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CHAPTER 19

Protection of Titles to and Interests in Motor Vehicles

ARTICLE 1

General Provisions

**SECTION 56‑19‑10.** Definitions.

For the purposes of this chapter and Chapter 21 of Title 16, the following terms are defined as follows:

(1) “Authorized emergency vehicle” means vehicles of the fire department, police vehicles, and the ambulances and emergency vehicles of municipal departments or public service corporations designated or authorized by the chief of police or governing body of a municipality.

(2) “Bicycle” means a device propelled solely by pedals, operated by one or more persons, and having two or more wheels, except childrens’ tricycles.

(3) “Bus” means every motor vehicle designed for carrying more than ten passengers and used for the transportation of persons and every motor vehicle, other than a taxicab, designed and used for the transportation of persons for compensation.

(4) “Dealer” or “motor vehicle dealer” means both “dealer” and “wholesaler”, as defined in Chapter 15 of this title.

(5) “Driver” means every person who drives or is in actual physical control of a vehicle.

(6) “Essential parts” means all integral and body parts of a vehicle of a type required to be registered under this title, the removal, alteration, or substitution of which would tend to conceal the identity of the vehicle or substantially alter its appearance, model, type, or mode of operation.

(7) [Deleted]

(8) “Farm tractor” means every motor vehicle designed and used primarily as a farm implement for drawing plows, mowing machines, and other implements of husbandry.

(9) “Foreign vehicle” means every vehicle of a type required to be registered under this title brought into this State from another state, territory, or country, other than in the ordinary course of business by or through a manufacturer or dealer, and not registered in this State.

(10) “House trailer” means:

(a) a trailer or semitrailer which is designed, constructed, and equipped as a dwelling place, living abode, or sleeping place, either permanently or temporarily, and is equipped for use as a conveyance on streets and highways; or

(b) a trailer or a semitrailer whose chassis and exterior shell is designed and constructed for use as a house trailer, as defined in subitem (a) of this item, but which is used instead permanently or temporarily for the advertising, sales, display, or promotion of merchandise or services or for another commercial purpose except the transportation of property for hire or the transportation of property for distribution by a private carrier.

(11) “Identifying number” means the numbers and letters, if any, on a vehicle designated by the Department of Motor Vehicles for the purpose of identifying the vehicle.

(12) “Implement of husbandry” means every vehicle, including mobile barns, designed and adapted exclusively for agricultural, horticultural, or livestock‑raising operations or for lifting or carrying an implement of husbandry and in either case not subject to registration if used upon the highways.

(13) “Lienholder” means a person holding a security interest in a vehicle.

(14) “Mail” means to deposit in the United States mail, properly addressed and with postage prepaid.

(15) “Manufacturer” means every person engaged in the business of constructing or assembling vehicles of a type required to be registered under this title at an established place of business in this State.

(16) “Motor vehicle” means every vehicle which is self‑ propelled, except mopeds, and every vehicle which is propelled by electric power obtained from overhead trolley wires, but not operated upon rails.

(17) “Motorcycle” means every motor vehicle having no more than two permanent functional wheels in contact with the ground or trailer and having a saddle for the use of the rider, but excluding a tractor.

(18) “Motor‑driven cycle” means every motorcycle, including every motor scooter with a motor which produces not to exceed five horsepower.

(19) “Nonresident” means every person who is not a resident of this State.

(20) “Operator” means every person, other than a chauffeur, who drives or is in actual physical control of a motor vehicle upon a highway or who is exercising control over or steering a vehicle being towed by a motor vehicle.

(21) “Owner” means a person, other than a lienholder, having the property in or title to a vehicle. The term includes a person entitled to the use and possession of a vehicle subject to a security interest in another person but excludes a lessee under a lease not intended as security.

(22) “Pole trailer” means every vehicle without motive power designed to be drawn by another vehicle and attached to the towing vehicle by means of a reach or pole or by being boomed or otherwise secured to the towing vehicle and ordinarily used for transporting long or irregularly shaped loads such as poles, pipes, or structural members capable, generally, of sustaining themselves as beams between the supporting connections.

(23) “Previously registered vehicle” means a vehicle registered in this State on January 1, 1958, or a vehicle whose last registration before that date was in this State.

(24) “Reconstructed vehicle” means every vehicle of a type required to be registered under this title materially altered from its original construction by the removal, addition, or substitution of essential parts, new or used.

(25) “Registration” means the registration certificate or certificates and registration plates issued under the laws of this State pertaining to the registration of vehicles.

(26) “Road tractor” means every motor vehicle designed and used for drawing other vehicles and not constructed to carry any load on it, either independently or any part of the weight of a vehicle or load drawn.

(27) “School bus” means every motor vehicle owned by a public or governmental agency and operated for the transportation of children to or from school, or privately owned and operated for compensation for the transportation of children to or from school.

(28) “Security agreement” means a written agreement which reserves or creates a security interest.

(29) “Security interest” means an interest in a vehicle reserved or created by agreement and which secures payment or performance of an obligation, conditional sale contract, conditional lease, chattel mortgage, or other lien or encumbrance, except taxes or attachment liens provided for in Section 29‑15‑20. The term includes the interest of a lessor under a lease intended as security. A security interest is ‘perfected’ when it is valid against third parties generally, subject only to specific statutory exceptions.

(30) “Semitrailer” means every vehicle with or without motive power, other than a pole trailer, designed for carrying persons or property and for being drawn by a motor vehicle and constructed so that some part of its weight and that of its load rests upon or is carried by another vehicle.

(31) “Special mobile equipment” means every vehicle not designed or used primarily for the transportation of persons or property and only incidentally operated or moved over a highway including, but not limited to: ditchdigging apparatus, well‑boring apparatus, and road construction and maintenance machinery, such as asphalt spreaders, bituminous mixers, bucket loaders, tractors other than truck tractors, ditchers, leveling graders, finishing machines, motor graders, road rollers, scarifiers, earth‑moving carryalls and scrapers, power shovels and draglines, and self‑propelled cranes and earth‑moving equipment. The term does not include house trailers, dump trucks, truck‑mounted transit mixers, cranes, or shovels, or other vehicles designed for the transportation of persons or property to which machinery has been attached.

(32) “Specifically constructed vehicle” means every vehicle of a type required to be registered under this title not originally constructed under a distinctive name, make, model, or type by a generally recognized manufacturer of vehicles and not materially altered from its original construction.

(33) “Trackless trolley coach” means every motor vehicle which is propelled by electric power obtained from overhead trolley wires but not operated upon rails.

(34) “Trailer’ means every vehicle with or without motive power, other than a pole trailer, designed for carrying persons or property and for being drawn by a motor vehicle and constructed so that no part of its weight rests upon the towing vehicle.

(35) “Transporter” means every person engaged in the business of delivering vehicles of a type required to be registered under this title from a manufacturing, assembling, or distributing plant to dealers or sales agents of a manufacturer.

(36) “Truck” means every motor vehicle designed, used, or maintained primarily for the transportation of property.

(37) “Truck tractor” means every motor vehicle designed and used primarily for drawing other vehicles and not constructed to carry a load other than a part of the weight of the vehicle and load drawn.

(38) “Vehicle” means every device in, upon, or by which a person or property is or may be transported or drawn upon a highway, excepting devices moved by human power or used exclusively upon stationary rails or tracks.

(39) “Mobile home” means every vehicle which is designed, constructed, and equipped principally as a permanent dwelling place and is equipped to be moved on streets and highways, but which exceeds the size limitations prescribed in Section 56‑3‑710 and which cannot be licensed and registered by the Department of Motor Vehicles as a ‘house trailer’.

(40) “Odometer” means an instrument for measuring and recording the actual distance a motor vehicle travels while in operation; it does not include an auxiliary instrument designed to be reset by the operator of the motor vehicle for the purpose of recording the distance traveled on trips.

(41) “Odometer reading” means actual cumulative distance traveled disclosed on the odometer.

(42) “Odometer disclosure statement” means a statement, as prescribed by item (d) of subsection (1) of Section 56‑19‑240, certified by the owner of the motor vehicle to the transferee or to the Department of Motor Vehicles as to the odometer reading.

(43) “Moped” means, notwithstanding item (2), every cycle with pedals to permit propulsion by human power or without pedals and with a motor of not more than fifty cubic centimeters which produces not to exceed two brake horsepower and which is not capable of propelling the vehicle at a speed in excess of thirty miles an hour on level ground. If an internal combustion engine is used, the moped must have a power drive system that functions directly or automatically without clutching or shifting by the operator after the drive system is engaged.

(44) “Automotive three‑wheel vehicle” means a motor vehicle having no more than three permanent functional wheels in contact with the ground, having a bench seat for the use of the operator, and having an automotive type steering device, but excluding a tractor and a motorcycle three‑wheel vehicle.

(45) “Motorcycle three‑wheel vehicle” means a motor vehicle having no more than three permanent functional wheels in contact with the ground to include motorcycles with detachable side cars, having a saddle type seat for the operator, and handlebars or a motorcycle type steering device, but excluding a tractor or automotive three‑wheel vehicle.

HISTORY: 1962 Code Section 46‑139; 1957 (50) 595; 1972 (57) 2712; 1973 (58) 203, 348; 1974 (58) 2117; 1980 Act No. 385, Section 3; 1983 Act No. 118 Sections 9, 10; 1986 Act No. 528, Sections 13‑16; 1991 Act No. 94, Section 8; 1992 Act No. 486, Sections 9, 10; 1993 Act No. 181, Section 1490; 1996 Act No. 459, Sections 232, 246A; 2000 Act No. 375, Section 10; 2008 Act No. 317, Section 2, eff June 19, 2008.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

Effect of Amendment

The 2008 amendment, in item (2), rewrote the definition of “bicycle”.

**SECTION 56‑19‑20.** Administration and enforcement.

The Department of Motor Vehicles is hereby vested with the power and is charged with the duty of observing, administering and enforcing the provisions of this chapter and Chapter 21 of Title 16.

HISTORY: 1962 Code Section 46‑140; 1957 (50) 595.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

**SECTION 56‑19‑40.** Department of Motor Vehicles shall examine all applications; investigations; rejections.

The Department of Motor Vehicles shall examine and determine the genuineness, regularity and legality of every application for registration of a vehicle or for a certificate of title therefor and of any other application lawfully made to the Department and may in all cases make investigations as may be deemed necessary or require additional information and shall reject any such application if not satisfied of the genuineness, regularity or legality thereof or the truth of any statement contained therein, or for any other reason, when authorized by law.

HISTORY: 1962 Code Section 46‑142; 1957 (50) 595.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

**SECTION 56‑19‑50.** Department of Motor Vehicles shall seize expired, fictitious and certain other certificates, cards, permits, licenses and plates.

The Department of Motor Vehicles may take possession of any certificate of title, registration card, permit, license or registration plate issued by it (a) upon expiration, revocation, cancellation or suspension thereof, (b) which is fictitious or (c) which has been unlawfully or erroneously issued.

HISTORY: 1962 Code Section 46‑143; 1957 (50) 595.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

**SECTION 56‑19‑60.** Method of giving notice; proof of service.

Whenever the Department of Motor Vehicles is authorized or required to give any notice under this chapter or Chapter 21 of Title 16, unless a different method of giving such notice is otherwise expressly prescribed, such notice shall be given either by personal delivery thereof to the person to be so notified or by deposit in the United States mail of such notice by certified mail in an envelope with postage prepaid, addressed to such person at his address as shown by the records of the Department. The giving of notice by mail is complete upon the expiration of ten days after the deposit of the notice. Proof of the giving of notice in either such manner may be made by the certificate of any officer or employee of the Department or affidavit of any person over eighteen years of age, naming the person to whom such notice was given and specifying the time, place and manner of the giving thereof.

HISTORY: 1962 Code Section 46‑144; 1957 (50) 595.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

**SECTION 56‑19‑70.** Refunds of fees.

Whenever any application to the Department of Motor Vehicles is accompanied by any fee as required by law and such application is refused or rejected, the fee shall be returned to the applicant.

Whenever the Department through error collects any fee not required to be paid under this chapter, the fee may be refunded on its own initiative and shall be refunded to the person paying the fee upon application therefor made within six months after the date of such payment.

HISTORY: 1962 Code Section 46‑145; 1957 (50) 595.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

**SECTION 56‑19‑80.** Disposition of fees and penalties.

All fees and penalties collected by the Department of Motor Vehicles pursuant to the provisions of this chapter or Chapter 21 of Title 16 shall be placed in the state general fund for the administration of this chapter and for other department purposes.”

HISTORY: 1962 Code Section 46‑146; 1957 (50) 595; 1993 Act No. 181, Section 1491.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

**SECTION 56‑19‑90.** Forms.

The Department of Motor Vehicles shall prescribe and provide suitable forms of applications, certificates of title and all other forms requisite or deemed necessary to carry out the provisions of this chapter and Chapter 21 of Title 16.

HISTORY: 1962 Code Section 46‑147; 1957 (50) 595.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

**SECTION 56‑19‑110.** Judicial review of Department of Motor Vehicle’s acts.

A person aggrieved by an act or omission to act by the Department of Motor Vehicles under this chapter or Chapter 21 of Title 16 is also entitled to a review thereof by the circuit court in accordance with laws of this State relating to appeals.

HISTORY: 1962 Code Section 46‑149; 1957 (50) 595.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

ARTICLE 3

Certificates of Title

**SECTION 56‑19‑210.** Certificate of title required to sell or mortgage vehicle or mobile home; exception.

It shall be unlawful for any person to sell or offer for sale or mortgage in this State any vehicle of a type required to be registered and licensed in this State, or any mobile home, unless a certificate of title has been issued therefor and is currently valid; but this provision shall not apply to South Carolina dealers in the sale or offering for sale of new vehicles or mobile homes for which there is a manufacturer’s certificate of origin made out to the person offering such vehicle or mobile homes for sale.

HISTORY: 1962 Code Section 46‑150; 1957 (50) 595; 1972 (57) 2712.

**SECTION 56‑19‑220.** Exemption of certain vehicles.

No certificate of title need be obtained for:

(1) A vehicle owned by the United States unless it is registered in this State;

(2) A vehicle owned by a manufacturer or dealer and held for sale, even though incidentally moved on the highway or used for purposes of testing or demonstration, or a vehicle used by the manufacturer solely for testing;

(3) A vehicle owned by a nonresident of this State and not required by law to be registered in this State;

(4) A vehicle regularly engaged in the interstate transportation of persons or property for which a currently effective certificate of title has been issued in another state;

(5) A vehicle moved solely by animal power;

(6) An implement of husbandry;

(7) Special mobile equipment not required to be registered and licensed in this State;

(8) A pole trailer; and

(9) Vehicles not required to be licensed and registered in this State, except mobile homes.

