

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 15, As Amended in the Senate, As Amended in the Senate

BY TRANSPORTATION AND DEFENSE COMMITTEE

AN ACT

1 RELATING TO MOTOR VEHICLES; AMENDING CHAPTER 5, TITLE 49, IDAHO CODE, BY THE
2 ADDITION OF A NEW SECTION 49-523A, IDAHO CODE, TO PROVIDE FOR TITLE STOP
3 REQUESTS WHEN OWNERSHIP OF A VEHICLE IS DISPUTED, TO PROVIDE A PROCE-
4 DURE, TO PROVIDE FOR A FEE, TO PROVIDE FOR VERBAL REQUESTS, TO AUTHORIZE
5 THE IDAHO TRANSPORTATION DEPARTMENT TO PLACE A STOP ON THE TITLE RECORD
6 OF A VEHICLE UNDER CERTAIN CONDITIONS, TO PROVIDE THAT THE DEPARTMENT
7 SHALL PROCESS AN APPLICATION FOR A TITLE OR RECORD A LIEN OR ENCUMBRANCE
8 EXCEPT UNDER CERTAIN CIRCUMSTANCES, TO REQUIRE THE REQUESTING PARTY TO
9 PROVIDE CERTAIN EVIDENCE ONCE THE TITLE STOP IS PLACED BY THE DEPART-
10 MENT, TO PROVIDE FOR CANCELLATION OF A TITLE STOP IN THE EVENT EVIDENCE
11 IS NOT PROVIDED, TO PROVIDE FOR NOTICE, TO PROVIDE FOR THE DURATION
12 OF THE TITLE STOP, TO PROVIDE THAT A PERSON MAY FILE EVIDENCE THAT THE
13 PERSON HAS ACQUIRED TITLE TO A VEHICLE FOR WHICH A TITLE STOP HAS BEEN
14 PLACED, TO PROVIDE FOR NOTICE, TO PROVIDE FOR THE RELEASE OF A TITLE STOP
15 UNDER CERTAIN CONDITIONS, TO PROVIDE THAT NO TITLE APPLICATIONS FOR THE
16 VEHICLE SHALL BE PROCESSED DURING THE PENDENCY OF THE TITLE STOP, TO
17 PROVIDE FOR TITLE STOPS REQUESTED BY GOVERNMENTAL AGENCIES AND TO PRO-
18 VIDE FOR APPLICABILITY.
19

20 Be It Enacted by the Legislature of the State of Idaho:

21 SECTION 1. That Chapter 5, Title 49, Idaho Code, be, and the same is
22 hereby amended by the addition thereto of a NEW SECTION, to be known and des-
23 ignated as Section 49-523A, Idaho Code, and to read as follows:

24 49-523A. TITLE STOP WHEN OWNERSHIP OF VEHICLE DISPUTED. (1) Whenever a
25 party claims an interest in a vehicle subject to a title, the party may re-
26 quest a title stop be placed upon the title record of the vehicle.

27 (2) The request for title stop shall be provided to the department, to-
28 gether with documentation supporting the request and the fee required pur-
29 suant to the provisions of section 49-202(2) (i), Idaho Code.

30 (3) A verbal request to the department for a title stop may be placed
31 on the title record for up to five (5) business days upon advising the re-
32 questor of the requirements and giving the requestor time to send the written
33 request. Failure to send the written request shall terminate the request at
34 the end of the five (5) business days.

35 (4) Upon receipt of the request for title stop, the department may place
36 a stop on the title record of the subject vehicle if it appears from the doc-
37 umentation provided that there exists a reasonable dispute as to the owner-
38 ship of the vehicle.

39 (5) Notwithstanding the placement of a stop or the filing of a stop re-
40 quest, the department shall process an application for title accompanied by
41 a properly completed affidavit of repossession, or to record a lien or encum-
42 brance, unless the requestor of the stop has provided the department with a

1 court order restraining the issuance of title. In all other applications for
2 title, the department shall place or maintain a stop and shall notify the ti-
3 tle applicant that a stop is in place.

4 (6) Once the title stop is placed by the department, the requesting
5 party shall provide evidence of a judicial filing relating to the subject ve-
6 hicle within thirty (30) days of the title stop becoming effective. Failure
7 to provide such evidence shall result in the department's cancellation of
8 the title stop.

9 (a) Upon receipt of a written request for a title stop and the re-
10 quired fee, the department shall send notice of the title stop to the
11 titled owners and any other party with recorded interest or lienholder
12 recorded on the title records of the department.

13 (b) Upon receipt by the department of satisfactory evidence of a judi-
14 cial filing, the title stop shall remain in place until a final order
15 of the judicial proceeding is received, the requesting party has in-
16 structed the department to remove the stop, the requesting party has
17 failed to respond to notice under paragraph (c) of this subsection or
18 for one (1) year, unless renewed by the requestor, whichever comes
19 first.

20 (c) Except as provided in subsection (5) of this section, if a person
21 files evidence with the department that the person has acquired title to
22 the vehicle for which a title stop has been placed, then the department
23 shall send notice to the original requesting party providing ten (10)
24 business days from the date notice was mailed to object to the release
25 of the title stop. If the department does not receive timely response
26 from the requesting party or if the requesting party instructs the de-
27 partment to remove the stop, then the title stop shall be immediately
28 released.

29 (7) During the pendency of the title stop, no title applications for the
30 vehicle to which the stop pertains shall be processed by the department ex-
31 cept as otherwise provided in this section.

32 (8) Title stops requested by a governmental agency shall be exempt from
33 the provisions of subsection (6) of this section. Such title stop shall be
34 valid for two (2) years, unless renewed by the governmental agency request-
35 ing the stop. Governmental agencies shall be exempt from the fee required in
36 section 49-202(2)(i), Idaho Code.

37 (9) The provisions of this section shall be effective for any title stop
38 received on and after July 1, 2015.