

1 AN ACT relating to motor vehicles.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔SECTION 1. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO
4 READ AS FOLLOWS:

5 *As used in this chapter:*

6 *(1) "Approved entity" means:*

7 *(a) A motor vehicle dealer licensed under KRS Chapter 190 that applies to and*
8 *is approved by the Transportation Cabinet to facilitate the title application*
9 *process through the electronic title application and registration system;*

10 *(b) A state or federal financial institution chartered under the laws of this state,*
11 *any other state, or the United States as a bank insured by the Federal*
12 *Deposit Insurance Corporation (FDIC), bank holding company, trust*
13 *company, credit union, savings and loan association, or a holding company*
14 *or service corporation subsidiary thereof, or any agent of any of the entities*
15 *listed in this paragraph;*

16 *(c) An owner of a fleet as defined in this section that applies to and is approved*
17 *by the Transportation Cabinet to facilitate renewal of registration or*
18 *maintenance of permanent registration under Section 13 of this Act*
19 *through the electronic title application and registration system; and*

20 *(d) A retailer of manufactured homes, mobile homes, or recreational vehicles,*
21 *as defined in KRS 227.550, that applies to and is approved by the*
22 *Transportation Cabinet to facilitate the title application process through the*
23 *electronic title application and registration system;*

24 *(2) "Cabinet" means the Transportation Cabinet;*

25 *(3) "Electronic title application and registration system" means a system established*
26 *under Section 2 of this Act by which title applications, title lien statements, other*
27 *supporting documents, signatures, and fees are input and transmitted through*

1 *the title application and registration process in an electronic format;*

2 *(4) "Fleet" means:*

3 *(a) A group of at least one hundred fifty (150) U-Drive-It vehicles owned by the*
 4 *holder of a U-Drive-It certificate; or*

5 *(b) A group of at least ten (10) nonapportioned commercial motor vehicles*
 6 *owned by a company and used for business purposes; and*

7 *(5) "Title lien statement" means a document, submitted by a secured party or*
 8 *authorized agent, to the cabinet through any county clerk's office in the*
 9 *Commonwealth, to note the security interest on the certificate of title, or to amend*
 10 *or terminate a security interest on the certificate of title.*

11 ➔SECTION 2. A NEW SECTION OF KRS CHAPTER 186A IS CREATED TO
 12 READ AS FOLLOWS:

13 *(1) The cabinet shall establish an electronic title application and registration system*
 14 *which allows the submission of the required forms and signatures electronically*
 15 *in lieu of the paper title application process.*

16 *(2) The electronic title application and registration system established under this*
 17 *section shall:*

18 *(a) Collect all the necessary information required under KRS 186A.060;*

19 *(b) Collect and electronically transmit all fees imposed under KRS 186.040,*
 20 *186.050, 186.162, and 186A.130, any fees imposed under subsection (6) of*
 21 *this section, and the motor vehicle use tax levied under KRS 138.460;*

22 *(c) Accept electronic signatures which satisfy the requirements of KRS 369.101*
 23 *to 369.120; and*

24 *(d) Transmit the information in a secure manner.*

25 *(3) An approved entity that wishes to use the electronic title application and*
 26 *registration system shall transmit all application documents, required electronic*
 27 *signatures, and fees through the system to the county clerk of the county in which*

- 1 either the purchaser of the vehicle resides or the motor vehicle dealer selling the
2 vehicle is located. A county clerk who receives an application transmitted through
3 the system shall, by 3 p.m. the next business day, either:
- 4 (a) Accept the application and forward it to the cabinet; or
5 (b) Reject the application and return it to the approved entity.
- 6 (4) An entity that wishes to become an approved entity for the purposes of this
7 chapter shall submit an application to the cabinet, along with a one hundred fifty
8 dollar (\$150) application fee. If approved, the entity shall pay an annual
9 registration fee to the cabinet. All fees collected under this subsection shall be
10 deposited into the road fund.
- 11 (5) The cabinet shall enter into contracts with qualified third-party providers to
12 integrate with AVIS and other systems to provide software and programs to
13 approved entities to facilitate electronic vehicle registration, titling, and filing of
14 title lien statements. A third party that contracts with the cabinet under this
15 section may act on behalf of the cabinet and county clerks in receiving,
16 processing, and transmitting to the county clerk title and registration
17 applications, title lien statements, and related documents and fees.
- 18 (6) Any agreement with the cabinet and a third-party provider under subsection (5)
19 of this section shall authorize an online transaction fee to be charged by the
20 third-party provider to an approved entity. A motor vehicle dealer licensed under
21 KRS Chapter 190 who uses the electronic title application and registration system
22 to file the documentation necessary to obtain a certificate of title or registration
23 for the purchaser of a vehicle shall collect from the purchaser any fees charged
24 for the transaction by the third-party provider. The dealer shall remit fees
25 collected under this subsection to the county clerk through the electronic title
26 application and registration system. Any transaction fee charged under this
27 subsection shall be listed separately on the buyer's order and identified as "on-

1 line system filing fee."

2 (7) The cabinet shall promulgate administrative regulations in accordance with KRS
 3 Chapter 13A to establish qualifications for approved entities and procedures for
 4 the electronic title application and registration system.

5 →Section 3. KRS 186A.165 is amended to read as follows:

6 (1) Except as provided in subsection (4) of this section, not later than 3 p.m. on the
 7 next business day after an application for a ~~first~~ certificate of registration or title
 8 and registration for a vehicle is received ~~by him~~, the county clerk shall complete
 9 ~~a~~~~prepare on forms supplied by the Department of Vehicle Regulation, an~~
 10 ~~application~~ transmittal record.

11 (2)~~(1)~~ The clerk shall indicate thereon in the spaces provided, the name of his or her
 12 county, the date or time period the transmittal relates to and, in the order they are to
 13 be attached to the transmittal record, a notation for each application attached
 14 consisting of the applicant's last name and initials or if the applicant is other than an
 15 individual, the name commonly used by the applicant and any other information
 16 required upon the form as indicated thereon.

17 (3)~~(2)~~ The clerk shall ensure that the original of all applications noted on the
 18 transmittal, together with the original of all required supporting documents are
 19 attached to the transmittal record in the order shown thereon, and shall thereafter
 20 sign and date the original of the transmittal record as of the date the transmittal is
 21 being forwarded to Frankfort.

