

WEST VIRGINIA LEGISLATURE

2025 REGULAR SESSION

ENROLLED

Committee Substitute

for

Committee Substitute

for

House Bill 3089

BY DELEGATES ROHRBACH AND FUNKHOUSER

[Passed April 7, 2025; in effect July 1, 2025]

1 AN ACT to amend and reenact §17A-4-10, §17A-4A-2, and §17A-4A-2a of the Code of West
2 Virginia, 1931, as amended, relating to vehicle titles; mandating all financial institutions
3 recording five or more liens in a calendar year use the Division of Motor Vehicle's
4 electronic lien and title system for all motor vehicle lien actions; specifying new and striking
5 old effective date; shortening time an insurance company or insurer has to wait after the
6 payment of a total loss claim prior to applying to the Division of Motor Vehicles for a title
7 certificate to a vehicle that the owner has not chosen to retain; correcting agency
8 designations; specifying format of issuance of certificates of title; and allowing electronic
9 record of the certificate of title and lien be used as evidence.

Be it enacted by the Legislature of West Virginia:

ARTICLE 4. TRANSFERS OF TITLE OR INTEREST.

§17A-4-10. Salvage certificates for certain wrecked or damaged vehicles; fee; penalty.

1 (a) In the event a motor vehicle is determined to be a total loss or otherwise designated
2 as totaled by an insurance company or insurer, and upon payment of a total loss claim to an
3 insured or claimant owner for the purchase of the vehicle, the insurance company or the insurer,
4 as a condition of the payment, shall require the owner to surrender the certificate of title: *Provided,*
5 That an insured or claimant owner may choose to retain physical possession and ownership of a
6 total loss vehicle. If the vehicle owner chooses to retain the vehicle and the vehicle has not been
7 determined to be a cosmetic total loss in accordance with subsection (d) of this section, the
8 insurance company or insurer shall also require the owner to surrender the vehicle registration
9 certificate. The term "total loss" means a motor vehicle which has sustained damages equivalent
10 to seventy-five percent or more of the market value as determined by a nationally accepted used
11 car value guide or meets the definition of a flood-damaged vehicle as defined in this section.

12 (b) The insurance company or insurer shall, prior to the payment of the total loss claim,
13 determine if the vehicle is repairable, cosmetically damaged, or nonrepairable. Except as provided
14 in subsection (p) of this section, within 10 days of payment of the total loss claim, the insurance

15 company or insurer shall surrender the certificate of title, a copy of the claim settlement, a
16 completed application on a form prescribed by the commissioner, and the registration certificate
17 if the owner has chosen to keep the vehicle to the Division of Motor Vehicles.

18 (c) If the insurance company or insurer determines that the vehicle is repairable, the
19 division shall issue a salvage certificate, on a form prescribed by the commissioner, in the name
20 of the insurance company, the insurer, or the vehicle owner if the owner has chosen to retain the
21 vehicle. The certificate shall contain, on the reverse, spaces for one successive assignment
22 before a new certificate at an additional fee is required. Upon the sale of the vehicle, the insurance
23 company, insurer, or vehicle owner if the owner has chosen to retain the vehicle, shall complete
24 the assignment of ownership on the salvage certificate and deliver it to the purchaser. The vehicle
25 may not be titled or registered for operation on the streets or highways of this state unless there
26 is compliance with subsection (h) of this section. The division shall charge a fee of \$22.50 for
27 each salvage title issued. The Division of Motor Vehicles may adjust the fee for each salvage title
28 every five years on September 1, based on the U.S. Department of Labor, Bureau of Labor
29 Statistics most current Consumer Price Index: *Provided*, That an increase in such fee may not
30 exceed 10 percent of the total fee amount in a single year.

31 (d) If the insurance company or insurer determines the damage to a totaled vehicle is
32 exclusively cosmetic and no repair is necessary in order to legally and safely operate the motor
33 vehicle on the roads and highways of this state, the insurance company or insurer shall, upon
34 payment of the claim, submit the certificate of title to the division. Neither the insurance company
35 nor the division may require the vehicle owner to surrender the registration certificate in the event
36 of a cosmetic total loss settlement.

37 (1) The division shall, without further inspection, issue a title branded "cosmetic total loss"
38 to the insured or claimant owner if the insured or claimant owner wishes to retain possession of
39 the vehicle, in lieu of a salvage certificate. The division shall charge a fee of \$22.50 for each
40 cosmetic total loss title issued. The terms "cosmetically damaged" and "cosmetic total loss" do

41 not include any vehicle which has been damaged by flood or fire. The designation “cosmetic total
42 loss” on a title may not be removed. The Division of Motor Vehicles may adjust the fee for each
43 cosmetic total loss title every five years on September 1, based on the U. S. Department of Labor,
44 Bureau of Labor Statistics most current Consumer Price Index: *Provided*, That an increase in
45 such fee may not exceed ten percent of the total fee amount in a single year.

