

OHIO AUTOMOBILE DEALERS ASSOCIATION



October 14, 2021

Chair and Members of the County Clerk Office Modernization Task Force,

My name is Sara Bruce, and I am the Vice President of Legal Affairs for the Ohio Automobile Dealers Association (“OADA”). OADA represents approximately 830 franchised automobile, truck, motorcycle, and recreational vehicle dealers throughout the Ohio. Our members contribute enormously to Ohio's economy while serving our customers. For instance, in 2018, franchised new vehicle dealerships sold approximately one million new and used vehicles and generated \$39.4 billion in sales revenue for Ohio.

The high volume of sales generated by OADA members results in a significant number of title transactions. OADA advocated for adoption of electronic titling processes that are efficient, while continuing to assure accuracy and security of information provided to our Clerks of Court. As electronic transfer of title documents has become more common, OADA members have found value in processing title paperwork electronically for the following reasons:

- Customers are able to sign title and registration documents either in wet ink or with digital signatures (stylus pen, fingertip signatures), fully utilizing technology to create secure digital deal jackets;
- Dealers maintain communication and existing relationships with their local Clerk of Courts office. When errors occur, they can be corrected quickly;
- ACH Payment to the Clerks of Court eliminates the use of paper checks and allows for a faster transfer of funds;
- Electronic title processes allow liens to be released by electronic lien holders so that titles can be transferred without delay;
- Ohio's electronic title processes integrate with dealerships' dealer management systems to reduce or eliminate manual data entry on multiple forms. This alleviates data entry errors and is efficient;
- Dealerships may connect directly to the state to transfer title paperwork without additional cost or choose to work with a vendor to maximize efficiency.
- Titles, including memo titles, are processed and provided to our members as soon as the title paperwork is approved.

Transferring title paperwork to our Clerks of Court through a digital portal has not changed dealerships' responsibility to verify customer identity, collect and remit sales tax, or retain documents in either paper or electronic form.

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Electronic title processing is an important step in complying with Ohio title and consumer protection laws, in addition to allowing our members to meet customers' needs and expectations. These legal requirements are more easily met using electronic title processes.

For instance:

- Ohio law requires every transfer of ownership, whether retail or wholesale, to be evidenced through the issuance of a certificate of title in the new owner's name. This requirement ensures a complete title chain of owners.
- Ohio law provides protection for retail purchasers of used vehicles who do not receive a title in their name within forty days of purchase; those consumers have an unconditional right to demand rescission.
- Federal bankruptcy law allows bankruptcy trustees to avoid liens during the preference period if a lien is recorded later than 30 days after delivery.

OADA and the Ohio BMV have worked together to develop forms, rules, and programs such as the [Online Title Inquiry](#) which identifies lienholders, number of owners, and other information to assist dealers as electronic titles and electronic titling policies have developed. We continue to work together as we move toward a future that is increasingly digital in nature.

Thank you for allowing me to share my thoughts and experience regarding electronic titling in Ohio with the County Clerk Office Modernization Task Force.

Sincerely,



Sara Bruce, VP Legal Affairs