22 ~~[(3) The county clerk shall place the original of each application record, with the~~
 23 ~~original of each application shown thereon, and its required supporting documents,~~
 24 ~~together with the acknowledgment of the transmittal record, in the envelope or other~~
 25 ~~container provided by the Department of Vehicle Regulation and forward to the~~
 26 ~~Division of Motor Vehicle Licensing in Frankfort.]~~

27 (4) This section shall not apply to applications for title using the electronic title

1 **application and registration system established under Section 2 of this Act.**

2 ➔Section 4. KRS 186A.120 is amended to read as follows:

- 3 (1) **Except for applications for title using the electronic title application and**
4 **registration system established under Section 2 of this Act,** application for a first
5 certificate of registration or title and plate~~[-]~~ shall be made by the owner to the
6 county clerk of the county in which **the owner**~~[he]~~ resides, except that, if a vehicle
7 is purchased from a dealer other than in the county in which the purchaser for use
8 resides, the purchaser, or the dealer on behalf of the purchaser, may make
9 application for registration to the county clerk in either the county in which the
10 purchaser resides, or in the county in which the dealer's principal place of business
11 is located.
- 12 (2) (a) When purchaser of a vehicle upon which a lien is to be recorded is a resident
13 of a county other than that of the dealer, the application for registration or title
14 may be made to the county clerk in either county. The lien must be recorded in
15 the county of the purchaser's residence.
- 16 (b) If vehicle application for registration or title is presented to the county clerk of
17 dealer's location rather than purchaser's residence, the clerk shall process
18 documents in a manner similar to that of any application, with the exception
19 that the AVIS system shall be programmed in a manner that the title shall not
20 be issued from Frankfort until the lien information has been entered by the
21 county clerk of the purchaser's residence.
- 22 (3) (a) A new vehicle, when first registered or titled in this state, shall be registered
23 or titled in the name of the first owner for use rather than in the name of a
24 dealer who held the vehicle for sale.
- 25 (b) Except as otherwise provided in this chapter, a used vehicle not previously
26 registered or titled in this state shall be registered or titled in the name of the
27 first owner for use rather than in the name of a dealer who held the vehicle for

1 resale.

2 (4) If the owner of a vehicle required to be registered or titled in this state does not
3 reside in the Commonwealth, the vehicle shall be registered or titled with the county
4 clerk of the county in which the vehicle is principally operated.

5 (5) If the owner of a vehicle is other than an individual and resides in the
6 Commonwealth, the vehicle shall be registered or titled with the county clerk in
7 either the county in which the owner resides or in the county in which the vehicle is
8 principally operated.

9 ➔Section 5. KRS 186A.125 is amended to read as follows:

10 (1) Except as provided in subsection (5) of this section, application for a first
11 certificate of registration, or title, in the name of an owner shall be made on forms
12 prescribed by the Department of Vehicle Regulation consistent with this chapter,
13 which shall be available from any county clerk.

14 (2) Application forms shall be completed, except as to required signatures, by legibly
15 printing in ink, or typing all required information.

16 (3) The application, when presented to the county clerk, shall contain all required
17 information and be fully executed with all required supporting documentation and
18 fees.

19 (4) The county clerk shall reject any application upon which the information provided
20 is not legibly printed or typed, the required information is not supplied, not
21 accompanied by required supporting documents, not properly executed with
22 signatures when required, or when the clerk determines that the application is
23 improper or that the applicant is not entitled to registration or title of the vehicle for
24 which registration or title is sought, or in the absence of the required fees.

25 (5) This section shall not apply to applications for title using the electronic title
26 application and registration system established under Section 2 of this Act.

27 ➔SECTION 6. KRS 186A.195 IS REPEALED AND REENACTED TO READ

1 AS FOLLOWS:

- 2 (1) As used in this section, submission of a title lien statement refers to the
3 presentation of a title lien statement, along with the fees required under KRS
4 64.012(1)(b), to the cabinet through any county clerk's office in the
5 Commonwealth.
- 6 (2) Upon submission of a title lien statement, the county clerk shall use the
7 information on the form to note the security interest on the certificate of title in
8 accordance with subsection (9) of Section 9 of this Act. Title lien statements may
9 be made available to the general public. However, public availability of a title lien
10 statement shall not be considered necessary or effective to perfect a security
11 interest in property required to be registered or titled in accordance with this
12 chapter.
- 13 (3) (a) If the submission of a title lien statement accompanies the application for
14 first title of any property in the name of an owner, the county clerk shall
15 enter the information required by subsection (9) of Section 9 of this Act into
16 the system of record so as to allow the cabinet to:
- 17 1. Use the system of record as a centralized, statewide repository for lien
18 filings; and
- 19 2. Produce a certificate of title bearing the information designated by
20 subsection (9) of Section 9 of this Act, as well as any other
21 information required by the cabinet.
- 22 (b) After the information has been entered, the county clerk shall produce a
23 certificate of registration, if required.
- 24 (4) (a) If the form prescribed by KRS 186A.060 indicates a pending lien, but the
25 title lien statement does not accompany the application for title, the county
26 clerk shall enter into the system of record the name and address of the
27 lienholder or that a lien is pending. The county clerk shall indicate a title

1 shall not be issued until either the title lien statement and the required fees
2 are submitted, or in thirty (30) days, whichever occurs first. The county
3 clerk shall then issue the registration.

4 (b) After submission of the title lien statement, the county clerk shall enter the
5 date of lien notation and the notation number into the system of record,
6 enabling the cabinet to record the lien in the system of record and produce a
7 title.

8 (5) If a certificate of title is issued after the thirty (30) day time window identified in
9 subsection (4) of this section has expired without the notation of a security
10 interest, or if a title has been issued because there was no provision made for a
11 lien to be noted within thirty (30) days, a secured party wishing to note a security
12 interest on a title shall submit a title lien statement. The county clerk shall enter
13 the information required by subsection (9) of Section 9 of this Act into the system
14 of record and a new certificate of title reflecting the security interest shall be
15 produced.

16 (6) The fee for the filing of a title lien statement through the electronic title
17 application and registration system shall be transferred electronically to the
18 county clerk of the county in which the debtor resides.

19 (7) The security interest noted on the certificate of title shall be deemed perfected at
20 the time the security interest attaches in accordance with KRS 355.9-203 if the
21 secured party submits a properly completed title lien statement with application
22 for first title or, in the case of property previously titled in the name of the debtor,
23 within thirty (30) days of attachment. Otherwise, the security interest shall be
24 deemed perfected at the time that the title lien statement is submitted.

25 ➔Section 7. KRS 186A.200 is amended to read as follows:

26 (1) With respect to a vehicle previously titled in the name of its debtor, the secured
27 party shall, within thirty (30) days after execution of the security agreement, submit

1 *a title lien statement in accordance with Section 6 of this Act*~~[obtain the current~~
 2 ~~certificate of title in the name of the debtor, with no more than one (1) prior lien~~
 3 ~~indicated thereon, and present to the county clerk the certificate of title, which the~~
 4 ~~secured party shall have the right to obtain from the debtor, together with the title~~
 5 ~~lien statement and the required fees in KRS 186A.190 to the county clerk].~~

6 (2) For failure to present~~[both] the[title and]~~ title lien statement within the time
 7 prescribed by subsection (1) of this section, the secured party shall pay a penalty of
 8 two dollars (\$2) to the county clerk as a prerequisite for noting the security interest
 9 on the title.

