

By: Senator(s) Harkins

To: Finance

SENATE BILL NO. 2482

1 AN ACT TO AMEND SECTION 63-21-16, MISSISSIPPI CODE OF 1972,  
2 TO ALLOW THE DEPARTMENT OF REVENUE TO TRANSMIT LIENS AND RECEIVE  
3 LIEN SATISFACTIONS ELECTRONICALLY; AND FOR RELATED PURPOSES.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

5 **SECTION 1.** Section 63-21-16, Mississippi Code of 1972, is  
6 amended as follows:

7 63-21-16. (1) All designated agents appointed by the  
8 department \* \* \* under Section 63-21-13, Mississippi Code of 1972,  
9 may electronically transmit to the department \* \* \* information  
10 entered by them on applications for a certificate of title given  
11 in connection with the sale or transfer of a motor vehicle,  
12 manufactured home or mobile home or a loan for which the owner's  
13 motor vehicle, manufactured home or mobile home is pledged to that  
14 institution as collateral for the loan. The format and the data  
15 required to be transmitted shall be established by the  
16 department \* \* \*. Transmission of data shall meet minimum  
17 criteria and edits established by the department \* \* \* equal to  
18 any edit presently existing in the statewide title registration



19 system, or as may be established, to which the county tax  
20 collectors shall also conform. All data transmitted must  
21 successfully pass edits established by the department \* \* \*,  
22 including lienholder name, mailing address and lienholder account  
23 number assigned to a lienholder by the department \* \* \* to  
24 identify the lienholder, for the purpose of causing the data to  
25 appear in the certificate of title for which the application is  
26 made.

27 (2) It shall be the responsibility of the designated agent  
28 to verify all data before it is electronically transmitted. It  
29 shall also be the responsibility of the designated agent to ensure  
30 that the required certification of designated agent and the  
31 certification of statement of facts that are contained on the  
32 application for certificate of title appear above the signatures  
33 of both the owner and the authorized representative of the  
34 designated agent. Data which cannot be transmitted because of  
35 error shall be corrected by the designated agent when the  
36 statewide title registration system indicates that the data is  
37 erroneous or is not valid for the purposes of titling the motor  
38 vehicle, manufactured home or mobile home or for transfer of the  
39 data.

40 (3) When an institution has agreed to loan money for the  
41 purchase of a motor vehicle, manufactured home or mobile home, the  
42 institution shall complete an application for certificate of title  
43 or require the borrower to provide to the institution the copy of



44 the application for certificate of title contained in the  
45 application packet which is designated "Lienholder's Copy"  
46 according to provisions of the Motor Vehicle and Manufactured  
47 Housing Title Law, which the owner will receive from the county  
48 tax collector or any designated agent upon completion of the  
49 application for title and registration process.

50 (4) An application for certificate of title originating from  
51 a designated agent shall be entered on the statewide title  
52 registration system by the originating lending institution when  
53 the transaction is for the purpose of perfecting the institution's  
54 interest in a vehicle, manufactured home or mobile home currently  
55 owned or purchased by the applicant, in connection with  
56 application for certificate of title or the purchase of a license  
57 tag or both.

58 (5) When an institution in this state adds a second lien on  
59 a certificate of title in possession of a first lienholder  
60 institution in this state, the second lienholder institution  
61 seeking to be shown on the certificate of title shall:

62 (a) Prepare the application for certificate of title in  
63 accordance with the requirements of Sections 63-21-15 and  
64 63-21-45(1) (c);

65 (b) Obtain all required signatures; and

66 (c) Forward the completed application for certificate  
67 of title to the first lienholder together with any necessary  
68 remittance advice, a check for the title fee payable to the



69 department \* \* \* and a cover letter to the first lienholder  
70 requesting that the first lienholder attach the certificate of  
71 title to the required documents sent by the second lienholder and  
72 then forward the application, certificate of title and required  
73 documents to the department \* \* \*.

