MISSISSIPPI LEGISLATURE REGULAR SESSION 2021

By: Representative Newman

To: Ways and Means

HOUSE BILL NO. 285

AN ACT TO AMEND SECTION 63-21-23, MISSISSIPPI CODE OF 1972, TO REMOVE THE REQUIREMENT FOR AN APPLICANT OR DEALER THAT IS SEEKING ISSUANCE OF A CERTIFICATE OF TITLE FOR A VEHICLE TO FILE A BOND OR DEPOSIT OF CASH WITH THE DEPARTMENT OF REVENUE AS A CONDITION OF ISSUING A CERTIFICATE OF TITLE IF THE VEHICLE IS CONSIDERED ABANDONED AND UNCLAIMED; TO SPECIFY THE REQUIREMENTS FOR AN ABANDONED VEHICLE TO BE UNCLAIMED; AND FOR RELATED PURPOSES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

SECTION 1. Section 63-21-23, Mississippi Code of 1972, is amended as follows:

63-21-23. If the *** * *** Department of Revenue is not satisfied as to the ownership of the vehicle, manufactured home or mobile home or that there are no undisclosed security interests in it, the *** * *** department may accept the application but shall either:

(a) Withhold issuance of a certificate of title until the applicant presents documents reasonably sufficient to satisfy the *** * *** department as to the applicant's ownership of the vehicle, manufactured home or mobile home and that there are no undisclosed security interests in it; or

(b) (i) Except as otherwise provided in this subsection (b), as a condition of issuing a certificate of title, require the applicant or dealer to file with the * * * department a bond in the form prescribed by the * * * department and executed by the applicant or dealer and by a person authorized to conduct a surety business in this state, or require the application to be accompanied by the deposit of cash with the * * * department. The bond or cash shall be in an amount equal to one and one-half (1-1/2) times the value of the vehicle, manufactured home or mobile home as determined by the * * * department and conditioned to indemnify any prior owner and lienholder and any subsequent purchaser of the vehicle, manufactured home or mobile home or person acquiring any security interest in it, and their respective successors in interest, against any expense, loss or damage, including reasonable attorney's fees, by reason of the issuance of the certificates of title of the vehicle, manufactured home or mobile home or on account of any defect in or undisclosed security interest upon the right, title and interest of the applicant in and to the vehicle, manufactured home or mobile home. Any such interested person has a right of action to recover on the bond or cash for any breach of its conditions, but the aggregate liability of the surety to all persons shall not exceed the amount of the bond or cash. The bond or cash shall be returned at the end of three (3) years unless the * * * department has been notified of the pendency of an action to recover on the bond or cash or that

the vehicle, manufactured home or mobile home does not belong to the registered owner or that it is encumbered by an undisclosed lien.

(ii) However, the department shall not require the applicant or dealer to file a bond or deposit of cash as a condition of issuing a certificate of title if the vehicle is an abandoned vehicle as defined in Section 63-23-3 and is unclaimed. For purposes of this subparagraph (ii), an abandoned vehicle is unclaimed if the owner or lienholder of record has not claimed ownership or title within ten (10) years from the date the notice was sent to the owner or lienholder of record as provided in Section 63-23-9, or if no owner or lienholder of record could be determined, ownership or title has not been claimed within ten (10) years.

SECTION 2. This act shall take effect and be in force from and after July 1, 2021.