10 (3) The county clerk shall enter the information required by KRS 186A.190(9) into *the*
 11 *system of record established under Section 6 of this Act, enabling the cabinet to*
 12 *record the lien in the system of record and produce a title*~~[the automated system].~~

13 ~~(4) The county clerk shall record upon the title in the appropriate section the~~
 14 ~~information designated by KRS 186A.190(9)].~~

15 ➔Section 8. KRS 186.045 is amended to read as follows:

16 (1) A perfected security interest in a motor vehicle that has been satisfied by payment in
 17 full shall be deemed to have been discharged if one (1) or both of the following
 18 events has occurred:

19 (a) The funds to pay in full and discharge the security interest have been provided
 20 to the secured party in the form of a cashier's check, certified check, or wire
 21 transfer; or

22 (b) The debt has been paid to a secured party who is no longer in existence or has
 23 failed to file the necessary documents to discharge the lien.

24 (2) If payment in full has been made under subsection (1)(a) of this section, the
 25 discharge of the lien shall be made not later than ten (10) days from the receipt of
 26 the payment.

27 (3) When a security interest has been paid in full and a termination statement or

1 discharge has not been filed, the debtor may petition the Circuit Court in the county
 2 of the debtor's residence to order the discharge of the security interest. The debtor
 3 shall present written evidence to the Circuit Court that the security interest has been
 4 paid in full. If the evidence presented to the Circuit Court proves to the court's
 5 satisfaction that the security interest has been paid in full, the court shall order the
 6 county clerk to note the termination on the title and to remove the lien from the
 7 Automated Vehicle Information System (AVIS). A copy of the court's order shall
 8 immediately be sent to the county clerk in the county where the security interest was
 9 originally filed and the county clerk shall discharge the security interest and remove
 10 the lien information from AVIS in accordance with the provisions of this section.

11 (4) Whenever a security interest has been discharged, other than by proceedings under
 12 Part 6 of Article 9 of KRS Chapter 355 or similar proceedings, the secured party
 13 shall:

14 (a) **1. For a security interest perfected prior to the effective date of this Act:**

15 **a.** Deliver an authenticated termination statement in the manner
 16 required by KRS 355.9-513 ~~and 186A.195~~ to the county clerk of
 17 the county in which the title lien statement was submitted; or

18 **b.**~~(b)~~ Have a county clerk from another county submit by fax or
 19 other form of electronic communication available and acceptable
 20 to both sender and recipient, and verified verbally or by
 21 electronically assigned identification as being from the sending
 22 clerk, and which is able to be copied to an electronic or paper file,
 23 on that county clerk's letterhead, an authenticated termination
 24 statement in the manner required by KRS ~~186A.195 and~~ 355.9-
 25 513 to the county clerk of the county in which the title lien
 26 statement was submitted. The county clerk, upon receipt of the
 27 authenticated termination statement in the manner prescribed

1 under this paragraph, shall verify the legitimacy of the document;

2 or

3 2. For a security interest perfected on or after the effective date of this
 4 Act, submit an authenticated termination statement to a county clerk
 5 in the same manner as a title lien statement under Section 6 of this
 6 Act; and[-]

7 (b) ~~[-The secured party shall also -]~~ Deliver a copy of the termination statement to
 8 the debtor or the debtor's transferee.

9 For failure to file the termination statement within the allowable time, the secured
 10 party shall be subject to the penalty provided in KRS 186.990(1). Except as
 11 provided in subsection (3) of this section, within five (5) days after the receipt of
 12 these~~[-such -]~~ documents, the county clerk shall enter~~[-note -]~~ the filing into the system
 13 of record~~[-in the index, in language prescribed by the cabinet, that the termination~~
 14 ~~statement has been filed. Upon presentation of the owner's title showing a security~~
 15 ~~interest to the county clerk where the termination statement was submitted, and with~~
 16 ~~the copy of the termination statement submitted by the secured party, the clerk shall~~
 17 ~~discharge the security interest by noting on the title that the termination statement~~
 18 ~~has been filed and place the seal of the county clerk thereon. The clerk shall return~~
 19 ~~the owner's title to the owner].~~ The county clerk shall then file the termination
 20 statement in the place from which the title lien statement was removed. Termination
 21 statements shall be retained in the clerk's files for a period of two (2) years
 22 subsequent to the date of filing a statement, at which time they may be destroyed.
 23 The fee for these services are included in the provisions of KRS 186A.190.

24 (5) Upon presentation of an owner's title showing a security interest to the county clerk
 25 of a county where the termination statement was not delivered, the county clerk
 26 shall access the automated system to determine whether a record of termination of
 27 the security interest has been entered into the automated system by the county clerk

1 where the termination statement was delivered by the secured party as provided in
2 KRS 186A.210. If a record of termination has been entered into the automated
3 system, the county clerk of the county where the termination statement was not
4 delivered~~[,]~~ shall note the discharge of the security interest on the certificate of title
5 by noting that the termination statement has been delivered, the county where it was
6 delivered, and placing the seal of the county clerk thereon and may rely on the
7 automated system to do so. If a record of termination has not been entered into the
8 automated system, the county clerk of the county other than where the termination
9 statement was delivered shall not make any notation upon the certificate of title that
10 the security interest has been discharged or that a termination statement has been
11 delivered to the county where the title lien statement was submitted.

12 (6) Whenever any secured party repossesses a vehicle titled in Kentucky, for which a
13 security interest is in existence at the time of repossession, and disposes of the
14 vehicle pursuant to the provisions of KRS Chapter 355, the secured party shall
15 present, within fifteen (15) days after ~~the~~such disposition, the vehicle's license
16 plate if the plate has not been retained by the previous owner, an affidavit in a form
17 prescribed by the department, proof of notification of all interested parties pursuant
18 to KRS 186A.190 and 355.9-611, and a termination statement or proof that a
19 termination statement has been filed. The new owner shall pay to the county clerk
20 all applicable fees for titling and transferring the vehicle into his or her name. Upon
21 receipt of ~~the~~such documents, the county clerk who issued the lien shall then omit
22 from the new title ~~he makes~~ application~~for~~ any information relating to the
23 security interest under which the vehicle was repossessed or any security interest
24 subordinate thereto. However, any security interest, as shown by ~~the~~such title
25 which is superior to the one under which the vehicle was repossessed, shall be
26 shown on the title issued by the clerk unless the prior secured party has discharged
27 the security interest in the clerk's office or proof of termination is submitted, if the

- 1 prior security interest was discharged in another clerk's office.
- 2 (7) Whenever any vehicle brought into Kentucky is required to be titled and the vehicle
3 is then subject to a security interest in another state as shown by the out-of-state
4 documents presented to the clerk, the county clerk is prohibited from processing the
5 application for title on the vehicle unless the owner obtains from the secured party a
6 financing statement or title lien statement and presents same to the clerk along with
7 the fees required in KRS 186A.190. The clerk shall note the out-of-state security
8 interest on the certificate of title. This provision does not apply to vehicles required
9 to be registered in Kentucky under forced registration provisions under KRS
10 186.145.
- 11 (8) The fees provided for in this section are in addition to any state fee provided for by
12 law.
- 13 (9) Any person violating any provision of this section or any person refusing to
14 surrender a certificate of title registration and ownership or transfer certificate upon
15 request of any person entitled thereto, is subject to the penalties provided in
16 subsection (1) of KRS 186.990.
- 17 (10) The county clerk is prohibited from noting any security interest on a certificate of
18 title on any vehicle subject to the provisions of KRS Chapter 186A if a certificate of
19 title therefor is presented to the clerk~~[him]~~ which has all the spaces provided
20 thereon for noting security interests fully exhausted. The owner is responsible for
21 ensuring that a discharge is noted on the certificate of title for each security interest
22 and then a duplicate title as provided for in KRS 186A.180 shall be obtained from
23 the clerk by the owner of the vehicle.
- 24 (11) Security interests in vehicles sold to or owned by residents of other states shall be
25 perfected in the state of the nonresident and repossession of the vehicle shall be
26 taken pursuant to the laws of that state, unless:
- 27 (a) The vehicle is principally operated in Kentucky;

1 (b) The vehicle is properly titled in Kentucky under KRS Chapter 186A; and

2 (c) The security interest is authorized to be noted on the certificate of title by the
3 county clerk under KRS Chapter 186A.

4 (12) A county clerk who accepts an authenticated termination statement and complies
5 with the verification requirements of subsection (4)(a)1.b.~~[(4)(b)]~~ of this section
6 shall be held harmless from any liability arising from fraudulent termination
7 statements.

8 ➔Section 9. KRS 186A.190 is amended to read as follows:

9 (1) Except as provided in subsection (6) of this section and in KRS 355.9-311(4), the
10 perfection of a security interest in any property for which has been issued a
11 Kentucky certificate of title shall be by notation on the certificate of title which shall
12 be deemed to have occurred when the provisions of subsection (3) of this section
13 have been complied with. Discharge of a security interest shall be by notation on the
14 certificate of title. Notation shall be made by the entry of information required by
15 subsection (9) of this section into the Automated Vehicle Information System. The
16 notation of the security interest on the certificate of title shall be in accordance with
17 this chapter and shall remain effective from the date on which the security interest is
18 noted on the certificate of title for a period of ten (10) years, or, in the case of a
19 manufactured home, for a period of thirty (30) years, or until discharged under this
20 chapter and KRS Chapter 186. The filing of a continuation statement within the six
21 (6) months preceding the expiration of the initial period of a notation's effectiveness
22 extends the expiration date for five (5) additional years, commencing on the day the
23 notation would have expired in the absence of the filing. Succeeding continuation
24 statements may be filed in the same manner to continue the effectiveness of the
25 initial notation.

26 (2) A motor vehicle dealer, a secured party or its representative, an assignee of a retail
27 installment contract lender, the cabinet, or a county clerk shall rely on a county of

1 residence designated by the debtor on any approved, notarized state form utilized in
 2 lien titling or the title transfer process signed by the debtor. Reliance on the
 3 foregoing by the motor vehicle dealer, secured parties, cabinet, and county clerk
 4 shall relieve those persons from liability to any third party claiming failure to
 5 comply with this section.

6 (3) Except as provided in subsection (6) of this section, the notation of security interests
 7 relating to property required to be titled under this chapter in Kentucky through the
 8 cabinet~~county clerk~~ shall be done in the office of a~~the~~ county clerk. The
 9 notation of a security interest shall reflect~~of~~ the county in which the debtor
 10 resides as determined by subsections (2) and (4) of this section. The security interest
 11 shall be deemed to be noted on the certificate of title and perfected, or deemed
 12 perfected at the time the security interest attaches as provided in KRS 355.9-203, if
 13 in compliance with KRS 186A.195(7)~~(5)~~, when a title lien statement:

- 14 (a) Is received by the county clerk,~~in the county in which residence of the debtor~~
 15 ~~resides as determined under the provisions of this section~~ together with the
 16 required fees~~, as designated by the debtor in the sworn statement~~;
- 17 (b) Describes the titled vehicle, or vehicle to be titled, by year, model, make, and
 18 vehicle identification number;
- 19 (c) Provides the name of the secured party, or a representative of the secured
 20 party, together with the additional information about the secured party
 21 required by subsection (9) of this section with reasonable particularity; and
- 22 (d) Includes the date and time-stamped entry of the notation of the security
 23 interest by the county clerk of the required information in the Automated
 24 Vehicle Information System (AVIS), or its successor title processing system
 25 maintained by the Division of Motor Vehicle Licensing of the Transportation
 26 Cabinet.

27 (4) Except as provided in subsection (6) of this section, if the debtor is other than a

1 natural person, the following provisions govern the determination of the county of
2 the debtor's residence:

- 3 (a) A partnership shall be deemed a resident of the county in which its principal
4 place of business in this state is located. If the debtor does not have a place of
5 business in this state, then the debtor shall be deemed a nonresident for
6 purposes of filing in this state;
- 7 (b) A limited partnership organized under KRS Chapter 362 or as defined in KRS
8 362.2-102(14) shall be deemed a resident of the county in which its principal
9 place of business is located, as set forth in its certificate of limited partnership
10 or most recent amendment thereto filed pursuant to KRS Chapter 362 or
11 362.2-202. If ~~the~~^{such} office is not located in this state, the debtor shall be
12 deemed a nonresident for purposes of filing in this state;
- 13 (c) A limited partnership not organized under the laws of this state and authorized
14 to do business in this state shall be deemed a resident of the county in which
15 the office of its process agent is located, as set forth in the designation or most
16 recent amendment thereto filed with the Secretary of State of the
17 Commonwealth of Kentucky;
- 18 (d) A corporation organized under KRS Chapter 271B, 273, or 274 or a limited
19 liability company organized under KRS Chapter 275 shall be deemed a
20 resident of the county in which its registered office is located, as set forth in
21 its most recent corporate filing with the Secretary of State which officially
22 designates its current registered office;
- 23 (e) A corporation not organized under the laws of this state, but authorized to
24 transact or do business in this state under KRS Chapter 271B, 273, or 274, or
25 a limited liability company not organized under the laws of this state, but
26 authorized to transact business in this state under KRS Chapter 275, shall be
27 deemed a resident of the county in which its registered office is located, as set

1 forth in its most recent filing with the Secretary of State which officially
2 designates its current registered office;

3 (f) A cooperative corporation or association organized under KRS Chapter 272
4 shall be deemed a resident of the county in which its principal business is
5 transacted, as set forth in its articles of incorporation or most recent
6 amendment thereto filed with the Secretary of State of the Commonwealth of
7 Kentucky;

