not reflect any alternative or conjunctive
48 word, the endorsement of each co-owner is required to transfer title to the vehicle, vessel, or
49 outboard motor.

50 (3) The owner shall deliver the certificate of title containing the odometer disclosure
51 statement required under Section 41-1a-902 and the certificate of registration to the purchaser
52 or transferee at the time of, or within 48 hours after delivering the vehicle, vessel, or outboard
53 motor, as applicable, except as provided for under Sections 41-3-301, 41-1a-519, and
54 41-1a-709.

55 Section 2. Section **41-1a-705** is amended to read:

56 **41-1a-705. New owner may register and title or upon transfer execute an**
57 **assignment.**

58 (1) As used in this section, "immediate family member" means a person's spouse,

parent, child, sibling, or any other person who regularly resides in the household.

(2) A person may not sell or offer for sale any vehicle unless the person is:

(a) a licensed dealer under the provisions of Chapter 3, Motor Vehicle Business Regulation Act;

(b) the lienholder or owner as evidenced by the person's name being printed by the division on the certificate of title of the vehicle;

(c) a person who has repossessed the vehicle or a holder of a statutory lien on the vehicle who is selling the vehicle through a licensed dealer auction;

(d) a person donating a vehicle to an organization that is qualified for tax-exempt status under Internal Revenue Code Section 501(c)(3); or

(e) a person selling a vehicle for the person's immediate family member.

(3) Subsection (2) does not apply to an executor, insurer, administrator, sheriff, or other person who sells a vehicle under the powers and duties granted or imposed by law.

~~[(1)]~~ (4) The new owner of a transferred vehicle, vessel, or outboard motor ~~[may either]~~ shall obtain a ~~[new registration and]~~ certificate of title for the vehicle, vessel, or outboard motor transferred to ~~[him or transfer his title or interest in that vehicle, vessel, or outboard motor to a third party]~~ the new owner.

~~[(2)]~~ (5) A ~~[transferee may]~~ new owner shall title a vehicle, vessel, or outboard motor by completing an application and presenting to the division a properly endorsed certificate of title, duplicate certificate of title, or other document of authority along with any additional documents the division may require to transfer the title.

(6) A person who violates the provisions of Subsection (2) is guilty of a class B misdemeanor.

(7) A person who violates any of the provisions of this section shall pay all fees and taxes required under this chapter that resulted from the violation.

Section 3. **Effective date.**

This bill takes effect on July 1, 2004.

Legislative Review Note
as of 2-5-04 5:53 PM

A limited legal review of this legislation raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel