

AMENDED IN SENATE MARCH 27, 1996

SENATE BILL

No. 2144

Introduced by Senator Mountjoy

February 23, 1996

An act to amend Section ~~818.5 of the Government Code,~~ and to amend Sections ~~5911 and 9917 of,~~ and to add Section ~~4458.5 to,~~ 5752 of the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

SB 2144, as amended, Mountjoy. Vehicles: ~~vessels;~~ ~~registration~~ ownership transfers: lienholders.

Existing law authorizes an application for transfer of a vehicle certificate of ownership when the required certificate of ownership is lost, stolen, damaged, or mutilated.

This bill would limit the above authorization to instances when there is no lienholder indicated on the Department of Motor Vehicles' records.

The bill would authorize a lienholder to make application for a duplicate ownership certificate when the required certificate of ownership is lost, stolen, damaged, or mutilated and the lienholder is shown on the department's records, under described conditions, would require the department to issue a duplicate certificate within 72 hours of receipt of a proper application, and would allow a subsequent transfer of ownership in accordance with existing provisions of law. The bill would specify that a transfer may be effectuated through an undertaking or bond pursuant to existing provisions of law when, under certain circumstances, a lienholder is unable to apply for a duplicate certificate.

~~(1) Under existing law, the Department of Motor Vehicles is liable for any injury to a lienholder or good faith purchaser of a vehicle proximately caused by the department's negligent omission of the lienholder's name from an ownership certificate issued by the department.~~

~~This bill would also make the department liable for the negligent omission of the lienholder's name from the certificate of ownership of a vessel, or the failure of the department to provide a timely notice as described under (3).~~

~~(2) Under existing law, the department may change license plate numbers under certain conditions.~~

~~This bill would require the department to notify the current legal owner or lienholder of the new license plate number assigned to a vehicle whenever a change in the license plate number is made by the department.~~

~~(3) Existing law provides that whenever an application is made to the department for a transfer of ownership of a vessel or vehicle to a new owner or legal owner and the applicant is unable to present the certificate of ownership issued for the vessel or vehicle because of specified reasons, and the department is satisfied that the applicant is entitled to a transfer of ownership, the department may transfer the ownership of the vessel or vehicle and issue a new certificate of ownership, or register it under a new registration and issue a new certificate of ownership and registration card to the person or persons found to be entitled.~~

~~This bill would, under the circumstances described above and when the current legal owner or lienholder is being omitted or deleted from the registration, require the department to provide a written notice to that owner or lienholder allowing 15 days to object to the department concerning the requested change.~~

~~Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.~~

The people of the State of California do enact as follows:

1 ~~SECTION 1.—Section 818.5 of the Government Code~~
 2 ~~SECTION 1. Section 5752 of the Vehicle Code is~~
 3 ~~amended to read:~~



1 5752. (a) When the required certificate of ownership
2 is lost, stolen, damaged, or mutilated *and no lienholder is*
3 *indicated on the department's records*, application for
4 transfer may be made upon a form provided by the
5 department for a duplicate certificate of ownership. The
6 transferor shall write his *or her* signature and address in
7 the appropriate spaces provided upon the application
8 and file the same together with the proper fees for
9 duplicate certificate of ownership and transfer.

10 (b) *When the required certificate of ownership is lost,*
11 *stolen, damaged, or mutilated and a lienholder is shown*
12 *on the department's records, the lienholder may make*
13 *application for a duplicate ownership certificate, with no*
14 *change of ownership, pursuant to Section 4459. The*
15 *department shall issue the duplicate certificate within 72*
16 *hours of receipt of a proper application. Upon issuance of*
17 *the duplicate ownership certificate to the lienholder,*
18 *transfer of ownership may be effected as described in*
19 *Section 5750 or 5751.*

20 (c) *Notwithstanding subdivision (b), if the*
21 *department is satisfied that a lienholder of record is out*
22 *of business, deceased, or otherwise unable to apply for a*
23 *duplicate ownership certificate, and that no trustee,*
24 *agent, heir, or other responsible person or entity, having*
25 *assumed the lien, is reasonably available, the department*
26 *may, in lieu of a title released by the lienholder, accept an*
27 *undertaking or bond pursuant to Section 4157 or 9923.*

28 ~~is amended to read:~~

29 ~~818.5. The Department of Motor Vehicles is liable for~~
30 ~~any injury to a lienholder or good faith purchaser of a~~
31 ~~vehicle or vessel proximately caused by the department's~~
32 ~~negligent omission of the lienholder's name from an~~
33 ~~ownership certificate issued by the department. The~~
34 ~~liability of the department under this section includes the~~
35 ~~failure of the department to timely provide notice~~
36 ~~pursuant to Section 5911 or 9917 of the Vehicle Code. The~~
37 ~~liability of the department under this section shall not~~
38 ~~exceed the actual cash value of the vehicle.~~