8 (g) A cooperative corporation organized under KRS Chapter 279 shall be deemed
9 a resident of the county in which its principal office is located, as set forth in
10 its articles of incorporation or most recent amendment thereto filed with the
11 Secretary of State of the Commonwealth of Kentucky;

12 (h) A business trust organized under KRS Chapter 386 shall be deemed a resident
13 of the county in which its principal place of business is located, as evidenced
14 by the recordation of its declaration of trust in that county pursuant to KRS
15 Chapter 386;

16 (i) A credit union organized under Subtitle 6 of KRS Chapter 286 shall be
17 deemed a resident of the county in which its principal place of business is
18 located, as set forth in its articles of incorporation or most recent amendment
19 thereto filed with the Secretary of State of the Commonwealth of Kentucky;
20 and

21 (j) Any other organization defined in KRS 355.1-201 shall be deemed a resident
22 of the county in which its principal place of business in this state is located,
23 except that any limited liability company, limited liability partnership, limited
24 partnership, or corporation not organized under the laws of this state and not
25 authorized to transact or do business in this state shall be deemed a
26 nonresident for purposes of filing in this state. If the organization does not
27 have a place of business in this state, then it shall be deemed a nonresident for

1 purposes of filing in this state.

2 If the debtor does not reside in the Commonwealth, the notation of the security
3 interest shall be done in the office of the county clerk in which the property is
4 principally situated or operated. Notwithstanding the existence of any filed
5 financing statement under the provisions of KRS Chapter 355 relating to any
6 property registered or titled in Kentucky, the sole means of perfecting and
7 discharging a security interest in property for which a certificate of title is required
8 by this chapter is by notation on the property's certificate of title under the
9 provisions of this chapter or in accordance with the provisions of KRS 186.045(3).
10 In other respects the security interest is governed by the provisions of KRS Chapter
11 355.

12 (5) Except as provided in subsection (6) of this section, before ownership of property
13 subject to a lien evidenced by notation on the certificate of title may be transferred,
14 the transferor shall obtain the release of the prior liens in his ***or her*** name against
15 the property being transferred. Once a security interest has been noted on the
16 owner's title, a subsequent title shall not be issued by any county clerk free of the
17 notation unless ~~the owner's title is presented to the clerk and~~ it has been noted ***in***
18 ***the system of record established under Section 6 of this Act*** ~~thereon~~ that the
19 security interest has been discharged. If this requirement is met, information relating
20 to any security interest shown on the title as having been discharged may be omitted
21 from the title to be issued by the clerk. If information relating to the discharge of a
22 security interest is presented to a clerk under the provisions of KRS 186.045(3), the
23 clerk shall discharge the security interest and remove the lien information from
24 AVIS.

25 (6) Notwithstanding subsections (1) to (5) of this section, a county clerk shall,
26 following inspection of the vehicle by the sheriff, to determine that the vehicle has
27 not been stolen, issue a new ownership document to a vehicle, clear of all prior

1 liens, to a person after he or she provides to the county clerk an affidavit devised by
2 the Transportation Cabinet and completed by the person. The ownership document
3 presented as a result of this affidavit shall be in accordance with subsection (7) of
4 this section. In the affidavit, the affiant shall attest that:

5 (a) The affiant or the agent of the affiant possesses the vehicle;

6 (b) Before he or she provided the notices required by paragraphs (c) and (d) of
7 this subsection:

8 1. A debt on the vehicle has been owed him or her for more than thirty (30)
9 days;

10 2. Within thirty (30) days of payment of damages by an insurance company
11 and receipt by the current owner of the motor vehicle or lienholder of
12 damages pursuant to a claim settlement which required transfer of the
13 vehicle to the insurance company, the insurance company has been
14 unable to obtain:

15 a. A properly endorsed certificate of title on the vehicle from the
16 current owner; and

17 b. If applicable, any lien satisfactions; or

18 3. a. The vehicle was voluntarily towed or transported pursuant to a
19 request of the current owner or an insurance company that a motor
20 vehicle dealer, licensed as a used motor vehicle dealer and motor
21 vehicle auction dealer, take possession of and store the motor
22 vehicle in the regular course of business; and

23 b. Within forty-five (45) days of taking possession of the motor
24 vehicle, the motor vehicle dealer has not been paid storage fees by
25 the current owner or lienholder and has not been provided both a
26 properly endorsed certificate of title and if applicable, any lien
27 satisfactions;

- 1 (c) More than thirty (30) days before presenting the affidavit to the county clerk,
2 the affiant attempted to notify the owner of the vehicle and all known
3 lienholders, including those noted on the title, by certified mail, return receipt
4 requested, or by a nationally recognized courier service, of his or her name,
5 address, and telephone number as well as his or her intention to obtain a new
6 title or salvage title, as applicable, clear of all prior liens, unless the owner or a
7 lienholder objects in writing;
- 8 (d) More than fourteen (14) days before presenting the affidavit to the county
9 clerk, the affiant had published a legal notice stating his or her intention to
10 obtain title to the vehicle. The legal notice appeared at least twice in a seven
11 (7) day period in a newspaper with circulation in the county. The legal notice
12 stated:
- 13 1. The affiant's name, address, and telephone number;
 - 14 2. The owner's name;
 - 15 3. The names of all known lienholders, including those noted on the title;
 - 16 4. The vehicle's make, model, and year; and
 - 17 5. The affiant's intention to obtain title to the vehicle unless the owner or a
18 lienholder objects in writing within fourteen (14) days after the last
19 publication of the legal notice; and
- 20 (e) Neither the owner nor a lienholder has objected in writing to the affiant's right
21 to obtain title to the vehicle.
- 22 (7) (a) If subsection (6)(b)1. of this section applies, the new ownership document
23 shall be a title.
- 24 (b) If subsection (6)(b)2. or 3. of this section applies, the new ownership
25 document shall be a salvage title if the vehicle meets the requirements for a
26 salvage title as stated in KRS 186A.520(1)(a).
- 27 (c) If subsection (6)(b)2. or 3. of this section applies and the vehicle does not

1 meet the requirements for a salvage title as stated in KRS 186A.520(1)(a), the
2 new ownership document shall be a title.

3 (8) No more than two (2) active security interests may be noted upon a certificate of
4 title.

5 (9) In noting a security interest upon a certificate of title, the county clerk shall ensure
6 that the certificate of title bears the lienholder's name, mailing address and zip code,
7 the date the lien was noted, the notation number, and the county in which the
8 security interest was noted. The clerk shall obtain the information required by this
9 subsection for notation upon the certificate of title from the title lien statement
10 described in KRS 186A.195~~[to be provided to the county clerk by the secured~~
11 ~~party]~~.

12 (10) For all the costs incurred in the notation and discharge of a security interest on the
13 certificate of title, the county clerk shall receive the fee prescribed by KRS 64.012.
14 The fee prescribed by this subsection shall be paid at the time of submittal of the
15 title lien statement described in KRS 186A.195.