(10) A vehicle used by its manufacturer in a benefit program for the manufacturer’s employees.

(11) A vehicle used by its manufacturer for testing, distribution, evaluation, and promotion, subject to the limitation in Section 56‑3‑2332(B)(2).

HISTORY: 1962 Code Section 46‑150.1; 1957 (50) 595; 1972 (57) 2712; 1997 Act No. 155, Part II, Section 32B.

**SECTION 56‑19‑230.** Owners shall apply for certificates.

Except as otherwise provided for in this chapter, every owner of a vehicle which is in this State and for which no certificate of title has been issued by the Department of Motor Vehicles shall make application to the Department for a certificate of title of the vehicle.

HISTORY: 1962 Code Section 46‑150.2; 1957 (50) 595.

**SECTION 56‑19‑240.** Application for certificate; form and contents.

(A) An application for a certificate of title for a vehicle in this State must be made by the owner to the Department of Motor Vehicles on the form it prescribes and must contain or be accompanied by:

(1) if the owner is an individual:

(a) the South Carolina residence address of the owner and mailing address, if different from residence address;

(b) the full legal name as it appears on the identification provided in item (d);

(c) the issuing state and number of the identification provided in item (d);

(d) in order to fulfill the requirements in items (a) through (c), the owner must provide one of the following:

(i) the owner’s South Carolina driver’s license or South Carolina identification card;

(ii) the owner’s home state driver’s license or home state special identification card and valid active duty military identification card if the owner is a person on active military duty and is stationed in this State;

(iii) the owner’s home state driver’s license or home state special identification card and proof of enrollment in a school in this State if the owner is a permanent resident of another state but is currently enrolled in a school in this State; or

(iv) the owner’s home state driver’s license or home state special identification card if the owner or co‑owner intends to principally garage the vehicle in this State. “Principally garage” means the vehicle is garaged for six or more months of the year on property in this State which is owned, leased, or otherwise lawfully occupied by the owner of the vehicle. The application for a certificate of title must include the South Carolina residence address of the property where the vehicle is housed;

(2) if the owner is a business:

(a) a social security number, if the business is a sole proprietorship with no employees or a Federal Employer Identification Number (FEIN), if the business has employees; and

(b) a South Carolina physical address of the bona fide place of business operations for the business unless the owner is a bona fide leasing company;

(3) for vehicles that have more than one owner, only one co‑owner must provide the information required pursuant to items (1) or (2) of this subsection;

(4) an owner who would otherwise be capable of attaining a driver’s license or special identification card from this State, except for a medical or physical condition that can be documented and verified by the department, shall be issued a title and registration if the owner provides a signed affidavit certifying that the owner intends to principally garage the vehicle in this State, that the vehicle will be driven by a driver who is not the owner, and if the owner provides the South Carolina address where the vehicle will be principally garaged;

(5) a description of the vehicle, including, so far as the following data exists, its make, model, year, vehicle identification number, type of body, odometer reading at the time of application, and whether new or used;

(6) the date of acquisition by applicant, the name and address of the person from whom the vehicle was acquired, and the names and addresses of any lienholders in the order of their priority and the dates of their security agreements;

(7) an odometer disclosure statement made by the transferor of the vehicle and acknowledged by the transferee. The statement must be in compliance with federal guidelines and as prescribed by the department. Where more than one transfer has intervened between the previous certificate of title and the application for a new certificate of title, it must be shown that the certificate of title has been signed by the owner or by the owner’s attorney in fact, and there must be for each intervening transfer thereafter a bill of sale in a form approved by the department, including a completed odometer disclosure statement. Additionally, the odometer disclosure statement on the application form must be completed by the applicant;

(8) any further information or documentation the department reasonably requires to enable it to determine: the identity of the vehicle, whether the owner is entitled to a certificate of title, the existence or nonexistence of security interests in the vehicle, and the accuracy of the odometer disclosure statement.

(B) If the application is not for the first certificate of title, it shall be accompanied by the last certificate of title previously issued for the vehicle, whether issued by this State or another state or country.

(C) If the application refers to a vehicle purchased from a dealer, it shall contain the name and address of any lienholder holding a security interest created or reserved at the time of the sale and the date of his security agreement and be signed by the dealer as well as the owner, and the dealer promptly shall mail or deliver the application to the department. If the application refers to a new vehicle purchased from a dealer, the application also shall be accompanied by the manufacturer’s certificate of origin.

(D) The department will issue a title and registration only for vehicles that are physically located and primarily operated in this State. Vehicles that are purchased for primary operation in another state or a foreign jurisdiction cannot be titled and registered in South Carolina.

(E) A person who knowingly gives a false statement on the application or knowingly gives a false statement concerning the odometer reading on an odometer disclosure statement is guilty of a misdemeanor and, upon conviction, is subject to a fine of up to one thousand dollars or imprisonment of up to one year, or both. These penalties are in addition to the penalties provided by the federal odometer law 49 U.S.C. 32701‑32711 (Title 49, Subtitle VI, Part C, Chapter 327).

(F) In addition to the other information required in an application, the application for title for a mobile or manufactured home must include the address of the site on which the home is to be placed if different from the owner’s address.

HISTORY: 1962 Code Section 46‑150.3; 1957 (50) 595; 1980 Act No. 385, Section 4; 1990 Act No. 577, Section 1; 1994 Act No. 506, Section 15; 1996 Act No. 459, Section 233; 2006 Act No. 304, Section 3, eff May 24, 2006; 2011 Act No. 14, Section 1, eff January 1, 2012; 2012 Act No. 264, Section 8, eff June 18, 2012.

Editor’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

2011 Act No. 14, Section 2, provides as follows:

“This act takes effect January 1, 2012, and applies to applications for registration and title made on or after that date.”

Effect of Amendment

The 2006 amendment, in subsection (4), at the end of the first sentence deleted “, at the discretion of the court”, in the second sentence revised the reference to the federal code, and made nonsubstantive language changes throughout.

The 2011 amendment rewrote this section.

The 2012 amendment inserted “unless the owner is a bona fide leasing company” in subsection (A)(2)(b), and inserted “primary” and “another state or” in subsection (D).

**SECTION 56‑19‑250.** Department of Motor Vehicles shall check application against list of stolen and converted vehicles.

The Department of Motor Vehicles, upon receiving an application for a first certificate of title, shall check the identifying number of the vehicle shown in the application against the record of stolen and converted vehicles required by Section 56‑19‑850 to be maintained by the Department.

HISTORY: 1962 Code Section 46‑150.4; 1957 (50) 595.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

**SECTION 56‑19‑260.** Filing application; issuance of certificate.

The Department of Motor Vehicles shall file each application received and, when satisfied as to its genuineness and regularity and that the applicant is entitled to the issuance of a certificate of title, shall issue a certificate of title of the vehicle.

HISTORY: 1962 Code Section 46‑150.5; 1957 (50) 595.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

**SECTION 56‑19‑265.** Liens recorded against motor vehicles and mobile homes; transmission of electronic lien information; transaction fees.

