By: Representative Shirley

To: Judiciary B; Ways and Means

## HOUSE BILL NO. 151

AN ACT TO AMEND SECTION 63-21-39, MISSISSIPPI CODE OF 1972, TO MAKE IT A FELONY FOR A FIRST OFFENSE OF KNOWINGLY FALSIFYING ANY INFORMATION ON THE AFFIDAVIT FORM USED TO CANCEL A CERTIFICATE OF TITLE FOR SCRAP MOTOR VEHICLES; TO REQUIRE THE DEPARTMENT OF 5 REVENUE TO DEVELOP AND IMPLEMENT AN INTERNET-BASED SYSTEM FOR ELECTRONICALLY SUBMITTING CERTAIN TITLE INFORMATION NOT LATER THAN 7 JULY 1, 2015; TO PROVIDE THAT A LICENSED USED MOTOR VEHICLE DEALER SHALL NOT DISMANTLE OR DESTROY A MOTOR VEHICLE UNTIL IT RECEIVES 8 9 NOTIFICATION FROM THE DEPARTMENT THAT THERE ARE NO LIENS ON THE 10 MOTOR VEHICLE; TO PROVIDE THAT THE USED MOTOR VEHICLE PARTS DEALER 11 OR SCRAP METAL PROCESSOR SHALL SECURE THE MOTOR VEHICLE FOR THREE 12 FULL BUSINESS DAYS IF THE DEPARTMENT'S RECORDS INDICATE THAT THERE IS NO ACTIVE LIEN BEFORE DESTROYING OR DISMANTLING THE MOTOR VEHICLE; TO PROVIDE THAT IF THERE IS AN ACTIVE LIEN, THE USED 14 1.5 MOTOR VEHICLE PARTS DEALER OR SCRAP METAL PROCESSOR SHALL SECURE THE MOTOR VEHICLE FOR FIFTEEN DAYS AND THE DEPARTMENT SHALL NOTIFY 16 17 THE LIENHOLDER; TO PROVIDE THAT THE DEPARTMENT MAY REMOVE THE LIEN 18 FROM ITS RECORDS IF A WRITTEN STATEMENT PROTESTING REMOVAL OF THE 19 LIEN IS NOT RECEIVED BY THE DEPARTMENT FROM THE LIENHOLDER WITHIN 20 THE FIFTEEN-DAY PERIOD; TO PROVIDE FOR THE ACTIONS TO BE TAKEN IF 21 A WRITTEN PROTEST FROM THE LIENHOLDER IS RECEIVED; TO MAKE IT A 22 MISDEMEANOR TO KNOWINGLY DESTROY OR DISMANTLE A MOTOR VEHICLE THAT 23 HAS AN ACTIVE LIEN; AND FOR RELATED PURPOSES.

- 24 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:
- 25 SECTION 1. Section 63-21-39, Mississippi Code of 1972, is
- 26 amended as follows:
- 27 63-21-39. (1) (a) An owner who scraps, dismantles or
- destroys a vehicle and a person who purchases a vehicle as scrap 28

- 29 or to be dismantled or destroyed shall indicate same on the back
- 30 of the certificate of title and shall immediately cause the
- 31 certificate of title and any other documents required by the
- 32 Department of Revenue to be mailed or delivered to the Department
- 33 of Revenue for cancellation. A certificate of title of the
- 34 vehicle shall not again be issued except upon application
- 35 containing the information the Department of Revenue requires,
- 36 accompanied by a certificate of inspection in the form and content
- 37 specified in Section 63-21-15(5) and proof of payment of a fee as
- 38 provided in subsection (2) of this section.
- 39 (b) Notwithstanding any other provision of this chapter
- 40 to the contrary, if the owner or authorized agent of the owner has
- 41 not obtained a title in his or her name for the vehicle to be
- 42 transferred, has lost the title for the vehicle to be transferred,
- 43 or has returned the title to the Department of Revenue in
- 44 accordance with Section 63-21-39(1)(a), he or she may sign a
- 45 statement swearing that, in addition to the foregoing conditions,
- 46 the vehicle is at least ten (10) model years old. The statement
- 47 described in this paragraph may be used only to transfer such a
- 48 vehicle to a licensed used motor vehicle parts dealer or scrap
- 49 metal processor. The department shall promulgate a form for the
- 50 statement which shall include, but not be limited to:
- 51 (i) A statement that the vehicle shall never be
- 52 titled again; it must be dismantled or scrapped;