16 (11) A copy of the application, certified by the county clerk, indicating the lien will be
17 noted on the certificate of title shall be forwarded to the lienholder.

18 ➔Section 10. KRS 186A.205 is amended to read as follows:

19 Whenever a security interest is assigned as provided by KRS 186.045(4), the county
20 clerk~~[of a county that is operating under automated procedures]~~ shall~~[, in addition to~~
21 ~~carrying out his requirements stated therein,]~~ enter the record of lien assignment into ***the***
22 ***system of record established under Section 6 of this Act***~~[the automated system]~~ in the
23 manner directed by the Department of Vehicle Regulation.

24 ➔Section 11. KRS 186A.210 is amended to read as follows:

25 (1) When a security interest has been discharged under the provisions of KRS
26 186.045(3), the county clerk shall discharge the security interest and remove the lien
27 information from AVIS.

1 (2) When a security interest has been discharged as provided by KRS 186.045(4), the
 2 county clerk~~[of a county that is operating under automated procedures]~~ shall, upon
 3 receiving a termination statement, within five (5) days enter the record of
 4 termination into **the system of record established under Section 6 of this Act**~~[the~~
 5 ~~automated system. The automated system shall be programmed to allow a county~~
 6 ~~clerk in a county where the termination statement was not received to access the~~
 7 ~~automated system to determine the county and date that the record of termination~~
 8 ~~was entered into the automated system. The clerk of the county where the~~
 9 ~~termination statement was received shall then release the lien recorded upon the title~~
 10 ~~in the manner directed by the Department of Vehicle Regulation]~~, and take such
 11 other action with respect to a termination as is directed by the Department of
 12 Vehicle Regulation.

13 ➔SECTION 12. A NEW SECTION OF KRS CHAPTER 281 IS CREATED TO
 14 READ AS FOLLOWS:

15 **(1) A U-Drive-It who becomes an approved entity as defined in Section 1 of this Act**
 16 **may use the electronic title application and registration system established under**
 17 **Section 2 of this Act to:**

18 **(a) Apply for initial or renewal registration on vehicles in its fleet; or**

19 **(b) Submit the appropriate fees and taxes to maintain permanent registration**
 20 **on vehicles in its fleet in accordance with Section 13 of this Act.**

21 **(2) The cabinet shall promulgate administrative regulations in accordance with KRS**
 22 **Chapter 13A to set forth procedures for holders of U-Drive-It certificates who**
 23 **meet the definition of an approved entity under Section 1 of this Act to access the**
 24 **electronic title application and registration system for initial or renewal**
 25 **registration and payment of annual fees and taxes on permanent registrations.**

26 ➔SECTION 13. A NEW SECTION OF KRS CHAPTER 186A IS CREATED
 27 TO READ AS FOLLOWS:

- 1 (1) The cabinet shall establish procedures whereby an owner or lessee of fleet
2 vehicles may be issued permanent fleet registration plates for vehicles in its fleet.
- 3 (2) The owner of a fleet of motor vehicles shall, upon application in the manner and
4 at the time prescribed and upon approval by the department, payment of ad
5 valorem taxes under KRS Chapter 132, and registration fees under KRS 186.040
6 or 186.050, be issued permanent fleet license plates. Except for U-Drive-It
7 vehicles described in subsection (3)(b) of this section, vehicles with a fleet license
8 plate shall have the company's name or logo and unit number displayed on the
9 vehicle so that they are readily identifiable.
- 10 (3) (a) Except as provided in paragraph (b) of this subsection, fleet plates, which
11 shall be of a distinctive color, shall have the word "Fleet" appearing at the
12 bottom, the word "Kentucky" appearing at the top. In all other respects,
13 fleet plates shall conform to the provisions of Section 15 of this Act.
- 14 (b) U-Drive-It vehicles owned by a motor vehicle renting company as defined by
15 KRS 281.687 shall be issued regular standard issue license plates. Fleet
16 vehicles under this paragraph shall be issued a decal by the cabinet to
17 denote the permanent registration status of the vehicle.
- 18 (4) In addition to the registration fee prescribed by KRS 186.050 for initial and
19 renewal registrations, an annual fleet management fee of two dollars (\$2) per
20 vehicle shall be charged. A one-time license plate manufacturing fee of four
21 dollars (\$4) shall be charged for plates issued for the established number of
22 vehicles in the fleet. All fees collected under this section shall be deposited into
23 the road fund.
- 24 (5) Payment of ad valorem taxes and registration fees shall be made annually and
25 shall be evidenced only by the issuance of a single receipt by the cabinet. The
26 provisions of Section 14 of this Act requiring a registration receipt be kept in the
27 vehicle shall not apply and no annual registration decal shall be required for

1 vehicles registered in accordance with this section.

2 (6) If a recipient of fleet license plates fails to pay all annual registration fees and ad
 3 valorem taxes on vehicles in its fleet properly and in a timely manner, the cabinet
 4 may impose a delinquency penalty of:

5 (a) Ten percent (10%) of the delinquent taxes and fees due, if the failure is for
 6 not more than thirty (30) days; and

7 (b) An additional ten percent (10%) penalty for each additional thirty (30) days,
 8 or fraction thereof, that the failure continues, not to exceed a total penalty
 9 of one hundred percent (100%) in the aggregate.

10 (7) All recipients of fleet license plates authorized by this section shall provide the
 11 department with an annual vehicle reconciliation and shall annually surrender
 12 all unassigned license plates. Failure to comply with this subsection may result in
 13 finest of up to one thousand dollars (\$1,000) for each occurrence or in suspension
 14 or termination from the fleet program.

15 (8) The cabinet shall promulgate administrative regulations in accordance with KRS
 16 Chapter 13A to set forth procedures for:

17 (a) Fleet vehicle owners to apply to the cabinet for permanent registration for
 18 their fleet vehicles in accordance with this section; and

19 (b) Fleet vehicle owners who qualify as approved entities under Section 1 of
 20 this Act to access the electronic title application and registration system for
 21 registration renewal and payment of annual fees and taxes on permanent
 22 registrations.