(A) Notwithstanding a requirement in this chapter that a lien on a motor vehicle or mobile home must be noted on the face of the certificate of title, if there are one or more liens or encumbrances on the motor vehicle or mobile home, the Department of Motor Vehicles shall transmit, electronically or by paper certificate, the lien to the first lienholder and notify the first lienholder of additional liens. Lien recordings and subsequent lien satisfactions may be electronically transmitted to the department and shall include the name and address of the person satisfying the lien. Electronic transmission of liens and lien satisfaction does not require a certificate of title until the last lien is satisfied and a clear certificate of title is issued to the owner of the motor vehicle or mobile home. The owner has the option to retain the electronic copy of the title with the department once all liens are satisfied. When a motor vehicle or mobile home is subject to an electronic lien, the certificate of title for the motor vehicle or mobile home is considered to be physically held by the lienholder for purposes of compliance with state or federal odometer disclosure requirements, and a duly certified copy of the department’s electronic record of the lien is admissible in any civil, criminal, or administrative proceeding in this State as evidence of the existence of the lien. The lienholder shall have the option to receive a paper certificate of title and to receive notices of subsequent liens and satisfaction of liens by the United States Postal Service.

(B) The department is authorized to convene a working group chaired by the director of the department or his designee for the purpose of assisting in the development of program specifications governing the transmission of electronic lien information between lienholders and the department, and maximize the use of the program by various lien stakeholders. The working group will be composed of members of the lienholder community, representing applicable industries. The director is authorized to appoint members of the working group to ensure that all stakeholders are represented. The working group will be a standing group convened on a regular basis until all specifications have been developed. The department also is charged with promulgating regulations pursuant to the specifications and standards for lien recording and releasing developed by the working group.

(C) All entities submitting lien information electronically under this program are required to comply with all regulations.

(D) The department is authorized to collect a transaction fee from commercial entities who either transmit or retrieve data from the department pursuant to this section. The fee must not exceed five dollars for each transaction and must be agreed to as part of the program specifications developed by the working group. These fees must be placed by the State Treasurer into a special restricted account to be used by the department to defray the expenses of this program.

(E) Commercial entities and lenders who either transmit or retrieve data from the department pursuant to this section, notwithstanding Sections 37‑2‑202 and 37‑3‑202, may collect transaction fees from owners of the vehicles or mobile homes not to exceed a fee of five dollars for each transaction which must be agreed to as part of the program specifications developed by the working group.

HISTORY: 2004 Act No. 274, Section 1; 2008 Act No. 290, Section 1, eff June 11, 2008; 2014 Act No. 201 (H.3904), Section 2, eff June 2, 2014.

Effect of Amendment

The 2008 amendment designated the first sentence as subsection (A), rewrote it and added the second to fifth sentences; designated the second to fourth sentences as subsection (B); and added subsection (C) relating to transaction fees.

2014 Act No. 201, Section 2, rewrote the section.

**SECTION 56‑19‑270.** Refusal of certificate.

The Department of Motor Vehicles shall refuse issuance of a certificate of title if any required fee is not paid or if it has reasonable grounds to believe that:

(1) The applicant is not the owner of the vehicle;

(2) The application contains a false or fraudulent statement; or

(3) The applicant fails to furnish required information or documents or any additional information the Department reasonably requires.

HISTORY: 1962 Code Section 46‑150.6; 1957 (50) 595.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

**SECTION 56‑19‑280.** Refusal of certificate; vehicle reported stolen or converted.

When the theft or conversion of a vehicle is reported to the Department of Motor Vehicles pursuant to Sections 56‑19‑810 or 56‑19‑820, until the department learns of its recovery or that the report of its theft or conversion was erroneous, it must not issue a certificate of title for the vehicle. A title may be issued on a vehicle that is reported stolen only in cases where the settlement to an insurance company is involved.

HISTORY: 1962 Code Section 46‑150.7; 1957 (50) 595; 1996 Act No. 459, Section 234.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

**SECTION 56‑19‑290.** Contents of certificate.

Each certificate of title issued by the Department of Motor Vehicles shall contain:

(1) The date issued;

(2) The name and address of the owner;

(3) The names and addresses of any lienholders, in the order of priority as shown on the application, and dates of the liens, or if the application is based on a certificate of title, as shown on the certificate;

(4) The title number assigned to the vehicle;

(5) A description of the vehicle including, so far as the following data exists: its make, model, vehicle identification number, odometer reading at the time of application, and type of body;

(6) Any other data the Department prescribes.

The certificate of title shall contain forms for assignment and warranty of title by the owner and for reassignment and warranty of title by a dealer and may contain forms for application for a certificate of title by a transferee, the naming of a lienholder and the assignment or release of the security interest of a lienholder.

HISTORY: 1962 Code Section 46‑150.8; 1957 (50) 595; 1980 Act No. 385, Section 5; 1990 Act No. 577, Section 2.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

**SECTION 56‑19‑300.** Contents of certificate for vehicle last registered where lienholders not named on certificate.

A distinctive certificate of title shall be issued for a vehicle last previously registered in another state or country, the laws of which do not require that lienholders be named on a certificate of title to perfect their security interests. The certificate shall contain the legend, “THIS VEHICLE MAY BE SUBJECT TO AN UNDISCLOSED LIEN,” and may contain any other information the Department of Motor Vehicles prescribes.

HISTORY: 1962 Code Section 46‑150.9; 1957 (50) 595.

**SECTION 56‑19‑310.** Numbering certificates issued to successive owners; two transfers when auctioneer gives title.

The certificate of title issued to the first owner of a new vehicle must be designated by the letter suffix “A” after the title number. Titles issued to subsequent owners of such a vehicle must be designated “B”, “C”, “D”, and “E” in the order of ownership. Titles issued to subsequent owners shall contain no letter suffix.

HISTORY: 1962 Code Section 46‑150.10; 1957 (50) 595; 1996 Act No. 459, Section 235.

**SECTION 56‑19‑320.** Certificate as prima facie evidence of facts therein.

A certificate of title issued by the Department of Motor Vehicles is prima facie evidence of the facts appearing on it.

HISTORY: 1962 Code Section 46‑150.11; 1957 (50) 595.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

**SECTION 56‑19‑330.** Record of certificates issued.

The Department of Motor Vehicles shall maintain a record of all certificates of title issued by it.

HISTORY: 1962 Code Section 46‑150.12; 1957 (50) 595.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

**SECTION 56‑19‑340.** Certificate mailed to first lienholder or, if none, to owner.

The certificate of title must be mailed to the first lienholder named in it or given to the lienholder’s authorized agent or, if none, to the owner.

HISTORY: 1962 Code Section 46‑150.13; 1957 (50) 595; 1963 (53) 161; 1996 Act No. 459, Section 236.

**SECTION 56‑19‑350.** Duplicate certificates; surrender of recovered original.

If a certificate of title is lost, stolen, mutilated or destroyed or becomes illegible, the owner or legal representative of the owner named in the certificate, as shown by the records of the Department of Motor Vehicles, shall promptly make application for and may obtain a duplicate upon furnishing information satisfactory to the Department. The duplicate certificate of title shall contain the legend, “THIS IS A DUPLICATE CERTIFICATE AND MAY BE SUBJECT TO THE RIGHTS OF A PERSON UNDER THE ORIGINAL CERTIFICATE.” It shall be mailed to the owner named in it or his legal representative.

A person recovering an original certificate of title for which a duplicate has been issued shall promptly surrender the original certificate to the Department.

HISTORY: 1962 Code Section 46‑150.14; 1957 (50) 595.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

**SECTION 56‑19‑360.** Procedures for voluntary transfer; duties of transferor and transferee; effective time of transfer.

If an owner, manufacturer or dealer transfers his interest in a vehicle other than by the creation of a security interest, he shall, at the time of the delivery of the vehicle, execute an assignment and warranty of title to transferee in the space provided therefor on the certificate or as the Department of Motor Vehicles prescribes and cause the certificate and assignment to be mailed or delivered to the transferee or to the Department.