39 ~~SEC. 2. Section 4458.5 is added to the Vehicle Code,~~
40 ~~to read:~~



1 ~~4458.5. The department shall notify the current legal~~
2 ~~owner or lienholder of any change in the license plate~~
3 ~~number of any vehicle registered pursuant to this code~~
4 ~~when the department changes that license plate number~~
5 ~~for any reason, including, but not limited to, the~~
6 ~~destruction of the former license plates or theft of the~~
7 ~~former license plates. The notice shall be sent to the~~
8 ~~current legal owner or lienholder within 15 days of the~~
9 ~~date of the issuance of the new license plate numbers. The~~
10 ~~department may charge a fee, not to exceed~~
11 ~~_____dollars (\$_____) to the party requesting the~~
12 ~~issuance of the new license plate numbers.~~

13 ~~SEC. 3. Section 5911 of the Vehicle Code is amended~~
14 ~~to read:~~

15 ~~5911. (a) Whenever application is made to the~~
16 ~~department for a transfer of registration of a vehicle to a~~
17 ~~new owner or legal owner and the applicant is unable to~~
18 ~~present the certificate of ownership issued for the vehicle~~
19 ~~because the certificate is lost or otherwise not available,~~
20 ~~the department may receive the application and examine~~
21 ~~into the circumstances of the case and may require the~~
22 ~~filing of certifications or other information, and when the~~
23 ~~department is satisfied that the applicant is entitled to a~~
24 ~~transfer of registration the department may transfer the~~
25 ~~registration of the vehicle, or reregister the vehicle under~~
26 ~~a new registration number, and issue a new certificate of~~
27 ~~ownership and registration card to the person or persons~~
28 ~~found to be entitled to the certificate and card. The~~
29 ~~department, however, shall not issue a new certificate of~~
30 ~~ownership and registration card to the applicant if the~~
31 ~~department has received notice by registered or certified~~
32 ~~mail in which it is indicated that the existing ownership~~
33 ~~certificate is being held for nonpayment of the vehicle.~~
34 ~~The notice may be forwarded by the registered owner,~~
35 ~~recorded lienholder, or by a person exempted from~~
36 ~~recording ownership by Section 5906.~~

37 ~~(b) Whenever application is made to the department~~
38 ~~for a transfer of ownership of a vehicle to a new owner or~~
39 ~~legal owner and the applicant is unable to present the~~
40 ~~certificate of ownership issued for the vehicle because the~~



1 ~~certificate is lost or otherwise not available and the~~
2 ~~applicant requests that the current legal owner or~~
3 ~~lienholder be omitted or deleted from the registration;~~
4 ~~the department shall send that legal owner or lienholder~~
5 ~~a notice, in writing, of the requested change in~~
6 ~~ownership. The notice shall inform the current legal~~
7 ~~owner or lienholder that he or she has 15 days to object~~
8 ~~to the department concerning the requested change in~~
9 ~~ownership. The department shall not transfer ownership~~
10 ~~until the expiration of the 15-day period. The department~~
11 ~~may charge a fee not to exceed _____ dollars (\$~~
12 ~~____) to be charged the party requesting the transfer~~
13 ~~pursuant to this section.~~

14 ~~SEC. 4. Section 9917 of the Vehicle Code is amended~~
15 ~~to read:~~

16 ~~9917. (a) Whenever application is made to the~~
17 ~~department for a transfer of ownership of a vessel to a~~
18 ~~new owner or legal owner and the applicant is unable to~~
19 ~~present the certificate of ownership issued for the vessel~~
20 ~~because the certificate is lost or otherwise not available;~~
21 ~~the department may receive the application and examine~~
22 ~~into the circumstances of the case and may require the~~
23 ~~filing of affidavits or other information, and when the~~
24 ~~department is satisfied that the applicant is entitled to a~~
25 ~~transfer of ownership, the department may transfer the~~
26 ~~ownership of the vessel, and issue a new certificate of~~
27 ~~ownership, and certificate of number to the person or~~
28 ~~persons found to be entitled thereto.~~

29 ~~(b) Whenever application is made to the department~~
30 ~~for a transfer of ownership of a vessel to a new owner or~~
31 ~~legal owner and the applicant is unable to present the~~
32 ~~certificate of ownership issued for the vehicle because the~~
33 ~~certificate is lost or otherwise not available and the~~
34 ~~applicant requests that the current legal owner or~~
35 ~~lienholder be omitted or deleted from the registration;~~
36 ~~the department shall send that legal owner or lienholder~~
37 ~~a notice, in writing, of the requested change in~~
38 ~~ownership. The notice shall inform the current legal~~
39 ~~owner or lienholder that he or she has 15 days to object~~
40 ~~to the department concerning the requested change in~~



1 ~~ownership. The department shall not transfer ownership~~
2 ~~until the expiration of the 15-day period.~~

O

