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MEMORANDUM

To: Members of the Senate Committee on Transportation

From: Adam Siebers, Assistant Revisor

Date: March 21, 2023

Subject: House Bill No. 2147

Summary

House Bill No. 2147 amends the procedure for disposing of abandoned towed vehicles.

New Section 1 requires that the provider of a wrecker or towing service shall provide a certification of compliance to a purchaser upon the sale and transfer of a vehicle. The certification of compliance shall allow a purchaser to apply for and receive a certificate of title from the Division of Vehicles that is free and clear of liens, security interest and encumbrances.

The certification of compliance shall be on a form and in a manner approved by the Secretary of Revenue. The entity providing the towing or wrecking service shall be required to state that such entity has complied with the statutes providing for the disposition and sale of such vehicle and any required inspections for vehicles registered or titled in another jurisdiction have been fulfilled. The certification of compliance form shall be subject to a fee of \$20 and such fees shall be retained by the entity that processed the certification of compliance form (i.e. Division of Vehicles, a contractor or the county treasurer).

Section 2 provides that public agencies when selling abandoned motor vehicles at a public auction shall provide a certification of compliance to a purchaser upon the sale and transfer of the vehicle. A purchaser may file with the Division of Vehicles for a certificate of title of such vehicle.

<u>Section 3</u> provides that wrecker and towing providers shall provide a certification of compliance to a purchaser upon the sale and transfer of a vehicle.