Except as provided in Section 56‑19‑370, the transferee shall, promptly after delivery to him of the vehicle, execute the application for a new certificate of title in the space provided therefor on the certificate or as the Department prescribes and cause the certificate and application to be mailed or delivered to the Department.

Except as provided in Section 56‑19‑370, and as between the parties, a transfer by an owner is not effective until the provisions of this section have been complied with.

HISTORY: 1962 Code Section 46‑150.15; 1957 (50) 595.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

**SECTION 56‑19‑370.** Procedures for voluntary transfer; dealer purchasing vehicle for resale.

If a dealer buys a vehicle and holds it for resale and procures the certificate of title from the owner within forty‑five days after delivery to him of the vehicle, he need not send the certificate to the Department of Motor Vehicles, but, upon transferring the vehicle to another person other than by the creation of a security interest, promptly shall execute the assignment and warranty of title by a dealer, showing the names and addresses of the transferee and of any lienholder holding a security interest created or reserved at the time of the resale and the date of his security agreement, in the spaces provided on the certificate or as the department prescribes, and mail or deliver the certificate to the department with the transferee’s application for a new certificate.

HISTORY: 1962 Code Section 46‑150.16; 1957 (50) 595; 1995 Act No. 42, Section 2.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

**SECTION 56‑19‑380.** Procedures for voluntary transfer; issuance of new certificate.

The Department of Motor Vehicles, upon receipt of a properly assigned certificate of title, with an application for a new certificate of title, the required fee and any other documents required by law, shall issue a new certificate of title in the name of the transferee as owner and mail it to the owner named in it or his legal representative.

HISTORY: 1962 Code Section 46‑150.17; 1957 (50) 595.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

**SECTION 56‑19‑390.** Procedures for involuntary transfer or repossession.

(1) If the interest of an owner in a vehicle passes to another other than by voluntary transfer, the transferee shall, except as provided in subsection (2) of this section, promptly mail or deliver to the Department of Motor Vehicles the last certificate of title, if available, proof of the transfer and his application for a new certificate in the form the Department prescribes.

(2) If the interest of the owner is terminated or the vehicle is sold under a security agreement by a lienholder named in the certificate of title, or by foreclosure of a statutory lien or sale pursuant to Section 29‑15‑10, the transferee shall promptly mail or deliver to the department the last certificate of title or order of court pertaining to sale, his application for a new certificate in the form the department prescribes and an affidavit made by or on behalf of the lienholder that the vehicle was repossessed and that the security interest of the owner was lawfully terminated or sold pursuant to the terms of the security agreement, or by foreclosure of a statutory lien. If the lienholder succeeds to the interest of the owner and holds the vehicle for resale, he need not secure a new certificate of title but, upon transfer to another person, shall promptly mail or deliver to the transferee or to the department the certificate, affidavit and other documents required to be sent to the department by the transferee, and the department shall, upon request, issue a new title free and clear of prior liens and encumbrances.

HISTORY: 1962 Code Section 46‑150.18; 1957 (50) 595; 1977 Act No. 158; 1993 Act No. 181, Section 1492.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

**SECTION 56‑19‑400.** Procedures for involuntary transfer or repossession; issuance of new certificate.

The Department of Motor Vehicles, upon receipt of an application for a new certificate of title by a transferee other than by voluntary transfer, with proof of the transfer, the required fee and any other documents required by law, shall issue a new certificate of title in the name of the transferee as owner. If the outstanding certificate of title is not delivered to it, the Department shall make demand therefor from the holder thereof.

HISTORY: 1962 Code Section 46‑150.19; 1957 (50) 595.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

**SECTION 56‑19‑410.** Procedures for involuntary transfer or repossession; surrender of old certificate; effect of surrender and issuance of new certificate.

A person holding a certificate whose interest in the vehicle has been extinguished or transferred other than by voluntary transfer shall mail or deliver the certificate to the Department of Motor Vehicles upon request of the Department. The delivery of the certificate pursuant to the request of the Department does not affect the rights of the person surrendering the certificate, and the action of the Department in issuing a new certificate of title as provided in Section 56‑19‑400 is not conclusive upon the rights of an owner or lienholder named in the old certificate.

HISTORY: 1962 Code Section 46‑150.20; 1957 (50) 595.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

**SECTION 56‑19‑420.** Fee; allocation.

(A) The Department of Motor Vehicles shall charge fifteen dollars for:

(1) the issuance of a certificate of title;

(2) the transfer of a certificate of title; or

(3) the issuance of a duplicate certificate of title.

(B) Five dollars of the fee contained in this section must be placed in a special earmarked account by the Comptroller General and must be distributed in the following manner:

(1) the first one million dollars must be credited to the general fund of the State to offset a portion of state individual income tax revenue not collected pursuant to the subsistence allowance allowed pursuant to Section 12‑6‑1140(6); and

(2) the remainder must be allocated to the Department of Public Safety and used to support highway patrol programs.

(C) Notwithstanding any other provision of law, five dollars of the fee contained in this section must be placed in a special earmarked account by the Comptroller General and must be distributed to the Department of Motor Vehicles and used to defray its operational expenses excluding any expense relating to Project Phoenix.

HISTORY: 1962 Code Section 46‑150.21; 1957 (50) 595; 1972 (57) 3013, 3088; 1976 Act No. 738 Section 6; 1986 Act No. 540, Part II, Section 42C; 2002 Act No. 349, Section 1; 2003 Act No. 51, Section 16; 2008 Act No. 353, Section 2, Pt 12C.2, eff July 1, 2008.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

Effect of Amendment

The 2008 amendment, in paragraph (B)(1), substituted the clause at the end beginning with “credited” for “allocated to the Department of Education and used to support adult education programs.

**SECTION 56‑19‑425.** Fee for furnishing odometer reading.

The Department of Motor Vehicles shall be authorized to charge a fee of three dollars for furnishing the odometer reading or other odometer information concerning a particular vehicle to a requesting party.

HISTORY: 1980 Act No. 385, Section 6; 1993 Act No. 181, Section 1493.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

**SECTION 56‑19‑430.** Assignment of new identifying number; issuance of new, or endorsement of, original certificate.

The Department of Motor Vehicles may assign a new identifying number to a vehicle if it has none, its identifying number is destroyed or obliterated or its motor is changed and shall either issue a new certificate of title showing the new identifying number or make an appropriate endorsement on the original certificate.

HISTORY: 1962 Code Section 46‑150.22; 1957 (50) 595.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

**SECTION 56‑19‑440.** Suspension or revocation of certificate.

The Department of Motor Vehicles shall suspend or revoke a certificate of title:

(1) If it finds

(a) the certificate of title was fraudulently procured or erroneously issued or

(b) the vehicle has been scrapped, dismantled or destroyed;

(2) When the Department determines that the fee has not been paid and such fee is not paid under reasonable notice and demand; or

(3) When the Department determines that the owner has committed any offense under this chapter or Chapter 21 of Title 16 involving the certificate to be suspended or revoked.

HISTORY: 1962 Code Section 46‑150.23; 1957 (50) 595.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

**SECTION 56‑19‑450.** Effect of suspension or revocation on validity of security interest.

Suspension or revocation of a certificate of title does not, in itself, affect the validity of a security interest noted on it.

HISTORY: 1962 Code Section 46‑150.24; 1957 (50) 595.

