



Sub. S.B. 59*

124th General Assembly

(As Reported by the S. Economic Development, Technology, and Aerospace)

Sens. Amstutz, Jacobson, Harris, Mallory

BILL SUMMARY

Electronic titling

- Allows various actions relating to the titling of, and the creation--perfection, discharge, and cancellation of security interests in, motor vehicles, off-highway motorcycles, all-purpose vehicles, watercraft, and outboard motors to be completed by electronic means, in addition to the methods authorized by current law.
- Requires the Registrar of Motor Vehicles to appoint certain motor vehicle dealers, off-highway motorcycle dealers, and all-purpose vehicle dealers as "electronic motor vehicle dealers" or "electronic dealers."
- Requires the issuance of a physical certificate of title to a motor vehicle, off-highway motorcycle, all-purpose vehicle, watercraft, or outboard motor unless the applicant specifically requests an electronic certificate of title.
- Allows the Registrar to use money from the Automated Title Processing Fund, in accordance with appropriations made by the General Assembly, to pay expenses related to implementing the bill.
- Allows electronic motor vehicle dealers, electronic dealers of off-highway motorcycles and all-purpose vehicles, and vendors of watercraft and outboard motors to file certificate of title applications electronically with the clerk of a court of common pleas, with the dealer or vendor

* *This analysis was prepared before the report of the Senate Economic Development, Technology, and Aerospace Committee appeared in the Senate Journal. Note that the list of co-sponsors and the legislative history may be incomplete.*

being required to forward the actual paper application and associated sale documents to any clerk of a court of common pleas within 30 days after the certificate of title is issued.

- Requires the Registrar, for motor vehicle, off-highway motorcycle, and all-purpose vehicle title information, and the Chief of the Division of Watercraft of the Department of Natural Resources, for watercraft and outboard motor title information, to enable the public to access via electronic means and in accordance with rules adopted pursuant to the Administrative Procedure Act that is in an electronic format at the time of a request for access, with no fee being charged for the access.

Security interests

- Modifies the provisions of current law pertaining to the creation--perfection, discharge, and cancellation of security interests in motor vehicles, off-highway motorcycles, all-purpose vehicles, watercraft, and outboard motors to reflect instances when a physical certificate of title exists and does not exist.
- Establishes seven business days after the deposit of good funds in the correct amount into an account of the holder of a security interest that is reflected on a physical certificate of title and that has been fully *discharged* (provided the holder has certain specified information), as the time period within which the holder must convey the physical certificate of title or a specified sworn statement to the clerk of a court of common pleas to have the security interest "cancelled" prior to the certificate's delivery to the owner of a motor vehicle, watercraft, or outboard motor; and also sets late fees for the failure of a holder under certain circumstances to convey a certificate of title with a notation of a "discharged" security interest on it, or a specified affidavit and payment, to a dealer within seven business days after the deposit of good funds in the correct amount into an account of the holder.
- Requires a motor vehicle dealer or a motor vehicle leasing dealer obtaining a certificate of title in the name of a purchaser, when a security interest is to be noted on the certificate of title, to submit the application for the certificate of title, along with payment of the applicable tax, to a clerk of a court of common pleas within seven business days after the later of (1) the delivery of the motor vehicle to the purchaser or (2) the date the dealer or leasing dealer obtains the manufacturer's or importer's

certificate, or certificate of title issued in the dealer's or leasing dealer's name, for the motor vehicle; establishes late fees in favor of the secured party for the failure of a dealer or leasing dealer to apply for the certificate of title within the required seven business days; and requires dealers and leasing dealers to forward such a certificate of title to the secured party at a specified location after receiving it, with the notation of the security interest, from a clerk.

Temporary license placards

- Requires motorized bicycle dealers and licensed motor vehicle dealers to notify the Registrar of Motor Vehicles, within 48 hours of the issuance of a temporary license placard, by electronic means via computer equipment purchased and maintained by the dealer or in another manner the Registrar prescribes.

Elimination of notarization requirement

- Eliminates the current requirement that motor vehicle, off-highway motorcycle, all-purpose vehicle, watercraft, and outboard motor certificate of title applications be notarized.

Registration and registration renewal

- Allows a motor vehicle owner to apply for, in addition to renew as under current law, a motor vehicle registration by electronic means using an electronic signature.
- Allows an applicant to present an electronic certificate of title for inspection *at the time of first registration* of a motor vehicle, off-highway motorcycle, or all-purpose vehicle, in lieu of a physical certificate of title as currently required, in a manner the Registrar of Motor Vehicles prescribes by rule.
- Permits the official issuing a certificate of registration of a motor vehicle, off-highway motorcycle, or all-purpose vehicle under the latter circumstances to indicate the issuance with an electronic stamp or other notation that is associated with the electronic certificate of title as specified in the Registrar's rules.