23 ➔Section 14. KRS 186.170 is amended to read as follows:

24 (1) Except as provided in this subsection, Section 13 of this Act, and~~in~~ KRS
 25 186.045, the owner shall have the receipt issued by the cabinet through the county
 26 clerk constantly in his possession, and shall display the registration plate
 27 conspicuously upon the rear of the motor vehicle, except that the registration plate

1 upon a semitrailer-tractor shall be displayed upon the front of the tractor. The
2 owner's copy, or a reproduced copy thereof, of the registration receipt of every
3 motor vehicle, except motorcycles, licensed under KRS 186.050 shall be kept in the
4 vehicle at all times and shall be available for inspection. Plates shall be kept legible
5 at all times and the rear plate shall be illuminated when being operated during the
6 hours designated in KRS 189.030. No rim, frame, or other covering around the plate
7 shall in any way obscure or cover any lettering or decal on the plate; except that, any
8 owner who objects to the display of a trademark of a private corporation which
9 appears on the registration plate shall be entitled to receive a set of decals from the
10 county clerk in his or her county of residence to cover the trademark of the private
11 corporation. The owner may apply for the decal by presenting his or her certificate
12 of registration either at the time of registration renewal or later. The county clerk
13 shall charge a three dollar (\$3) clerk's fee for issuing the decal set if it is applied for
14 a time other than at registration renewal. If the cabinet has prescribed that plates
15 shall continue in use, it shall each year, in addition to the registration receipt, select
16 and give to the owner as further evidence of registration some insignia which may
17 conveniently be attached permanently and conspicuously to the motor vehicle
18 during each registration year. It shall be the duty of the owner to attach the insignia
19 in the prescribed manner and no person may operate a motor vehicle unless the
20 insignia is affixed upon it. The cabinet shall have placed on the insignia either
21 figures, letters, writing, marks, or a combination thereof, which indicate that the
22 motor vehicle has been registered and which in conjunction with the records of the
23 cabinet make identity of the registrant readily ascertainable.

24 (2) The registration year for commercial vehicles, trailers, semitrailers, mobile homes,
25 and recreational vehicles shall be from April 1 to March 31.

26 (3) At the discretion of the vehicle owner, the title to a motor vehicle may be held in the
27 system and subsequently printed and mailed to the owner at the owner's request.

1 ➔Section 15. KRS 186.240 is amended to read as follows:

- 2 (1) It shall be the duty of the cabinet to carry out the provisions of KRS 186.005 to
3 186.260, and:
- 4 (a) Provide to the clerk in each county access to all forms provided for in KRS
5 186.005 to 186.260;
- 6 (b) Keep a numerical record of all registration numbers issued in the state and
7 also keep a record of motor or vehicle identification numbers required by KRS
8 186.160; and
- 9 (c) Furnish to each clerk, originally each year upon estimate, and thereafter upon
10 requisition at all times, a sufficient supply of standard, noncommercial plates
11 and the supplies necessary to provide evidence of registration for all classes of
12 vehicles required to be registered.
- 13 (d) Prescribe a plate of practical form and size for police identification purposes
14 that shall contain:
- 15 1. The registration identifier;
- 16 2. An indication that Kentucky is the issuing jurisdiction;
- 17 3. For standard plates for noncommercial vehicles, the county in which the
18 plate is issued;
- 19 4. For plates for commercial vehicles, the year the license expires and
20 words or information the Department of Vehicle Regulation may
21 prescribe by administrative regulation, pursuant to KRS Chapter 13A;
22 and
- 23 5. At the discretion of the cabinet, a state slogan.
- 24 (2) **Except as provided in Section 13 of this Act,** license plates issued pursuant to this
25 chapter shall conform to the provisions of subsection (1)(c) and (d) of this section.
26 The Transportation Cabinet shall provide for the issuance of reflectorized plates for
27 all motor vehicles, and shall collect a fee, in addition to the fee set out in KRS

1 Chapter 186 and KRS 281.631, of fifty cents (\$0.50). The fifty cents (\$0.50) fee to
2 reflectorize license plates shall be used by the cabinet as provided in subsection (3)
3 of this section.

4 (3) The reflectorized license plate program fund is established in the state road fund
5 and appropriated on a continual basis to the cabinet to administer the moneys as
6 provided in this subsection. The fifty cents (\$0.50) fee collected by the cabinet to
7 reflectorize license plates shall be deposited into the program fund and used to issue
8 reflectorized license plates. If at the end of a fiscal year, money remains in the
9 program fund, it shall be retained in the fund and shall not revert to the state road
10 fund. The interest and income earned on money in the program fund shall also be
11 retained in the program fund to carry out the provisions of this subsection. The
12 Transportation Cabinet shall issue reflectorized license plates under the provisions
13 of this subsection on a schedule to be determined at the discretion of the cabinet.

14 (4) Except as directed under subsection (3) of this section, the Transportation Cabinet
15 shall receive all moneys forwarded by the clerk in each county and turn it over to
16 the State Treasurer for the benefit of the state road fund.

17 (5) The Transportation Cabinet shall require an accounting by the clerk in each county
18 for any moneys received by him or her under the provisions of this chapter, after
19 the deduction of his or her fees under this chapter, and for all receipts, forms,
20 plates, and insignia consigned to him or her. The Auditor of Public Accounts,
21 pursuant to KRS 43.071, shall annually audit each county clerk concerning his or
22 her responsibilities for the collection of various fees and taxes associated with
23 motor vehicles. The secretary of the Transportation Cabinet, with the advice,
24 consultation, and approval of the Auditor, shall develop and implement an
25 inventory and accounting system which shall insure that the audits mandated in
26 KRS 43.071 are performed in accordance with generally accepted auditing
27 standards. The Transportation Cabinet shall pay for the audits mandated by KRS

1 43.071.

2 (6) When applied for under KRS 186.060 or 186.061, motor or vehicle numbers
3 assigned shall be distinctive to show that they were designated by the cabinet.

4 ➔Section 16. KRS 186.020 is amended to read as follows:

5 (1) Before the owner of a motor vehicle~~[, other than a motor vehicle engaged in the~~
6 ~~transportation of passengers for hire operating under a certificate of convenience~~
7 ~~and necessity,]~~ may operate it or permit its operation upon a highway, the owner
8 shall apply for registration in accordance with administrative regulations
9 promulgated by the cabinet, except that a person who purchases a motor vehicle, or
10 brings a motor vehicle into the Commonwealth from another state shall make
11 application for registration within fifteen (15) days. The bill of sale or assigned title
12 must be in the motor vehicle during this fifteen (15) day period. If the owner of a
13 motor vehicle is an individual and resides in the Commonwealth, the motor vehicle
14 shall be registered with the county clerk of the county in which he or she resides. If
15 the owner of a motor vehicle does not reside in the Commonwealth, the motor
16 vehicle shall be registered with the county clerk of the county in which the motor
17 vehicle is principally operated. If the owner of a motor vehicle is other than an
18 individual and resides in the Commonwealth, the motor vehicle shall be registered
19 with the county clerk of either county. The application when presented to the county
20 clerk for registration shall be accompanied by:

21 (a) A bill of sale and a manufacturer's certificate of origin if the application is for
22 the registration of a new motor vehicle;

23 (b) The owner's registration receipt, if the motor vehicle was last registered in this
24 state;

25 (c) A bill of sale and the previous registration receipt, if last registered in another
26 state where the law of that state does not require the owner of a motor vehicle
27 to obtain a certificate of title or ownership;