**SECTION 56‑19‑460.** Surrender of suspended or revoked certificate.

When the Department of Motor Vehicles suspends or revokes a certificate of title, the owner or person in possession of it shall, immediately upon receiving notice of the suspension or revocation, mail or deliver the certificate to the Department.

HISTORY: 1962 Code Section 46‑150.25; 1957 (50) 595.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

**SECTION 56‑19‑470.** Seizure of suspended or revoked certificate.

The Department of Motor Vehicles may seize and impound any certificate of title which has been suspended or revoked.

HISTORY: 1962 Code Section 46‑150.26; 1957 (50) 595.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

**SECTION 56‑19‑480.** Transfer and surrender of certificates, license plates, registration cards and manufacturers’ serial plates of vehicles sold as salvage, abandoned, scrapped or destroyed.

(A) An owner who scraps, dismantles, destroys, or in any manner disposes to another, except to a demolisher or secondary metals recycler, as wreckage or salvage, a motor vehicle otherwise required to be titled in this State immediately shall mail or deliver to the Department of Motor Vehicles the vehicle’s certificate of title notifying the department to whom the vehicle is delivered together with a report indicating the type and severity of any damage to the vehicle. A person or entity who disposes of a vehicle to a demolisher or secondary metals recycler shall provide the vehicle’s title certificate to the demolisher or secondary metals recycler so that the demolisher or secondary metals recycler can surrender the title certificate to the Department of Motor Vehicles pursuant to Sections 56‑5‑5670 and 56‑5‑5945.

(B) If a vehicle is acquired by an insurance company in settlement of a claim to the vehicle by fire, flood, collision, or other causes, or is left with the claimant after being declared a total loss by the insurance company, the company or its agent immediately shall deliver to the department the certificate of title together with a report indicating the type and severity of damage to the vehicle. At such time as the insurance company may thereafter transfer the damaged vehicle, the company or its agent shall notify the department to whom the transfer was made on a form prescribed by the department. Notwithstanding another provision of law, when an insurance company obtains title to a vehicle from settling a total loss claim, the insurance company may obtain a title to the vehicle designated as “salvage”. The insurance company must pay the title fee contained in Section 56‑19‑420.

(C) All insurance companies which make payments on liability, collision, fire, theft, or comprehensive policies for damaged motor vehicles in this State shall allow department officials to examine all records of the company which pertain to payments made pursuant to the policies during normal working hours.

(D) Vehicles acquired by insurance companies as outlined above are exempt from ad valorem property taxes and inventory taxes, and the transfers of the vehicles to and from insurance companies exempt from sales taxes.

(E) If a salvage vehicle is rebuilt, a regular certificate of title may not again be issued except upon submission of an application stating that the vehicle has been rebuilt and containing the information ordinarily required by the department for the issuance of a certificate of title as well as any information the department may require about the identity of the vehicle, the source and cost of any parts used in, and the extent of any repairs or other work done to the vehicle. In addition, the department may require the vehicle to undergo an inspection by the Highway Patrol or someone authorized by the department to check the identity or the safety of the vehicle, or both. Any regular certificate of title issued by the department for a previously salvaged vehicle must be annotated to show that the vehicle was “salvaged‑rebuilt” and the reason why the vehicle was salvaged.

(F) The manufacturer’s serial plate or vehicle identification number (VIN) plate must remain with the vehicle at all times until the vehicle is shredded, crushed, melted, or otherwise destroyed.

(G) For purposes of this section, a “wrecked vehicle”, a “salvage vehicle”, and a “vehicle declared to be a total loss” are all synonyms and are defined to be any motor vehicle which is damaged to the extent that the cost of repairing the motor vehicle, including both parts and reasonable market charges for labor, equal or exceed seventy‑five percent of the fair market value of the motor vehicle. The provisions contained in this section do not apply to a motor vehicle that has a fair market value of two thousand dollars or less, or an antique motor vehicle as defined by Section 56‑3‑2210. When an insurance company is involved, the fair market value of the vehicle must be determined as of the date immediately before the event which gave rise to the claim. When an insurance company is not involved, then the fair market value must be determined as of the last day on which the vehicle was lawfully operated on a public highway or the last day on which it was registered, whichever is later.

(H) A person violating any provision of this section is guilty of a misdemeanor and, upon conviction, for a first offense, must be fined not less than two nor more than five hundred dollars, or imprisoned for not more than thirty days, or both. For a second or subsequent offense, the fine must not be less than five hundred dollars and not more than one thousand dollars or imprisonment for not more than one year, or both.

HISTORY: 1962 Code Section 46‑150.27; 1957 (50) 595; 1966 (54) 2303; 1972 (57) 2440; 1985 Act No. 198, Section 1; 1996 Act No. 459, Section 237; 2003 Act No. 52, Sections 1, 2; 2012 Act No. 242, Section 10, eff December 15, 2012.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

Editor’s Note

2012 Act No. 242, Section 13, provides as follows:

“Subsection (H) of Section 56‑5‑5670 of the 1976 Code as contained in SECTION 8 and subsection (H) of Section 56‑5‑5945 of the 1976 Code as contained in SECTION 9 take effect upon approval by the Governor. All other provisions of this act take effect one hundred eighty days after approval by the Governor.”

Effect of Amendment

The 2012 amendment rewrote subsection (A).

**SECTION 56‑19‑485.** Designation of vehicles as “wreckage” or “salvage”, etc.

Notwithstanding any other provision of law, whenever any motor vehicle which qualifies as “wreckage” or “salvage” is transferred in this State pursuant to Section 56‑19‑480, whether the vehicle was, immediately before such transfer, titled in this State or in another state, the vehicle shall be designated as “wreckage” or “salvage”, as may be applicable, to the extent necessary to inform the transferee of the exact condition of the vehicle. No wrecked or salvaged out‑of‑state vehicle or South Carolina registered vehicle shall be registered under the laws of this State without such designation, and this designation must be applied to all subsequent transfers of the vehicle.

The provisions of this section apply to transfers of vehicles in all of the circumstances described in Section 56‑19‑480, whether the vehicle is “totaled”, declared a total loss, “junked”, or “salvaged”.

Notwithstanding the provisions of this section, the owner of a vehicle whose total cost of repair, including all labor and parts, is estimated to be seventy‑five percent or more of the fair market value of the vehicle must provide the Department of Motor Vehicles an affidavit from a person who reconstructs or rebuilds a vehicle indicating the cost of repair along with other data the department may prescribe to obtain a certificate of title. The provisions contained in this section do not apply to a motor vehicle that has a fair market value of two thousand dollars or less, or an antique motor vehicle as defined by Section 56‑3‑2210. A certificate of title issued for a vehicle described in this paragraph must be annotated to indicate the motor vehicle is designated “wreckage” or “salvage” as applicable to the extent necessary to inform the transferee of the exact condition of the vehicle. A wrecked or salvaged out‑of‑state vehicle or South Carolina registered vehicle may not be registered in this State without this designation, and this designation must be applied to subsequent transfer of the vehicle.

HISTORY: 1995 Act No. 101, Section 1; 2003 Act No. 52, Section 3.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

**SECTION 56‑19‑490.** “Lemon Law” returns; notification; penalties.

(A) In every sale or transfer of a motor vehicle returned to the manufacturer under the provisions of Chapter 28, Title 56, a similar statute of another state, or as the result of a legal action, the title must have the following sentence printed on its face in large, bold, uppercase type: “RETURNED TO MANUFACTURER UNDER LEMON LAW OR OTHER PROCEEDING.” The notice required under the provisions of this subsection must continue to appear on each title issued as a result of any subsequent sale or transfer of that motor vehicle.

