

WEST VIRGINIA LEGISLATURE

2024 REGULAR SESSION

Introduced

Senate Bill 838

BY SENATOR CLEMENTS

[Introduced February 16, 2024; referred
to the Committee on Transportation and
Infrastructure]

1 A BILL to amend and reenact §17A-4A-2a of the Code of West Virginia, as amended, relating to
2 mandating lending institutions that conduct five or more transactions annually to utilize the
3 Division of Motor Vehicles electronic lien system to perfect or release security interest in
4 a vehicle.

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-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 encumbrances on a
3 vehicle, trailer, semitrailer, pole trailer, factory-built home or recreational vehicle, the division ~~may~~
4 shall electronically transmit the lien to the first lienholder and notify the first lienholder of any
5 additional liens. Subsequent lien satisfactions ~~may~~ shall be electronically transmitted to the
6 division and shall include the name and address of the person satisfying the lien and any other
7 information required by the division as a condition of participating in the electronic lien information
8 exchange program.

9 (b) The division may enter into agreements with a service provider or providers to
10 administer the electronic exchange of lien information between dealers, financial institutions, and
11 the division. For the purposes of this section, the term financial institutions shall have the same
12 meaning as defined in section ten-b, article six of this chapter.

13 (c) As of July 1, 2024, the division shall require all individuals and lienholders who conduct
14 at least five transactions annually to utilize the electronic lien information exchange program,
15 whether through a service provider or using the electronic lien information exchange web portal,
16 to record information concerning the perfection and release of a security interest in a vehicle. The
17 division shall establish procedures to ensure that the businesses comply with the use of the

18 electronic lien information exchange program, as well as define valid exceptions as determined
19 by the division.

20 ~~(d)~~ (d) When electronic transmission of liens and lien satisfaction is used, a hard copy
21 certificate of the title need not be issued until the last lien is satisfied and a clear hard copy
22 certificate of title is issued to the owner of the vehicle. When a vehicle is subject to an electronic
23 lien, the certificate of title for the vehicle shall be considered to be physically held by the lienholder
24 for the purpose of compliance with state and federal odometer disclosure requirements and for
25 any other requirement of this code. A duly certified copy of the division's electronic record of the
26 lien shall be admissible in any civil, criminal or administrative proceeding in this state as evidence
27 of the existence of the lien.

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