(ii) A description of the vehicle including the 53 54 year, make, model and vehicle identification number; The name, address, and driver's license 55 number of the owner; 56 57 (iv) A certification that the owner: 58 1. Never obtained a title to the vehicle in 59 his or her name; or 60 2. Was issued a title for the vehicle, but 61 the title was lost or stolen; 62  $(\nabla)$ A certification that the vehicle: 63 Is at least ten (10) model years old; and 64 Is not subject to any security interest or 65 lien; (vi) An acknowledgment that the owner and buyer of 66 the vehicle realizes this form will be filed with the department 67 68 and that \* \*  $\star$  ÷ 69 1. It is a misdemeanor, punishable by a fine of not more than One Thousand Dollars (\$1,000.00) or imprisonment 70 71 for not more than six (6) months, or both, for conviction of a 72 first offense of knowingly falsifying any information on this 73 statement; and 74 2. It is a felony, punishable by a fine of 75 not less than One Thousand Dollars (\$1,000.00) nor more than Five 76 Thousand Dollars (\$5,000.00) or imprisonment for not less than one (1) year nor more than five (5) years, or both, for conviction 77

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- 78 of \* \* \* a second or subsequent offense of knowingly falsifying
- 79 any information on this statement;
- 80 (vii) The owner's signature and the date of the
- 81 transaction;
- 82 (viii) The name and address of the business
- 83 acquiring the vehicle;
- 84 (ix) The National Motor Vehicle Title Information
- 85 System identification number; and
- 86 (x) The business agent's signature and date along
- 87 with a printed name and title if the agent is signing on behalf of
- 88 a corporation.
- 89 (c) Until such time as the department makes available
- 90 an Internet-based system, the used motor vehicle parts dealer or
- 91 scrap metal processor shall mail or otherwise deliver the
- 92 statement required under paragraph (b) of this subsection (1) to
- 93 the Department of Revenue within three (3) business days of the
- 94 completion of the transaction, requesting that the department
- 95 cancel the Mississippi certificate of title and registration.
- 96 Once the department develops an Internet-based system, the used
- 97 motor vehicle parts dealer or scrap metal processor shall utilize
- 98 such system and within two (2) business days electronically submit
- 99 the information contained in the statement using that system. The
- 100 department shall develop and implement the Internet-based system
- 101 not later than July 1, 2015.



102	(d) * * * Within two (2) business days of each day's
103	close of business, the used motor vehicle parts dealer or scrap
104	metal processor who purchases or receives motor vehicles for scrap
105	or for parts shall deliver in a format approved by the department,
106	by electronic means once developed and made available by the
107	department, a list of all such vehicles purchased that day for
108	scrap or for parts. That list shall contain the following
109	information:
110	(i) The name, address and contact information for
111	the reporting entity;
112	(ii) The vehicle identification numbers of such
113	vehicles;
114	(iii) The dates such vehicles were obtained;
115	(iv) The names of the individuals or entities from
116	whom the vehicles were obtained, for use by law enforcement
117	personnel and appropriate governmental agencies only;
118	(v) A statement of whether the vehicles were, or
119	will be, crushed or disposed of, or offered for sale or other
120	purposes;
121	(vi) A statement of whether the vehicle is
122	intended for export out of the United States; and
123	(vii) The National Motor Vehicle Title Information
124	System identification number of the business acquiring the
125	vehicle.

126	(c) (i) For purposes of this subsection, the term
127	"motor vehicle" shall not include a vehicle which has been crushed
128	or flattened by mechanical means such that it is no longer the
129	motor vehicle as described by the certificate of title, or such
130	that the vehicle identification number is no longer visible or
131	accessible.
132	(ii) In cases in which crushed or flattened
133	vehicles are purchased or received, the purchasing or receiving
134	used motor vehicle parts dealer or scrap metal processor shall
135	verify that the seller has reported the vehicles in accordance
136	with this subsection. Such verification may be in the form of a
137	certification from the seller or a contract between the seller and
138	the purchasing or receiving used motor vehicle parts dealer or
139	scrap metal processor attesting to the seller's compliance with
140	the reporting requirements of this subsection. Such verification
141	must clearly identify the seller by a government issued photograph
142	identification card or employer identification number, and the
143	verification and copy of the identification card or number shall
144	be maintained by the purchasing or receiving used motor vehicle
145	parts dealer or scrap metal processor for a period of not less
146	than two (2) years.
147	(f) The information obtained by the department in
148	accordance with paragraph (d) of this subsection (1) shall be
149	reported to the National Motor Vehicle Title Information System,
150	in a format that will satisfy the requirement for reporting this