(B) Any person who transfers or attempts to transfer a motor vehicle in violation of this section is subject to a fine of not less than five hundred dollars nor more than five thousand dollars if the person had knowledge that the motor vehicle was returned to the manufacturer for failure to meet express warranties under a “lemon law” or other similar proceeding.

HISTORY: 2000 Act No. 287, Section 6.

**SECTION 56‑19‑495.** Establishment of working group to develop process for titling vehicles for which no title can be provided.

The Department of Motor Vehicles shall convene a working group chaired by the Director of the Department of Motor Vehicles, or the director’s designee, for the purpose of assisting in the development of a process to be used for the titling of vehicles in this State for which no title can be provided, and assisting in the development of forms and regulations pursuant to this section. The working group must consist, at a minimum, of representative stakeholders from the classic car, dealer, insurance and lienholder industries, as well as from law enforcement agencies.

HISTORY: 2012 Act No. 264, Section 12, eff June 18, 2012.

ARTICLE 4

Retirement of Title Certificate to Manufactured Homes

**SECTION 56‑19‑500.** Definitions.

As used in this article:

(1) “Affixed” means that the manufactured home is installed in accordance with the state required installation standards, with wheels, axles, and towing hitch removed, and with the owner of the home having an intention that the manufactured home becomes an improvement to the real property whereon it is situated as evidenced by the filing of the affidavits provided in this article. The filing of the affidavits provided for in this article is conclusive proof of the intent to affix the manufactured home to real property.

(2) “Division” means the Department of Motor Vehicles.

(3) “Homeowner” means, when referring to a manufactured home for which a title certificate is issued as required by Section 56‑19‑210, the person identified on the title certificate as the owner of the “manufactured home”.

(4) “Manufactured home” means a “mobile home” as defined by law or a structure, transportable in one or more sections, which (a) in the traveling mode is eight body feet or more in width, or forty body feet or more in length, or (b) when erected on site, is three hundred twenty or more square feet, and which is built on a permanent chassis and designed to be used as a dwelling with or without a permanent foundation when connected to the required utilities, and includes the plumbing, heating, air conditioning, and electrical systems contained in it.

(5) “Owner” means, when referring to a manufactured home for which the title certificate has been retired either pursuant to the procedure utilized before the effective date of this article by the department or pursuant to this article, the person who owns the real property or has a recorded leasehold estate of thirty‑five or more years on the real property upon which the manufactured home has become affixed and the instrument creating the leasehold estate authorizes the lessee to encumber the real property with a lien.

(6) “Retire the title certificate” means to cancel through the procedure established by this article an existing manufactured home title certificate issued by this State.

(7) “Secured party” means any lienholder identified on the title certificate of a manufactured home, or the lender securing a loan through a mortgage, deed of trust, or real estate contract when referring to real property or real property to which a manufactured home has been affixed and the title certificate retired.

(8) “Security interest” means an interest in property to secure payment of a loan made by a secured party to a borrower or a lien created by operation of law.

(9) “Sever” means to physically remove the manufactured home from the real property to which it is affixed.

HISTORY: 2003 Act No. 88, Section 2.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, in item (2) “Department of Motor Vehicles” was substituted for “Division of Motor Vehicles of the Department of Public Safety”.

**SECTION 56‑19‑510.** Owner affixing manufactured home to real property; Manufactured Home Affidavit for the Retirement of Title Certificate; recording and form of affidavit.

(A) An owner of a manufactured home may affix the home to real property by:

(1) installing the home in accordance with the required installation standards and removing the wheels, axles, and towing hitch; and

(2) filing with the register of deeds or clerk of court, as appropriate, for the county in which the manufactured home is located the Manufactured Home Affidavit for the Retirement of Title Certificate in the form prescribed in this article together with proof of ownership as evidenced by a copy of the most recent deed of record or other instrument vesting title, and paying the filing fee required for affidavits by Section 8‑21‑310.

(B) The register of deeds or clerk of court must record the affidavit as if it were a deed to real property with the homeowner being identified as grantor and give notification to the county assessor.

(C) Upon the filing of the affidavit, the manufactured home is to be treated for all purposes except condemnation as real property and title to the manufactured home is thereby vested in the lawful owner of the real property to which it is affixed. A warning notice to those filing the affidavit must be included in the affidavit.

(D) The Manufactured Home Affidavit for the Retirement of Title Certificate must be in the following form:

|  |  |  |
| --- | --- | --- |
| STATE OF SOUTH CAROLINA | ) | MANUFACTURED HOME |
|  | ) | AFFIDAVIT FOR |
|  | ) | RETIREMENT OF TITLE |
| COUNTY OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_ | ) | CERTIFICATE |
|  |  |  |

(1) Name of Owner:\_

(2) Description of Manufactured Home:

|  |
| --- |
| Date of Manufacture: |
| Manufacturer: |
| Model year: |
| Make: |
| Width: |
| Length: |
| Identification Number (VIN): |

(3) Check whichever is applicable:

\_The above described manufactured home is not subject to a security lien.

\_The above described manufactured home is subject to a security lien and a separate affidavit, as required by law, will be filed naming the secured parties.

(4) Check whichever is applicable:

\_The above described manufactured home is located in a jurisdiction with locally enforced building and safety codes adopted pursuant to Title 6, Chapter 9 and attached to this form is written evidence of compliance with the applicable codes as of the date the manufactured home was permanently affixed to the above described real property. Written evidence of compliance includes, but is not limited to, a copy of a certificate of occupancy, a statement from the code enforcement office, an inspection report, or any documentation of similar effect from the local code enforcement office having the appropriate jurisdiction. Only one document should be attached to this form.

\_The above described manufactured home is not located in a jurisdiction with locally enforced building and safety codes adopted pursuant to Title 6, Chapter 9 applicable to manufactured homes.

(5) Full legal description of the property to which the manufactured home is currently, or is to be, affixed using metes and bounds or reference to recorded plat by book and page. (A separate sheet identified as “Exhibit A” may be attached.)

(6) Derivation: This being the identical or a portion of property conveyed or leased to the owner by deed or lease from \_ and recorded \_ in Book \_ at page \_.

Tax map number \_

Tax billing address \_

(7) The above‑described manufactured home is permanently affixed or is to be permanently affixed to the above‑described real property and the title certificate is to be retired in accordance with applicable law.

(8) Check if applicable:

\_The owner of the manufactured home owns or has a leasehold estate of thirty‑five or more years in the real property to which the manufactured home is affixed.

(9) WARNING: the execution and filing of this affidavit transfers ownership of the manufactured home to the lawful owner of the real property to which it is affixed.

The owner certifies that the above information provided by the owner is true and correct to the best information and belief of the owner.

|  |
| --- |
| Date: |
|  |
| Signature of owner: |
| Type or print name of owner |
|  |
| Witness: |
| Witness: |
|  |

|  |  |  |
| --- | --- | --- |
| STATE OF SOUTH CAROLINA | ) |  |
| COUNTY OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | ) | PROBATE |
|  |  |  |

Before me, the undersigned Notary Public, personally appeared \_, who, being duly sworn, deposed and said that (s)he saw \_, sign, seal, and deliver the foregoing Affidavit and that (s)he, together with \_ witnessed the execution thereof.

|  |  |
| --- | --- |
|  |  |
|  |  |
| SWORN to before me this |  |
| \_\_\_\_\_\_\_\_\_\_\_\_ day of |  |
|  |  |
| Notary Public for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (L.S.) |  |
| My Commission Expires: \_\_\_\_\_\_\_\_\_\_\_\_\_ |  |

HISTORY: 2003 Act No. 88, Section 2; 2005 Act No. 12, Section 4, eff upon approval (became law without the Governor’s signature on January 13, 2005).