46 (2) If the insured or claimant owner elects not to take possession of the vehicle and the
47 insurance company or insurer retains possession, the division shall issue a cosmetic total loss
48 salvage certificate to the insurance company or insurer. The division shall charge a fee of \$22.50
49 for each cosmetic total loss salvage certificate issued. The Division of Motor Vehicles may adjust
50 the fee for each cosmetic total loss salvage certificate every five years on September 1, based on
51 the U. S. Department of Labor, Bureau of Labor Statistics most current Consumer Price Index:
52 *Provided*, That an increase in such fee may not exceed ten percent of the total fee amount in a
53 single year. The division shall, upon surrender of the cosmetic total loss salvage certificate issued
54 under the provisions of this paragraph and payment of the five percent motor vehicle sales tax on
55 the fair market value of the vehicle as determined by the commissioner, issue a title branded
56 “cosmetic total loss” without further inspection.

57 (e) If the insurance company or insurer determines that the damage to a totaled vehicle
58 renders it nonrepairable, incapable of safe operation for use on roads and highways, and as
59 having no resale value except as a source of parts or scrap, the insurance company or vehicle
60 owner shall, in the manner prescribed by the commissioner, request that the division issue a
61 nonrepairable motor vehicle certificate in lieu of a salvage certificate. The division shall issue a
62 nonrepairable motor vehicle certificate without charge.

63 (f) Any owner who scraps, compresses, dismantles, or destroys a vehicle without further
64 transfer or sale for which a certificate of title, nonrepairable motor vehicle certificate, or salvage
65 certificate has been issued shall, within 45 days, surrender the certificate of title, nonrepairable
66 motor vehicle certificate, or salvage certificate to the division for cancellation.

67 (g) Any person who purchases or acquires a vehicle as salvage or scrap, to be dismantled,
68 compressed, or destroyed, shall, within 45 days, surrender to the division the certificate of title,
69 nonrepairable motor vehicle certificate, salvage certificate, or a statement of cancellation signed
70 by the seller, on a form prescribed by the commissioner. Subsequent purchasers of salvage or
71 scrap are not required to comply with the notification requirement.

72 (h) If the motor vehicle is a “reconstructed vehicle” as defined in this section or §17A-1-1
73 of this code, it may not be titled or registered for operation until it has been inspected by an official
74 state inspection station and by the Division of Motor Vehicles. Following an approved inspection,
75 an application for a new certificate of title may be submitted to the division. The applicant is
76 required to retain all receipts for component parts, equipment, and materials used in the
77 reconstruction. The salvage certificate shall also be surrendered to the division before a certificate
78 of title may be issued with the appropriate brand.

79 (i) The owner or title holder of a motor vehicle titled in this state which has previously been
80 branded in this state or another state as salvage, reconstructed, cosmetic total loss, cosmetic
81 total loss salvage, flood, fire, an equivalent term under another state’s laws, or a term consistent
82 with the intent of the National Motor Vehicle Title Information System established pursuant to
83 49 U. S. C. § 30502 shall, upon becoming aware of the brand, apply for and receive a title from
84 the Division of Motor Vehicles on which the brand “reconstructed”, “salvage”, “cosmetic total loss”,
85 “cosmetic total loss salvage”, “flood”, “fire”, or other brand is shown. The division shall charge a
86 fee of \$10 for each title so issued. The Division of Motor Vehicles may adjust the fee for each
87 reconstructed, salvage, cosmetic total loss, cosmetic total loss salvage, flood, fire, or other brand
88 title issued every five years on September 1, based on the U. S. Department of Labor, Bureau of
89 Labor Statistics most current Consumer Price Index: *Provided*, That an increase in such fee may
90 not exceed 10 percent of the total fee amount in a single year.

91 (j) If application is made for title to a motor vehicle, the title to which has previously been
92 branded reconstructed, salvage, cosmetic total loss, cosmetic total loss salvage, flood, fire, or

93 other brand by the Division of Motor Vehicles under this section and said application is
94 accompanied by a title from another state which does not carry the brand, the division shall, before
95 issuing the title, affix the brand “reconstructed”, “cosmetic total loss”, “cosmetic total loss salvage”,
96 “flood”, “fire”, or other brand to the title. The motor vehicle sales tax paid on a motor vehicle titled
97 as reconstructed, cosmetic total loss, flood, fire, or other brand under the provisions of this section
98 shall be based on 50 percent of the fair market value of the vehicle as determined by a nationally
99 accepted used car value guide to be used by the commissioner.