Limited authority deputy registrars pilot program

- Requires the Registrar of Motor Vehicles to establish, by rule, a pilot program to appoint limited authority deputy registrars, who may include clerks of courts of common pleas.
- Provides that each limited authority deputy registrar appointed (1) may conduct only initial and transfer motor vehicle registration transactions via electronic means, and VIN inspections, in a manner approved in the rules that the Registrar adopts, (2) is entitled to collect and retain a fee of \$2.25 for each transaction or a fee of \$1.50 for each physical inspection that the limited authority deputy registrar conducts, and (3) must collect all fees and taxes that are required by law and related to these transactions or inspections in a manner approved by the Registrar.
- Requires the Registrar to make recommendations, not later than 24 months after the bill's effective date, to the Governor, Speaker of the House of Representatives, and President of the Senate regarding the success of the pilot program and the feasibility of establishing a permanent system of limited authority deputy registrars.

Designation of certain clerks of courts of common pleas as deputy registrars

- For three years following the bill's effective date, allows the Registrar of Motor Vehicles to designate as a deputy registrar, via a contract, a clerk of a court of common pleas of a county with a population of 40,000 or less according to the last federal census.

Other deputy registrar provisions

- Allows each deputy registrar, with the prior approval of the Registrar of Motor Vehicles, to conduct at the location of the deputy registrar's office any business that is consistent with the functions of a deputy registrar and that is not specifically mandated or authorized by statute or implementing rules of the Registrar.
- Requires the Registrar, in each even-numbered year and in consultation with the Ohio Deputy Registrars Association, to review the economic effect of the terms of the contracts between the Registrar and each deputy registrar and of the specifications for or related to the performance of

deputy registrar services; and, upon the completion of this review, requires the Registrar to submit to the Governor, the Speaker of the House of Representatives, and the President of the Senate written recommendations for any appropriate transaction fee adjustments for deputy registrars.

Cross-country titling

- Allows an application for a certificate of title for a motor vehicle, off-highway motorcycle, all-purpose vehicle, watercraft, or outboard motor to be filed with the clerk of *any court of common pleas* rather than only with the clerk of the county in which the applicant resides or of the county in which the transaction is consummated as is required by current law; and further authorizes any clerk to perform certain other actions relating to certificates of title that existing law permits only the clerk of the county in which the last certificate of title was issued to perform.
- Prohibits a clerk of a court of common pleas, in relation to motor vehicle, off-highway motorcycle, all-purpose vehicle, watercraft, and outboard motor certificates of title, from retaining a poundage fee from payments of taxes by persons who do not reside in the clerk's county.
- Allows a clerk of a court of common pleas to retain, however, from taxes paid to the clerk an amount equal to the poundage fees associated with certificates of title issued by other clerks of courts of common pleas to applicants who reside in the first clerk's county, and requires the Registrar of Motor Vehicles or the Chief of the Division of Watercraft, in consultation with the Tax Commissioner and the clerks of the courts of common pleas, to develop a report from the Automated Title Processing System that informs each clerk of the amount of the poundage fees that the clerk is permitted to retain from the taxes when certificates of title are issued by the clerks of other counties to applicants who reside in the first clerk's county.
- Modifies the statutory amount of certain poundage fees that a clerk of a court of common pleas may retain, in relation to a watercraft, outboard motor, or motor vehicle certificate of title, from 1% of the taxes collected to 1.01% of the taxes collected, and requires that the fees be paid into the county's certificate of title administration fund.

- Adds to the current forms of payments (cash or certified check, draft, or money order) that must be accepted by a clerk of a court of common pleas when taxes are paid in relation to a motor vehicle, etc. certificate of title application (1) cashier's checks and (2) teller checks issued by any insured financial institution.

Subsidy from Automated Title Processing Fund

- For a period of two years following the bill's effective date, allows the Registrar of Motor Vehicles to make quarterly payments from the Automated Title Processing Fund to any clerk of court of common pleas who certifies in a prescribed manner a net revenue loss for an applicable reporting period that is attributable to the bill's implementation, which payments must be in the amount of 100% of the clerk's certified net revenue loss for the applicable reporting period during the first year of quarterly payments and 75% of the clerk's certified net revenue loss for the applicable reporting period during the second year of quarterly payments.

Implementation of the bill by the Registrar of Motor Vehicles and the Chief of the Division of Watercraft

- Requires the Registrar of Motor Vehicles and the Chief of the Division of Watercraft to implement to the maximum extent practicable all applicable provisions of the bill by no later than six months after the bill's effective date.

Legislative Service Commission study

- Requires the Legislative Service Commission to study, based upon the period beginning six months from the bill's effective date to 18 months from that date, the bill's effect on customer service in the issuance of certificates of title and the bill's fiscal impact, including, but not limited to, the impact on the collection of state and local permissive sales and use taxes and on balances in county certificate of title administration funds.
- Authorizes the Commission, in conducting the study, to seek the assistance of state agencies, political subdivisions, and organizations such as the County Commissioners Association of Ohio, Ohio Clerk of Courts Association, and Ohio Automobile Dealers Association.

- Requires the Commission to complete the study not later than two years from the bill's effective date.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	02-27-01	pp. 164-165
Reported, S. Economic Development, Technology, & Aerospace	---	---

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