

Senate, March 30, 1998. The Committee on Transportation reported through SEN. CIOTTO, 9th DIST., Chairman of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING LIENS ON TITLES.

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

1 Subsection (a) of section 14-185 of the
2 general statutes is repealed and the following is
3 substituted in lieu thereof:

4 (a) Unless excepted by section 14-167, a
5 security interest in a vehicle of a type for which
6 a certificate of title is required is perfected by
7 the delivery to the commissioner of the existing
8 certificate of title, if any, an application for a
9 certificate of title containing the name and
10 address of the lienholder and the date of his
11 security agreement and the required fee. It is
12 perfected as of the time [when it attached if such
13 delivery is completed within twenty days
14 thereafter, and without regard to the limitations
15 expressed in section 42a-9-301 (2); otherwise it
16 is perfected as of the time] of such delivery AND
17 WITHOUT REGARD TO THE LIMITATIONS OF SECTION
18 42a-9-301.

19 TRA COMMITTEE VOTE: YEA 23 NAY 0 JF

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"THE FOLLOWING FISCAL IMPACT STATEMENT AND BILL ANALYSIS ARE PREPARED FOR THE BENEFIT OF 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 HOUSE THEREOF FOR ANY PURPOSE."

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FISCAL IMPACT STATEMENT - BILL NUMBER SB 455

STATE IMPACT None, see explanation below

MUNICIPAL IMPACT None

STATE AGENCY(S) Department of Motor Vehicles

EXPLANATION OF ESTIMATES:

Eliminating the retroactivity provision for when a motor vehicle title is "perfected" would primarily affect lienholders and not any state agency.

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OLR BILL ANALYSIS

SB 455

AN ACT CONCERNING LIENS ON TITLES

SUMMARY: With limited exceptions, a security interest in a motor vehicle with a title certificate is, by law, "perfected" when (1) the title, if it exists, is delivered to the Department of Motor Vehicles (DMV) commissioner, (2) an application for a new title certificate is filed with the DMV specifying the lienholder's name and address and the date of his security agreement, and (3) the title application fee is paid. Currently, if the required documents are delivered to the DMV within 20 days after the security agreement is made and attached to the vehicle, perfection is retroactive to the date it attached, otherwise perfection occurs when the documents are delivered to DMV. This bill eliminates retroactivity to the date of attachment and makes a security interest

perfect only when the title documents are delivered to DMV.

EFFECTIVE DATE: October 1, 1998

BACKGROUND

Perfection of a Security Interest

Under secured transactions law, a party may have a security interest in property but the interest is not protected to the extent state law allows competing claims to the collateral property until it is "perfected." The secured party perfects his interest through some type of public notice the law specifies, usually to a government agency. In the case of security interests in motor vehicle transactions, this occurs through the process of filing the required documents with the DMV.

COMMITTEE ACTION

Transportation Committee

Joint Favorable Report
Yea 23 Nay 0