74 (6) Upon receipt of the application for certificate of title  
75 from the second lienholder institution to record the second lien,  
76 the first lienholder institution shall compare the data contained  
77 in the application for certificate of title to the information  
78 contained in the original certificate of title. If the first  
79 lienholder institution is satisfied as to the ownership, accuracy  
80 and order of priority of liens as shown in the application, it  
81 shall enter the data contained on the application for certificate  
82 of title prepared by the second lienholder on the statewide title  
83 registration system, including the designated agent number of the  
84 second lienholder. After entering the data from the application  
85 for certificate of title, the first lienholder institution shall  
86 immediately forward the application for certificate of title with  
87 the certificate of title attached to the application, the  
88 remittance advice and the second lienholder's check for the title  
89 fee to the department \* \* \* within three (3) working days.

90 (7) In an assignment of lien pursuant to Section 63-21-47,  
91 the assignee shall receive the notice of assignment along with the  
92 current title attached and with the assignors interest open. The  
93 assignee lienholder shall prepare an application for certificate



94 of title according to the notice of assignment, showing the  
95 assignee institution as the lienholder, and then shall  
96 electronically transmit the data to the department \* \* \*. The  
97 completed application shall be forwarded to the department \* \* \*  
98 within three (3) working days.

99 (8) The department \* \* \*, upon receipt of applications for  
100 certificate of title, shall verify the data by accessing it on the  
101 statewide title registration system by the title application  
102 control number appearing on the application for title. After  
103 receiving verification that is satisfactory to the  
104 department \* \* \* that the data necessary for the issuance of a new  
105 certificate of title exists, the department \* \* \* shall issue a  
106 new certificate of title that records the interests of all the  
107 parties named in the application for certificate of title.

108 (9) Designated agents shall be connected to the statewide  
109 title registration system for the purpose of electronic transfer  
110 of applications for certificate of title data in the order of  
111 priority established by the department \* \* \*.

112 (10) If a participating designated agent fails to comply  
113 with the provisions of this section or the rules adopted by the  
114 department \* \* \* to implement this section, the department \* \* \*  
115 may impose a penalty of Twenty-five Dollars (\$25.00) for each  
116 instance of noncompliance. Any penalty imposed under this section  
117 not paid within thirty (30) days after a notice is given shall be  
118 subject to collection from the bond of the designated agent that



119 is required to be provided under the provisions of Section  
120 63-21-13(3). The penalty provided shall also be assessable, due  
121 and collectible from any licensed motor vehicle dealer or  
122 manufactured home or mobile home dealer for failure to accept an  
123 application for certificate of title for each and every vehicle,  
124 manufactured home or mobile home he sells to a consumer. These  
125 penalties shall be cumulative, supplemental and in addition to the  
126 penalties provided by any other law.

127 (11) This section shall apply to all designated agents  
128 appointed by the department \* \* \* under Section 63-21-13, that  
129 choose to electronically transmit information on applications for  
130 certificates of title to the department \* \* \*. This section shall  
131 not apply to other designated agents.

132 (12) Notwithstanding the foregoing, the department \* \* \*  
133 shall not issue a certificate of title to a manufactured home or  
134 mobile home with respect to which title has been retired to real  
135 property under Section 63-21-30 unless with respect to the same  
136 manufactured home or mobile home title has been severed from real  
137 property pursuant to Section 63-21-30.

138 (13) Notwithstanding any requirement in this chapter that a  
139 lien on a motor vehicle or manufactured home shall be noted on the  
140 face of the certificate of title, if there are one or more liens  
141 or encumbrances on the motor vehicle or manufacture home, the  
142 department may electronically transmit the lien to the first  
143 lienholder and notify the first lienholder of any additional



144 liens. Subsequent lien satisfactions may be electronically  
145 transmitted to the department and shall include the name and  
146 address of the person satisfying the lien. When electronic  
147 transmission of liens and lien satisfactions is used, a  
148 certificate of title need not be issued until the last lien is  
149 satisfied and a clear certificate of title is issued to the owner  
150 of the motor vehicle or manufactured home. When a motor vehicle  
151 is subject to an electronic lien, the certificate of title for the  
152 motor vehicle shall be considered to be physically held by the  
153 lienholder for purposes of compliance with state or federal  
154 odometer disclosure requirements. A duly certified copy of the  
155 department's electronic record of the lien shall be admissible in  
156 any civil, criminal or administrative proceeding in this state as  
157 evidence of the existence of the lien.

158       **SECTION 2.** This act shall take effect and be in force from  
159 and after July 1, 2023.