100 (k) The division shall charge a fee of \$22.50 for the issuance of each salvage certificate
101 or cosmetic total loss salvage certificate but shall not require the payment of the five percent motor
102 vehicle sales tax. The Division of Motor Vehicles may adjust the fee for each salvage certificate
103 or cosmetic total loss salvage certificate every five years on September 1, based on the U. S.
104 Department of Labor, Bureau of Labor Statistics most current Consumer Price Index: *Provided,*
105 That an increase in such fee may not exceed ten percent of the total fee amount in a single year.
106 However, upon application for a certificate of title for a reconstructed, cosmetic total loss, flood or
107 fire damaged vehicle, or other brand, the division shall collect the five percent privilege tax on the
108 fair market value of the vehicle as determined by the commissioner unless the applicant is
109 otherwise exempt from the payment of such privilege tax. A wrecker/dismantler/rebuilder, licensed
110 by the division, is exempt from the payment of the five percent privilege tax upon titling a
111 reconstructed vehicle. The division shall collect a fee of \$35 per vehicle for inspections of
112 reconstructed vehicles. These fees shall be deposited in a special fund created in the State
113 Treasurer’s office and may be expended by the division to carry out the provisions of this article:
114 *Provided,* That on and after July 1, 2007, any balance in the special fund and all fees collected
115 pursuant to this section shall be deposited in the State Road Fund. Licensed
116 wreckers/dismantlers/rebuilders may charge a fee not to exceed \$25 for all vehicles owned by
117 private rebuilders which are inspected at the place of business of a wrecker/dismantler/rebuilder.

118 (l) As used in this section:

119 (1) "Reconstructed vehicle" means the vehicle was totaled under the provisions of this
120 section or by the provisions of another state or jurisdiction and has been rebuilt in accordance
121 with the provisions of this section or in accordance with the provisions of another state or
122 jurisdiction or meets the provisions of §17A-1-1(n) of this code.

123 (2) "Flood-damaged vehicle" means that the vehicle was submerged in water to the extent
124 that water entered the passenger or trunk compartment.

125 (3) "Other brand" means a brand consistent with the intent of the National Motor Vehicle
126 Title Information System established pursuant to 49 U. S. C. § 30502 and rules promulgated by
127 the United States Department of Justice to alert consumers, motor vehicle dealers or the
128 insurance industry of the history of a vehicle.

129 (m) Every vehicle owner shall comply with the branding requirements for a totaled vehicle
130 whether or not the owner receives an insurance claim settlement for a totaled vehicle.

131 (n) A certificate of title issued by the division for a reconstructed vehicle shall contain
132 markings in bold print on the face of the title that it is for a reconstructed, flood, or fire-damaged
133 vehicle.

134 (o) Any person who knowingly provides false or fraudulent information to the division that
135 is required by this section in an application for a title, a cosmetic total loss title, a reconstructed
136 vehicle title, or a salvage certificate, or who knowingly fails to disclose to the division information
137 required by this section to be included in the application, or who otherwise violates the provisions
138 of this section is guilty of a misdemeanor and, upon conviction thereof, shall for each incident be
139 fined not less than \$1,000 nor more than \$2,500, or imprisoned in jail for not more than one year,
140 or both fined and imprisoned.

141 (p) Notwithstanding any other provision of law and with respect to a vehicle which the
142 vehicle owner has not chosen to retain, if an insurance company or insurer is unable to obtain the
143 properly endorsed certificate of title for a motor vehicle within 15 days of the payment of a total
144 loss claim, the insurance company or insurer, at any time thereafter, may apply to the Division of

145 Motor Vehicles for a salvage certificate, a cosmetic total loss salvage certificate, or a
146 nonrepairable motor vehicle certificate, as applicable. The application shall be accompanied by
147 evidence that the insurance company or insurer has paid a total loss claim on the vehicle, a copy
148 of a written request for the certificate of title sent to the vehicle owner and any known lienholder
149 by the insurance company or insurer or a designee of the insurance company or insurer, proof
150 that the request was sent by certified mail, return receipt requested, to the last known address of
151 the vehicle owner and any known lienholder, service to be complete upon the mailing thereof, and
152 the required fee, if applicable. Upon receipt of a properly completed application, the division shall
153 issue a salvage certificate, a cosmetic total loss salvage certificate or a nonrepairable motor
154 vehicle certificate, as applicable, in the name of the insurance company or insurer. Such salvage
155 certificate, cosmetic total loss salvage certificate, or nonrepairable motor vehicle certificate shall
156 be issued free and clear of all liens and claims of ownership.