15/HR40/R133

151	information, in accordance with rules adopted by the United States
152	Department of Justice in 28 C.F.R. 25.56.
153	(g) Until such time as the department develops and
154	makes available the Internet-based system described in paragraph
155	(d) of this subsection, the used motor vehicle parts dealer or
156	scrap metal processor who purchases or receives motor vehicles for
157	scrap or for parts shall deliver the information required by
158	paragraph (d) to the National Motor Vehicle Title Information
159	System through any data consolidator approved by such system,
160	within forty-eight (48) hours of the day the vehicle was purchased
161	or acquired by such used motor vehicle parts dealer or scrap metal
162	processor which shall satisfy the requirements of paragraph (d).
163	(h) The information obtained by the department in
164	accordance with paragraph (d) of this subsection (1) shall be made
165	available only to law enforcement agencies and for purposes of
166	canceling certificates of title. The information shall otherwise
167	be considered to be confidential business information of the
168	respective reporting entities.
169	(i) All records required under the provisions of this
170	subsection shall be maintained for a period of two (2) years by
171	the reporting entity and shall include a scanned or photocopied
172	copy of the seller's or seller's representative's driver's license
173	or state issued identification card.
174	(j) A person who knowingly and willfully violates this
175	subsection (1), or any person who knowingly and willfully

1/6	<del>laisilles or assists another person in laisilying the statement or</del>
177	information required under paragraphs (b) or (d) of this
178	subsection, or any person who knowingly and willfully sells a
179	vehicle upon which there is an unsatisfied lien or security
180	interest, or who purchases a vehicle without complying with either
181	subsection (1)(a) or (1)(b) of this section and who knowingly and
182	willfully destroys or dismantles a vehicle upon which he knows
183	that there is an unsatisfied lien or security interest shall:
184	(i) Be guilty of a misdemeanor, punishable by a
185	fine not more than One Thousand Dollars (\$1,000.00) or
186	imprisonment for not more than six (6) months, or both, for
187	conviction of a first offense; or
188	(ii) Upon conviction of a second or subsequent
189	offense, a felony, punishable by imprisonment for not less than
190	one (1) year nor more than five (5) years or a fine of not less
191	than One Thousand Dollars (\$1,000.00) nor more than Five Thousand
192	Dollars (\$5,000.00), or both.
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194	restitution to any party suffering monetary loss in the amount of
195	such loss. No part of any sentence imposed by the court shall be
196	suspended unless such restitution has been paid in full.
197	(k) A person who knowingly and willfully fails to
198	deliver the title as required under paragraph (a) of this
199	subsection, or the statement required under paragraph (b) of this
200	subsection to the Department of Revenue within seventy-two (72)

hours of the completion of the transaction, or who, until such
time as the department develops and makes available the
Internet-based system described in paragraph (d), fails to deliver
the information required by paragraph (d) to the National Motor
Vehicle Title Information System through any data consolidator
approved by such system, within two (2) business days of the day
the vehicle was purchased or acquired by such used motor vehicle
parts dealer or scrap metal processor shall be in violation of
this section, and subject to a civil penalty of up to One Thousand
Dollars (\$1,000.00) per violation. Actions to impose this penalty
may be brought by any local or state law enforcement agency,
district attorney, or by the Attorney General, in any court of
competent jurisdiction. One-half (1/2) of the monies generated
from such civil penalties shall be deposited in a special fund
created in the State Treasury for use by the Department of
Revenue's Title Bureau, and one-half (1/2) of the monies generated
from such civil penalties shall be deposited in the general fund
of the municipality if the suit was brought in a municipal court,
or in the general fund of the county if the suit was brought in
the court of a county. All records required under the provisions
of this subsection shall be maintained for a period of two (2)
years by the reporting entity and shall include a scanned or
<pre>photocopied copy of the seller's or seller's representative's</pre>
driver's license or state issued identification card.

