

WEST VIRGINIA LEGISLATURE

2025 REGULAR SESSION

Introduced

House Bill 3089

By Delegates Rohrbach and Funkhouser

[Introduced ; referred

to the Committee on]

1 A BILL to amend and reenact §17A-4A-1, §17A-4A-2, and §17A-4A-2a of the Code of West
2 Virginia, 1931, as amended, relating to mandating the use of the West Virginia Division of
3 Motor Vehicle's electronic lien and title system for all lien recordation for any person or
4 entity who records more than five liens in a calendar year and creating digital titles for
5 motor vehicle transactions.

Be it enacted by the Legislature of West Virginia:

**ARTICLE 4A. LIENS AND ENCUMBRANCES ON VEHICLES TO BE SHOWN ON
CERTIFICATE OF TITLE; NOTICE TO CREDITORS AND PURCHASERS.**

§17A-4A-1. Certificate to show liens or encumbrances.

1 The division upon receiving an application for a certificate of title to a vehicle, trailer,
2 semitrailer, pole trailer, factory-built home or recreational vehicle for which a certificate of title is
3 required under §17A-3-1 *et. seq.* of this code, all of which are hereinafter in this article referred to
4 as vehicles, showing liens or encumbrances upon the vehicle, shall, upon issuing to the owner
5 thereof a certificate of title or electronic record therefor, show upon the face of the certificate of title
6 all liens or encumbrances disclosed by the application. All liens or encumbrances shall be shown
7 in the order of their priority being according to the information contained in the application. When
8 an application shows liens and encumbrances, the information as evidence of the lien in
9 connection therewith as the division may consider necessary shall also be furnished. The
10 information shall include the name and address of the lienholder, the nature and kind of the lien,
11 the date thereof and the amount thereby secured. However, only the name and address of the
12 lienholder will be endorsed on the title certificate when the title is in paper format. Upon issuing the
13 certificate or creating the digital title, the division shall thereupon send or deliver it by either paper
14 or electronic means to the holder of the first lien.

§17A-4A-2. Liens and encumbrances subsequently created.

1 (a) Liens or encumbrances placed on vehicles by the voluntary act of the owner after the
2 original issue of title to be properly recorded must be shown on the certificate of title, or electronic
3 record thereof. In ~~such~~ those cases, the owner or lienholder shall file application with the
4 department on a blank furnished for that purpose, setting forth the lien or liens and such
5 information and evidence of the lien in connection therewith as the department may deem
6 necessary. ~~Such~~ This information shall include the name and address of the lienholder, the kind of
7 and nature of the lien, the date thereof, and the amount thereby secured. However, only the name
8 and address of the lienholder shall be endorsed on the title certificate with the endorsement of the
9 fact of ~~such~~ the lien as hereinafter provided. The department, if satisfied that it is proper that the
10 same be recorded, and upon surrender of the certificate of title covering the vehicle, shall
11 thereupon issue a new certificate of title, showing the liens or encumbrances in the order of their
12 filing being according to the date, hour and minute of receipt by the department of the application
13 for ~~same~~ it. For the purpose of recording a subsequent lien on a certificate of title, the subsequent
14 lienholder shall make a written request upon the lienholder in possession of the certificate of title,
15 accompanied by proof of the existence of the subsequent lien, stating his or her need to have
16 possession of the certificate of title for the purpose of having his or her lien recorded thereon by the
17 Division of Motor Vehicles. Thereupon, the lienholder in possession of the certificate shall within a
18 reasonable time, not to exceed 10 days from the receipt of said written request, deliver the
19 certificate of title to the requesting subsequent lienholder.

20 Upon delivery of the certificate of title, the subsequent lienholder shall immediately forward
21 it and the lienholder's own application to the Division of Motor Vehicles for the filing of the lien and
22 for the recording of the same on the certificate of title. Upon issuing the new certificate, or creating
23 a digital certificate, ~~the department~~ division shall thereupon send or deliver it to the holder of the
24 first lien.

25 (b) The provisions of subsection (a) of this section ~~shall~~ may not apply to: (1) Vehicles held
26 as inventory for sale by a registered dealer holding title by assignment entered upon a certificate of

27 title; or (2) vehicles for which certificates of title have been issued and are held as inventory for
28 lease by a vehicle rental agency or similar person engaged solely in the business of leasing
29 vehicles. Any lien or encumbrance placed on ~~such~~ the vehicles by the voluntary act of the owner
30 shall be created and perfected in accordance with the provisions of §46-9-1 *et seq.* of this code.

§17A-4A-2a. Electronic transfer of liens.

1 ~~(a) Notwithstanding any requirement in this chapter that a lien on a motor vehicle shall be~~
2 ~~noted on the face of the certificate of title, if there are one or more liens or encumbrance on a~~
3 ~~vehicle, trailer, semitrailer, sole trailer, factory built home or recreational vehicle, the division may~~
4 ~~electronically transmit the lien to the first lienholder and notify the first lienholder of any additional~~
5 ~~liens. Subsequent lien satisfactions may be electronically transmitted to the division and shall~~
6 ~~include the name and address of the person satisfying the lien and any other information required~~
7 ~~by the division as a condition of participating in the electronic lien information exchange program~~
8 All financial institutions, dealers, and anyone recording five or more liens in a calendar year shall
9 use the division's electronic lien and title system.

10 (b) The division may enter into agreements with a service provider or providers to
11 administer the electronic exchange of lien information between dealers, financial
12 institutions and the division. For the purposes of this section the term financial institutions shall
13 have the same meaning as defined in §17A-6-10b(8) of this code.

14 ~~(c) When electronic transmission of liens and lien satisfaction is used, a hard copy~~
15 ~~certificate of title need not be issued until the last lien is satisfied and a clear hard copy Certificate~~
16 ~~of title is issued to the owner of the vehicle. When a vehicle is subject to an electronic lien, the~~
17 ~~certificate of title for the vehicle shall be considered physically held by the lienholder for the~~
18 ~~purpose of compliance with state and federal odometer disclosure requirements and for any other~~
19 ~~requirement of this code~~ No paper certificate of title will issue to a lienholder or owner of a vehicle
20 after the division's digital title system is fully adopted. A duly certified copy of the division's

21 electronic record of the certificate of title and lien shall be admissible in any civil, criminal or
22 administrative proceeding in this state as evidence of the existence of the lien.

23 (d) If an insurance company, an occupational licensee of the department authorized by the
24 insurance company, or a salvage pool authorized by the insurance company is unable to obtain
25 the properly endorsed certificate of ownership or other evidence of ownership acceptable to the
26 department within 15 days following oral or written acceptance by the owner of an offer of an
27 amount in settlement of a total loss, that insurance company, licensee, or salvage pool, on a form
28 provided by the department and signed under penalty of perjury, may request the department to
29 issue a salvage certificate for the vehicle. The request shall attest that the requester has attempted
30 to obtain the certificate of ownership or other acceptable evidence of title. The attempt to obtain
31 the certificate of ownership or other acceptable evidence of title shall be provided concurrently with
32 the payment of the claim or by first-class mail, certificate of mailing, certified mail, other
33 commercially available delivery service showing proof of delivery, or electronic mail.

34 ~~(d)~~ (e) For the purposes of this chapter, whenever reference is made by this code to the
35 physical production of a certificate of title as a paper document, or reference to the completion of
36 information related to recording a lien as a paper document, the reference shall be understood to
37 also include the transmission and recordation of the information in an electronic format.

NOTE: The purpose of this bill is to mandate use of the Electronic Lien and Title System for lienholders and create a digital title.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.