



House of Representatives

General Assembly

File No. 298

February Session, 2022

Substitute House Bill No. 5365

House of Representatives, April 5, 2022

The Committee on Transportation reported through REP. LEMAR of the 96th Dist., Chairperson of the Committee on the part of the House, that the substitute bill ought to pass.

AN ACT CONCERNING CERTIFICATES OF TITLE.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective October 1, 2022*) (a) As used in this section,
2 "used motor vehicle dealer" means any person, firm or corporation that
3 holds a license in another state to engage in the business of
4 merchandising used motor vehicles and "used motor vehicle" has the
5 same meaning as provided in section 14-1 of the general statutes.

6 (b) No used motor vehicle dealer shall sell any used motor vehicle to
7 a buyer in this state without furnishing to such buyer or to a person,
8 firm or corporation who is engaged in the business of filing applications
9 for the issuance of a certificate of registration or a certificate of title for
10 motor vehicles, not later than fourteen days after the delivery of such
11 vehicle to the buyer, a valid certificate of title, the assignment and
12 warranty of title by such dealer or other evidence of title issued by
13 another state or country, where applicable, that discloses the existence
14 of any lien, security interest in or other encumbrance on such vehicle.

15 (c) Any used motor vehicle dealer who violates any provision of this
16 section shall be fined not more than one thousand dollars.

17 Sec. 2. Section 14-65k of the general statutes is repealed and the
18 following is substituted in lieu thereof (*Effective October 1, 2022*):

19 (a) The Commissioner of Motor Vehicles may conduct investigations
20 and hold hearings on any matter under the provisions of sections 14-51
21 to 14-65j, inclusive, [and] section 14-65l and section 1 of this act. The
22 commissioner may issue subpoenas, administer oaths, compel
23 testimony and order the production of books, records and documents.
24 If any person refuses to appear, to testify or to produce any book, record,
25 paper or document when so ordered, upon application of the
26 commissioner, a judge of the Superior Court may make such order as
27 may be appropriate to aid in the enforcement of this section.

28 (b) The Attorney General, at the request of the commissioner, is
29 authorized to apply in the name of the state of Connecticut to the
30 Superior Court for an order temporarily or permanently restraining and
31 enjoining any person from violating any provision of sections 14-51 to
32 14-65j, inclusive, [and] section 14-65l and section 1 of this act.

33 Sec. 3. (NEW) (*Effective from passage*) The Commissioner of Motor
34 Vehicles may enter into an agreement or agreements with one or more
35 qualified independent contractors to implement the use of electronic
36 certificates of title in the state.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2022</i>	New section
Sec. 2	<i>October 1, 2022</i>	14-65k
Sec. 3	<i>from passage</i>	New section

Statement of Legislative Commissioners:

In Section 1, Subsec. designator (c) was added for consistency with standard drafting conventions.

TRA *Joint Favorable Subst.*

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 23 \$	FY 24 \$
Resources of the General Fund	GF - Potential Revenue Gain	Minimal	Minimal
Department of Motor Vehicles	TF - Potential Cost	Uncertain	Uncertain

Note: TF=Transportation Fund; GF=General Fund

Municipal Impact: None

Explanation

Section 1 establishes a new penalty of up to \$1,000 per violation for out-of-state used motor vehicle dealers that fail to provide certain title documents to in-state buyers in a timely manner. This section results in potential minimal revenue gain to the extent violations occur and penalties are imposed.

Section 3 authorizes, but does not require, the Department of Motor Vehicles (DMV) to contract with external vendors to implement the use of electronic certificates of title. The cost of this section depends on the scope and terms of any agreement DMV may enter.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of penalties imposed and the terms of any agreement with an external vendor.

OLR Bill Analysis

sHB 5365

AN ACT CONCERNING CERTIFICATES OF TITLE.

SUMMARY

This bill imposes a penalty on out-of-state used motor vehicle dealers that fail to provide certain title documents to in-state buyers in a timely manner, as the bill requires. Specifically, it requires these dealers, within 14 days after delivering a vehicle to an in-state buyer, to give the buyer, or a registration and title processing company, a valid certificate of title, assignment and warranty of title, or other evidence of title, where applicable, that discloses the existence of any lien, security interest, or other encumbrance on the vehicle.

Used motor vehicle dealers who violate the bill's requirements face a fine of up to \$1,000. Under existing law, in-state dealers selling used motor vehicles must provide these documents at the time of sale, and failure to do so is a class B misdemeanor, punishable by up to 6 months in prison and a fine of up to \$1,000 (CGS § 14-62(d)).

The bill also extends the Department of Motor Vehicles (DMV) commissioner's authority to investigate violations of state dealer laws to cover violations of the bill. This means she can, among other things, issue subpoenas, compel testimonies, and order the production of records. The attorney general may also, at the commissioner's request, apply to the Superior Court to enjoin a person from violating the bill's provisions.

The bill also explicitly authorizes the DMV commissioner to enter into agreements with independent contractors to implement electronic titling (e-titling) in the state.

EFFECTIVE DATE: October 1, 2022, except the provision on e-titling

is effective upon passage.

COMMITTEE ACTION

Transportation Committee

Joint Favorable Substitute

Yea 35 Nay 0 (03/24/2022)