225	* * * (e) (1) For purposes of this subsection, the term
226	"motor vehicle" shall not include a vehicle which has been crushed
227	or flattened by mechanical means such that it is no longer the
228	motor vehicle as described by the certificate of title, or such
229	that the vehicle identification number is no longer visible or
230	accessible.
231	(e) * * *(i) A person who knowingly falsifies any
232	information on the affidavit provided for under paragraph (b) of
233	this subsection shall be guilty of a felony, and such person shall
234	be punished in accordance with the provisions of Section 63-21-73.
235	* * *(d) Within two (2) business days of each day's close of
236	business, the used motor vehicle parts dealer or scrap metal
237	processor who purchases or receives motor vehicles for scrap or
238	for parts shall deliver in a format approved by the department, by
239	electronic means once developed and made available by the
240	department, a list of all such vehicles purchased that day for
241	scrap or for parts. That list shall contain the following
242	information:
243	(i) The name, address and contact information for
244	the reporting entity;
245	(ii) The vehicle identification numbers of such
246	vehicles;
247	(iii) The dates such vehicles were obtained;



248	(iv) The names of the individuals or entities from
249	whom the vehicles were obtained, for use by law enforcement
250	personnel and appropriate governmental agencies only;
251	(v) A statement of whether the vehicles were, or
252	will be, crushed or disposed of, or offered for sale or other
253	<del>purposes;</del>
254	(vi) A statement of whether the vehicle is
255	intended for export out of the United States; and
256	(vii) The National Motor Vehicle Title Information
257	System identification number of the business acquiring the
258	vehicle.
259	(e) (i) For purposes of this subsection, the term
260	"motor vehicle" shall not include a vehicle which has been crushed
261	or flattened by mechanical means such that it is no longer the
262	motor vehicle as described by the certificate of title, or such
263	that the vehicle identification number is no longer visible or
264	accessible.
265	(ii) In cases in which crushed or flattened
266	vehicles are purchased or received, the purchasing or receiving
267	used motor vehicle parts dealer or scrap metal processor shall
268	verify that the seller has reported the vehicles in accordance
269	with this subsection. Such verification may be in the form of a
270	certification from the seller or a contract between the seller and
271	the purchasing or receiving used motor vehicle parts dealer or
272	scrap metal processor attesting to the seller's compliance with

the reporting requirements of this subsection. Such verification
must clearly identify the seller by a government issued photograph
identification card or employer identification number, and the
verification and copy of the identification card or number shall
be maintained by the purchasing or receiving used motor vehicle
parts dealer or scrap metal processor for a period of not less
than two (2) years.
(f) The information obtained by the department in
accordance with paragraph (d) of this subsection (1) shall be
reported to the National Motor Vehicle Title Information System,
in a format that will satisfy the requirement for reporting this
information, in accordance with rules adopted by the United States
Department of Justice in 28 C.F.R. 25.56.
(g) Until such time as the department develops and
makes available the Internet-based system described in paragraph
(d) of this subsection, the used motor vehicle parts dealer or
scrap metal processor who purchases or receives motor vehicles for
scrap or for parts shall deliver the information required by
paragraph (d) to the National Motor Vehicle Title Information
System through any data consolidator approved by such system,
within forty-eight (48) hours of the day the vehicle was purchased
or acquired by such used motor vehicle parts dealer or scrap metal
processor which shall satisfy the requirements of paragraph (d).
(h) The information obtained by the department in
accordance with paragraph (d) of this subsection (1) shall be made

