GENERAL ASSEMBLY
COMMONWEALTH OF KENTUCKY

2016 REGULAR SESSION

HOUSE BILL NO. 382

MONDAY, MARCH 14, 2016

The following bill was reported to the Senate from the House and ordered to be printed.

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ALISON LUNDERGAN GRIMES
SECRETARY OF STATE
COMMONWEALTH OF KENTUCKY
BY K. Adler

1 AN ACT relating to the transfer of motor vehicles.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 186A.220 is amended to read as follows:

4 (1) Except as otherwise provided in this chapter, when any motor vehicle dealer
5 licensed in this state buys or accepts such a vehicle in trade, which has been
6 previously registered or titled for use in this or another state, and which he holds for
7 resale, he shall not be required to obtain a certificate of title for it, but shall, within
8 fifteen (15) days after acquiring such vehicle, notify the county clerk of the
9 assignment of the motor vehicle to his dealership and pay the required transferor
10 fee.

11 (2) Upon purchasing such a vehicle or accepting it in trade, the dealer shall obtain from
12 his transferor, properly executed, all documents required by KRS 186A.215, to
13 include the odometer disclosure statement thereon, together with a properly
14 assigned certificate of title.

15 (3) The dealer shall execute his application for assignment upon documents designated
16 by the Department of Vehicle Regulation, to the county clerk of the county in which
17 he maintains his principal place of business. Such clerk shall enter the assignment
18 upon the automated system.

19 (4) The dealer shall retain the properly assigned certificate of title received from his
20 transferor, and may make any reassignments thereon until the forms for dealer
21 assignment on the certificate of title are exhausted. The Department of Vehicle
22 Regulation may, if it deems it warranted, provide a special document to allow for
23 additional dealer assignments without requiring system generated documents.

24 (5) ***(a)*** When ***a dealer***[~~he~~] assigns the vehicle to a purchaser for use, he shall deliver
25 the properly assigned certificate of title, and other documents if appropriate, to
26 such purchaser, who shall make application for registration and a certificate of
27 title thereon.

1 *(b)* The dealer may, with the consent of the purchaser, deliver the assigned
2 certificate of title, and other appropriate documents of a new or used vehicle,
3 directly to the county clerk, and on behalf of the purchaser, make application
4 for registration and a certificate of title. In so doing, the dealer shall require
5 from the purchaser proof of insurance as mandated by KRS 304.39-080 before
6 delivering possession of the vehicle.
7 *(c)* Notwithstanding the provisions of KRS 186.020, 186A.065, 186A.095,
8 186A.215, and 186A.300, if a dealer elects to deliver the title documents to
9 the county clerk and has not received a clear certificate of title from a prior
10 owner, the dealer shall retain the documents in his possession until the
11 certificate of title is obtained.
12 ***(d) When a dealer assigns a vehicle to a purchaser for use under paragraph (a)***
13 ***of this subsection, the transfer and delivery of the vehicle is effective***
14 ***immediately upon the delivery of all necessary legal documents, or copies***
15 ***thereof, including proof of insurance as mandated by KRS 304.39-080.***
16 (6) The department may make available, upon proper application from a licensed motor
17 vehicle dealer, electronic means by which the dealer can interface directly with
18 AVIS and the department. If the department grants this access, all fees currently
19 required for the issuance of a certificate of title shall continue to be charged and
20 remitted to the appropriate parties as provided by statute.
21 (7) The Department of Vehicle Regulation shall assure that the automated system is
22 capable of accepting instructions from the county clerk that a certificate of title shall
23 not be produced under a dealer registration situation.

Speaker-House of Representatives

President of Senate

Attest: Sean T. Durgin
Chief Clerk of House of Representatives

Approved
Governor

Date 9 APRIL 2016