

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.