157 (q) If an insurance company or insurer requests that an automobile auction take
158 possession of a motor vehicle that is the subject of an insurance claim, and subsequently the
159 insurance company denies coverage with respect to the motor vehicle or otherwise does not take
160 ownership of the motor vehicle, the automobile auction may proceed as follows. At any time after
161 the automobile auction has had possession of the motor vehicle for 45 days, it may apply to the
162 division for a salvage certificate or a nonrepairable motor vehicle certificate without surrendering
163 the certificate of title for the motor vehicle. The application shall be accompanied by a copy of a
164 written request, on the automobile auction's letterhead, requesting that, upon payment of
165 applicable charges, the vehicle be removed from the automobile auction's facility, proof that the
166 request was delivered by a nationally-recognized courier service or by certified mail to the vehicle
167 owner and any known lienholder at least 15 days before the date of the application, and the
168 required fee, if applicable. Upon receipt of a properly completed application, the division shall
169 issue a salvage certificate or a nonrepairable motor vehicle certificate, as applicable, in the name

170 of the automobile auction. Such salvage certificate or nonrepairable motor vehicle certificate shall
171 be issued free and clear of all liens and claims of ownership.

172 (r) An applicant pursuant to subsection (p) or (q) of this section shall indemnify and hold
173 harmless the Division of Motor Vehicles from any liability arising from an error or
174 misrepresentation made by such applicant in a submission to the division pursuant to subsection
175 (p) or (q) of this section.

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

§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. In such
3 cases, the owner or lienholder shall file application with the division on a blank furnished for that
4 purpose, setting forth the lien or liens and such information and evidence of the lien in connection
5 therewith as the division may deem necessary. Such information shall include the name and
6 address of the lienholder, the kind of and nature of the lien, the date thereof, and the amount
7 thereby secured. However, only the name and address of the lienholder shall be endorsed on the
8 title certificate with the endorsement of the fact of such lien as hereinafter provided. The division,
9 if satisfied that it is proper that the same be recorded, and upon surrender of the certificate of title
10 covering the vehicle, shall thereupon issue a new certificate of title, showing the liens or
11 encumbrances in the order of their filing being according to the date, hour, and minute of receipt
12 by the division of the application for the same. For the purpose of recording a subsequent lien on
13 a certificate of title, the subsequent lienholder shall make a written request upon the lienholder in
14 possession of the certificate of title, accompanied by proof of the existence of the subsequent
15 lien, stating his or her need to have possession of the certificate of title for the purpose of having
16 his or her lien recorded thereon by the division. Thereupon, the lienholder in possession of the

17 certificate shall within a reasonable time, not to exceed 10 days from the receipt of said written
18 request, deliver the certificate of title to the requesting subsequent lienholder.

19 Upon delivery of the certificate of title, the subsequent lienholder shall immediately forward
20 it and the lienholder's own application to the division for the filing of the lien and for the recording
21 of the same on the certificate of title. Upon issuing the new certificate, the division shall thereupon
22 send or deliver it to the holder of the first lien.

23 (b) The provisions of subsection (a) of this section shall not apply to: (1) Vehicles held as
24 inventory for sale by a registered dealer holding title by assignment entered upon a certificate of
25 title; or (2) vehicles for which certificates of title have been issued and are held as inventory for
26 lease by a vehicle rental agency or similar person engaged solely in the business of leasing
27 vehicles. Any lien or encumbrance placed on such vehicles by the voluntary act of the owner shall
28 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, pole 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 (b) The division may enter into agreements with a service provider or providers to
9 administer the electronic exchange of lien information between dealers, financial institutions, and
10 the division. For the purposes of this section, the term financial institutions shall have the same
11 meaning as defined in §17A-6-10b of this code.

12 (c) When electronic transmission of liens and lien satisfaction is used, a hard copy
13 certificate of title need not be issued until the last lien is satisfied and a clear hard copy certificate

14 of title is issued to the owner of the vehicle. When a vehicle is subject to an electronic lien, the
15 certificate of title for the vehicle shall be considered to be physically held by the lienholder for the
16 purpose of compliance with state and federal odometer disclosure requirements and for any other
17 requirement of this code. A duly certified copy of the division's electronic record of the certificate
18 of title and lien shall be admissible in any civil, criminal, or administrative proceeding in this state
19 as evidence of the existence of the lien.

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

24 (e) Beginning July 1, 2025, all financial institutions recording five or more liens in a
25 calendar year shall use the division's electronic lien and title system for all lien actions. The
26 division is not required to issue certificates of title as a paper document to a lienholder after the
27 division's electronic lien and title system is fully implemented: *Provided*, That nothing in this
28 section invalidates, prohibits a person from requesting, or prevents the division from issuing a
29 certificate of title as a paper document.

The Clerk of the House of Delegates and the Clerk of the Senate hereby certify that the foregoing bill is correctly enrolled.

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Clerk of the House of Delegates

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Clerk of the Senate

Originated in the House of Delegates.

In effect July 1, 2025.

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Speaker of the House of Delegates

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President of the Senate

The within is this the.....
Day of, 2025.

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Governor