298	available only to law enforcement agencies and for purposes of
299	canceling certificates of title. The information shall otherwise
300	be considered to be confidential business information of the
301	respective reporting entities.
302	(i) All records required under the provisions of this
303	subsection shall be maintained for a period of two (2) years by
304	the reporting entity and shall include a scanned or photocopied
305	copy of the seller's or seller's representative's driver's license
306	or state issued identification card.
307	(j) A person who knowingly and willfully violates this
308	subsection (1), or any person who knowingly and willfully
309	falsifies or assists another person in falsifying the statement or
310	information required under paragraphs (b) or (d) of this
311	subsection, or any person who knowingly and willfully sells a
312	vehicle upon which there is an unsatisfied lien or security
313	interest, or who purchases a vehicle without complying with either
314	subsection (1) (a) or (1) (b) of this section and who knowingly and
315	willfully destroys or dismantles a vehicle upon which he knows
316	that there is an unsatisfied lien or security interest shall:
317	(i) Be guilty of a misdemeanor, punishable by a
318	fine not more than One Thousand Dollars (\$1,000.00) or
319	imprisonment for not more than six (6) months, or both, for
320	conviction of a first offense; or
321	(ii) Upon conviction of a second or subsequent
322	offense, a felony, punishable by imprisonment for not less than

323	one (1) year nor more than five (5) years or a fine of not less
324	than One Thousand Dollars (\$1,000.00) nor more than Five Thousand
325	Dollars (\$5,000.00), or both.
326	- In addition, the court may order each person convicted to pay
327	restitution to any party suffering monetary loss in the amount of
328	such loss. No part of any sentence imposed by the court shall be
329	suspended unless such restitution has been paid in full.
330	(k) A person who knowingly and willfully fails to
331	deliver the title as required under paragraph (a) of this
332	subsection, or the statement required under paragraph (b) of this
333	subsection to the Department of Revenue within seventy-two (72)
334	hours of the completion of the transaction, or who, until such
335	time as the department develops and makes available the
336	Internet-based system described in paragraph (d), fails to deliver
337	the information required by paragraph (d) to the National Motor
338	Vehicle Title Information System through any data consolidator
339	approved by such system, within two (2) business days of the day
340	the vehicle was purchased or acquired by such used motor vehicle
341	parts dealer or scrap metal processor shall be in violation of
342	this section, and subject to a civil penalty of up to One Thousand
343	Dollars (\$1,000.00) per violation. Actions to impose this penalty
344	may be brought by any local or state law enforcement agency,
345	district attorney, or by the Attorney General, in any court of
346	competent jurisdiction. One-half (1/2) of the monies generated
347	from such civil penalties shall be deposited in a special fund

created in the State Treasury for use by the Department of

Revenue's Title Bureau, and one-half (1/2) of the monies generated

from such civil penalties shall be deposited in the general fund

of the municipality if the suit was brought in a municipal court,

or in the general fund of the county if the suit was brought in

the court of a county.

(2) \* \* For the purpose of requesting a clear title or a

branded title on a vehicle with a salvage certificate of title, every owner of a vehicle that has been issued a salvage certificate of title in this state or any other state which has been restored in this state to its operating condition which existed prior to the event which caused the salvage certificate of title to be issued shall make application to the Department of Revenue, accompanied by a certificate of inspection issued by the Department of Public Safety in the form and content specified in Section 63-21-15(5) and the payment of a fee of Seventy-five Dollars (\$75.00) for each motor vehicle for which a certificate of inspection is issued. In addition, the Department of Public Safety may charge such a person a fee in the amount of Twenty-five Dollars (\$25.00) for performing any vehicle identification number verification required by federal law or regulation for the vehicle for which the person is applying for a title. All such monies shall be collected by the Department of Public Safety and paid to the State Treasurer for deposit in a special fund that is hereby created in the State Treasury to be known as the "Salvage

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373	Certificate of Title Fund." Monies in the special fund may be
374	expended by the Department of Public Safety, upon appropriation by
375	the Legislature. The Department of Revenue shall establish by
376	regulation the minimum requirements by which a vehicle which has
377	been issued a salvage certificate of title may be issued a clear
378	title. (a) A licensed used motor vehicle dealer or scrap metal
379	processor shall not dismantle or destroy a motor vehicle until it
380	receives notification from the department that there are no liens
381	on the motor vehicle. The department must notify the used motor
382	vehicle parts dealer or scrap metal processor whether or not there
383	are any liens on the motor vehicle within twenty-four (24)
384	business hours of receipt of the title as provided for in
385	subsection (1) of this section or receipt of the statement
386	provided for in subsection (2) of this section.
387	(b) The used motor vehicle parts dealer or scrap metal
388	processor shall secure the motor vehicle for three (3) full
389	business days, excluding weekends and holidays, if the
390	department's records indicate that there is no active lien before
391	destroying or dismantling the motor vehicle.
392	(c) If there is an active lien, the used motor vehicle
393	parts dealer or scrap metal processor shall secure the motor
394	vehicle for fifteen (15) days and the department shall immediately
395	notify the lienholder.
396	(d) Fifteen (15) days after the receipt of the title as
397	provided for in subsection (1) of this section or receipt of the