- 1 (d) A certificate of title, if last registered in another state where the law of that
2 state requires the owner of a motor vehicle to obtain a certificate of title or
3 ownership;
- 4 (e) An affidavit from an officer of a local government saying that the motor
5 vehicle has been abandoned and that the provisions of KRS 82.630 have been
6 complied with, for local governments which elect to use the provisions of
7 KRS 82.600 to 82.640; and
- 8 (f) The application from a person who has brought a motor vehicle into the
9 Commonwealth from another state shall be accompanied by proof that the
10 motor vehicle is insured in compliance with KRS 304.39-080.
- 11 (2) After that, except as provided in subsection (6) of this section, the owner of any
12 motor vehicle registered under KRS 186.050(1) or (2) shall register his or her
13 motor vehicle on or before the date on which his or her certificate of registration
14 expires. If, before operating the motor vehicle in this state, the owner registers it at
15 some later date and pays the fee for the full year, he or she will be deemed to have
16 complied with the law. Insofar as the owner is concerned, registration with the clerk
17 shall be deemed to be registration with the cabinet.
- 18 (3) After that, the owner of any commercial vehicle registered under KRS 186.050(3) to
19 (14) shall register the commercial vehicle on or before April 1 of each year. If,
20 before operating a commercial vehicle in this state, the owner registers it at some
21 later date and pays the required fee, he or she will be deemed to have complied with
22 the law. Insofar as the owner is concerned, registration with the clerk shall be
23 deemed to be registration with the cabinet, except the owner of any commercial
24 motor vehicle to be registered pursuant to the International Registration Plan under
25 KRS 186.050(13) shall register the commercial motor vehicles on or before the last
26 day of the month of registration established pursuant to KRS 186.051(3).
- 27 (4) The application and documents presented therewith, including the sheriff's

1 certificate of inspection, shall be affixed to the Transportation Cabinet copy of the
2 certificate of title or registration and sent to the Transportation Cabinet by the clerk.

3 (5) At least forty-five (45) days prior to the expiration of registration of any motor
4 vehicle previously registered in the Commonwealth as provided by KRS 186A.035,
5 the owner of the vehicle shall be notified by mail on the same notice required by
6 KRS 134.805(5) of the date of expiration. In addition, the department shall provide
7 appropriate forms and information to permit renewal of motor vehicle registration
8 to be completed by mail. Any registration renewal by mail shall require payment of
9 an additional two dollar (\$2) fee which shall be received by the county clerk.
10 Nonreceipt of the notice herein shall not constitute a defense to any registration
11 related offense.

12 (6) (a) If an individual has been serving in the United States military stationed or
13 assigned to a base or other location outside the boundaries of the United
14 States, he or she shall renew the registration on the vehicle within thirty (30)
15 days of his or her return if:

16 1. The motor vehicle has been stored on a military base during the time of
17 deployment and has not been operated on the public highways during
18 that time; and

19 2. The vehicle's registration expired during the individual's absence.

20 (b) An individual who meets the criteria in paragraph (a) of this subsection shall
21 not be convicted or cited for driving a vehicle with expired registration within
22 thirty (30) days after the individual's return to the Commonwealth if the
23 individual can provide proof of meeting the eligibility criteria under paragraph
24 (a) of this subsection.

25 (c) When an individual presents evidence of meeting the criteria under paragraph
26 (a) of this subsection when applying to renew the registration on the motor
27 vehicle, the county clerk shall, when applicable, treat the registration as a

1 prorated renewal under KRS 186.051, and charge the individual a registration
 2 fee only for the number of months of the registration year the vehicle will be
 3 used on the public highways.

4 **(7) The provisions of this section shall not apply to vehicles for which permanent**
 5 **registration has been obtained pursuant to Section 13 of this Act.**

6 ➔Section 17. KRS 186A.080 is amended to read as follows:

7 No Kentucky certificate of registration, license plate, or certificate of title need be applied
 8 for or obtained for:

- 9 (1) A vehicle owned by the United States unless it is registered in this state;
- 10 (2) A vehicle owned by a nonresident of this state, principally operated in another state,
 11 properly and currently registered and titled in another state;
- 12 (3) A vehicle regularly engaged in the interstate transportation of persons or property
 13 for which a currently effective lawful certificate of title has been issued in another
 14 state;
- 15 (4) A vehicle moved solely by animal power;
- 16 (5) An implement of husbandry;
- 17 (6) Special mobile equipment;
- 18 (7) A self-propelled wheelchair or invalid tricycle;
- 19 (8) A pole trailer;
- 20 (9) ~~[A motor vehicle engaged in the transportation of passengers for hire operating~~
 21 ~~under a currently valid certificate of convenience and necessity;~~
- 22 ~~(10) [A moped; and~~
- 23 **(10)**~~[(11)]~~ An electric low-speed scooter as defined in KRS 189.010.

24 ➔Section 18. KRS 186A.060 is amended to read as follows:

- 25 (1) The Department of Vehicle Regulation is directed to develop, in cooperation with
 26 county clerks, auto dealers, and the Department of Revenue, Department of
 27 Insurance, and Department of Kentucky State Police, the forms required to record

1 all information pertinent to the ~~[initial]~~ registration, ~~[or]~~ titling, and taxation~~[, or~~
 2 ~~transfer of registration or title]~~ of a vehicle.

3 (2) The Department of Vehicle Regulation shall make every effort to minimize and
 4 reduce the amount of paperwork required to apply for, or transfer, a vehicle title.
 5 When possible, the title document itself shall be used as the primary form used to
 6 effect a transfer of vehicle ownership. The title document shall contain space
 7 exclusively reserved for a minimum of two (2) dealer assignments.

8 (3) When no in-state title exists, forms shall be designed by the department that require
 9 only the appropriate and essential information to effect the application for title.

10 (4) (a) The department shall constantly review the information needs of government
 11 agencies and other organizations with the goal of reducing or eliminating
 12 unnecessary documentation. Information being sought for application for title
 13 relevant to, but not limited to, vehicle identification, owner, buyer, usage tax,
 14 county clerk, or inspector shall be set forth by the cabinet in such a way as to
 15 promote flexibility in reaching this goal. ~~[, except that]~~

16 (b) An applicant for a motor vehicle title shall ~~[not]~~ be required to provide his or
 17 her *Kentucky operator's license number, Kentucky personal identification*
 18 *card number, or* Social Security number as part of the application process.

19 (c) *Any vehicle owned by a business that is licensed by the Secretary of State*
 20 *shall be titled using a federal employee identification number.*

21 (5) The use of an electronic medium shall be employed so that forms can be printed by
 22 the automated system. Existing statutory language in this chapter and KRS Chapter
 23 186 pertaining to application, signature, forms, or application transfer record may be
 24 construed to be electronic in nature at the discretion of the cabinet as provided for
 25 by administrative regulation.

26 (6) Any person who knowingly enters, or attests to the entry of, false or erroneous
 27 information in pursuit of a certificate of title shall be guilty of forgery in the second

1 degree.

2 ➔Section 19. This Act takes effect January 1, 2024.