15/HR40/R133

399	department may remove the lien from its records if a written
333	department may remove the fren from its records in a written
400	statement protesting removal of the lien is not received by the
401	department from the lienholder within the fifteen-day period. If
402	the lienholder files a written statement within the fifteen-day
403	period that the lien is still outstanding with the department and
404	the used motor vehicle parts dealer or scrap metal processor, the
405	department shall not remove the lien from its records and place an
406	administrative hold on the record for thirty (30) days to allow
407	the lienholder to take any appropriate action. The used motor
408	vehicle parts dealer or scrap metal processor must secure the
409	motor vehicle until the department's administrative hold is
410	removed, the lienholder submits a lien satisfaction, or the
411	lienholder takes possession of the vehicle.
412	(e) A person who knowingly destroys or dismantles a
413	motor vehicle that has an active lien in violation of this
414	subsection (2) shall be guilty of a misdemeanor, and such person
415	shall be punished by a fine of not more than One Thousand Dollars
416	(\$1,000.00) upon a first offense and not more than Five Thousand
417	Dollars (\$5,000.00) upon a second or any subsequent offense.
418	( * * $\star$ $\star$ $\pm$ $\frac{3}{2}$ ) For the purpose of requesting a clear title or a
419	branded title on a vehicle with a salvage certificate of title,
420	every owner of a vehicle that has been issued a salvage
421	certificate of title in this state or any other state which has
422	been restored in this state to its operating condition which

statement provided for in subsection (2) of this section, the

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423 existed prior to the event which caused the salvage certificate of 424 title to be issued shall make application to the Department of 425 Revenue, accompanied by a certificate of inspection issued by the 426 Department of Public Safety in the form and content specified in 427 Section 63-21-15(5) and the payment of a fee of Seventy-five 428 Dollars (\$75.00) for each motor vehicle for which a certificate of 429 inspection is issued. In addition, the Department of Public 430 Safety may charge such a person a fee in the amount of Twenty-five 431 Dollars (\$25.00) for performing any vehicle identification number verification required by federal law or regulation for the vehicle 432 433 for which the person is applying for a title. All such monies 434 shall be collected by the Department of Public Safety and paid to 435 the State Treasurer for deposit in a special fund that is hereby 436 created in the State Treasury to be known as the "Salvage 437 Certificate of Title Fund." Monies in the special fund may be 438 expended by the Department of Public Safety, upon appropriation by 439 the Legislature. The Department of Revenue shall establish by 440 regulation the minimum requirements by which a vehicle which has 441 been issued a salvage certificate of title may be issued a clear 442 title. 443 ( \* \* \*<del>3</del>4) Before a clear title or a branded title may be

(\* \* \*34) Before a clear title or a branded title may be issued for a vehicle for which a salvage certificate of title has been issued, the applicant shall submit, by hand delivery or mail, such documents and information to the Department of Public Safety as the department may require for the purpose of determining if

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the vehicle complies with the requirements of this section and all
applicable regulations promulgated by the Commissioner of Public
Safety and the Department of Revenue. The Department of Public
Safety also may require that an applicant bring a vehicle for
which application for a clear title or a branded title is being
made to a Highway Patrol facility for a visual inspection whenever
the department deems that a visual inspection is necessary or
advisable. Nothing in this section shall be construed to prohibit
inspectors of the Mississippi Highway Patrol from conducting
on-site inspections and investigations of motor vehicle rebuilders
or motor vehicle repair businesses to determine if such businesses
are in compliance with all applicable laws relating to the motor
vehicle title laws of this state and regulations promulgated by
the Commissioner of Public Safety and the Department of Revenue.
SECTION 2. This act shall take effect and be in force from
and after July 1, 2015.