Effect of Amendment

The 2005 amendment, in subsection (A)(2), deleted “the certificate of occupancy from the appropriate building official of the jurisdiction in which the manufactured home is located” following “vesting title,” and, in subsection (D), added item (4) pertaining to compliance with building codes and redesignated items (4) to (8) as items (5) to (9).

**SECTION 56‑19‑520.** Retirement of the title certificate to a manufactured home; release of lien; Satisfaction Affidavit.

(A) Commencing nine months following the effective date of this article, the Department of Motor Vehicles must retire the title certificate to the manufactured home upon receipt of the following:

(1) a clocked and stamped copy of the Manufactured Home Affidavit for the Retirement of Title Certificate filed with the Register of Deeds or Clerk of Court;

(2) the title certificate for the manufactured home, with either a release of lien or the consent of any secured party to the retirement of the title certificate indicated in writing on the title certificate by each secured party which authorizes the department to cancel its record of any lien as if it had been released. The release of lien may be accomplished by the appropriate notation on the title certificate or by an affidavit on the form provided in this article. Any licensed attorney admitted to practice in this State who can provide proof of payment of funds by evidence of payment made payable to a secured party or other party entitled to receive payment may record or cause to be recorded an affidavit duly executed in the presence of two witnesses and probated or acknowledged which states that full balance or payoff amount of the lien or other instrument securing the payment of money and being a lien upon the manufactured home has been made and that evidence of payment from the secured party exists. This affidavit, duly recorded in the appropriate county, shall serve as notice of satisfaction of the security interest and release of the lien upon the manufactured home. The filing of the affidavit with the department shall be sufficient to satisfy, release, or discharge the lien. This item may not be construed to require an attorney to record an affidavit or to create liability for failure to file the affidavit. The licensed attorney signing the affidavit which is false is guilty of perjury in violation of Section 16‑9‑10 and shall be liable for damages that any person may sustain as a result of the false affidavit, including reasonable attorney’s fee incurred in connection with the recovery of the damages;

(3) a receipt demonstrating payment of the most recently billed property taxes for the manufactured home; and

(4) payment of a fee established by the department not to exceed fifty dollars for retirement of the title certificate and, notwithstanding any other provision of law, the fee collected by the department must be placed by the Comptroller General into a special restricted account to be used by the department to defray the expenses of the department in administering this article.

(B) The affidavit referred to in subsection (A) must be as follows:

|  |  |  |
| --- | --- | --- |
| STATE OF SOUTH CAROLINA | ) |  |
|  | ) | SATISFACTION AFFIDAVIT |
| COUNTY OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | ) |  |

The undersigned on oath, being first duly sworn, hereby certifies:

(1) The undersigned is a licensed attorney admitted to practice in the State of South Carolina.

(2) With respect to the security interest given by \_ to\_ and dated \_:

(a) [ ] that the undersigned was given written payoff information and made the payoff and is in possession of a canceled check to the secured party; or

(b) [ ] that the undersigned was given written payoff information and made the payoff by wire transfer or other electronic means to the secured party and has confirmation from the undersigned’s bank of the transfer to the account provided by the secured party.

Under penalties of perjury, I declare that I have examined this affidavit this \_ day of \_ and, to the best of my knowledge and belief, it is true, correct, and complete.

|  |  |
| --- | --- |
| Witness: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |
|  | Signature |
|  |  |
| Witness:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |
|  | Name (Please print) |
|  |  |
|  | Attorney’s Bar Number |
|  |  |
|  |  |
|  | Street Address |
|  |  |
|  |  |
|  | City, State, Zip Code |
|  |  |
|  |  |
|  | Telephone |
|  |  |

|  |  |  |
| --- | --- | --- |
| STATE OF SOUTH CAROLINA | ) |  |
| COUNTY OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | ) | PROBATE |

Before me, the undersigned Notary Public, personally appeared \_, who, being duly sworn, deposed and said that he saw \_, sign, seal, and deliver the foregoing Affidavit and that he, together with \_ witnessed the execution thereof.

\_

Subscribed and sworn to before me

this \_ day of \_

Notary Public for \_(L.S.)

My commission expires:\_

(C) Upon presentation to the department of the material required by this section, the department is directed to mark the lien on the manufactured home satisfied.

HISTORY: 2003 Act No. 88, Section 2.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” or “department” was substituted for “division”.

**SECTION 56‑19‑530.** Records of retired title certificates; written confirmation to homeowner.

The Department of Motor Vehicles must maintain a record of each manufactured home title certificate retired under this article, and provide written confirmation of the retirement of the title certificate to the homeowner.

HISTORY: 2003 Act No. 88, Section 2.

**SECTION 56‑19‑540.** Retirement of title certificate where lien reflected on affidavit but not evidenced by mortgage; separate Manufactured Home Lien Affidavit to be filed; form.

(A) If at the time of the filing of the Manufactured Home Affidavit for the Retirement of Title Certificate by the Register of Deeds or Clerk of Court, the manufactured home is subject to a lien reflected on the affidavit but not otherwise evidenced by a mortgage, then a separate Manufactured Home Lien Affidavit in the form prescribed by this article is also to be filed. Payment must also be made of the filing fee for affidavits provided in Section 8‑21‑310. Upon filing, the lien becomes a lien against the real property to which the manufactured home is affixed and is to be indexed in the name of the owner identified on the Manufactured Home Lien Affidavit as mortgagor and secured parties, as mortgagees. Any lien on the manufactured home at the time of retirement of the title certificate must be perfected and have priority in the manner provided for a lien on real property.

(B) The Manufactured Home Lien Affidavit must be in the following form:

|  |  |  |
| --- | --- | --- |
| STATE OF SOUTH CAROLINA | ) | MANUFACTURED HOME |
|  | ) | LIEN AFFIDAVIT |
| COUNTY OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | ) |  |

|  |  |  |
| --- | --- | --- |
|  | (1) | Name of Owner: |
|  | (2) | Description of Manufactured Home: |
|  |  | Date of Manufacture: |
|  |  | Manufacturer: |
|  |  | Model year: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Make: |
|  |  | Width: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Length: |
|  |  | Identification Number (VIN): |

(3) The above described manufactured home is subject to a security lien and all secured parties with mailing addresses are listed below:

\_

\_

(4) Full legal description of new property to which manufactured home is to be affixed using metes and bounds or reference to recorded plat by book and page. (A separate sheet identified as “Exhibit A” may be attached.)

\_

(5) Derivation: This being the identical or a portion of property conveyed or leased to the owner by deed or lease from \_ and recorded \_ in Book \_ at page \_.

Tax map number\_

Tax billing address\_

(6) Name of owner of real property if different from owner of manufactured home.

\_

(7) The owner of the manufactured home affidavit was recorded on \_, in book \_, at page \_, in the County of \_.

The owner certifies that the above information provided by the owner is true and correct to the best information and belief of the owner.

|  |  |
| --- | --- |
| Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |
|  | Signature of Owner |
|  |  |
|  |  |
|  |  |
|  | Type or print name of owner |
|  |  |
| Witness: |  |
|  |  |
| Witness: |  |
|  |  |

|  |  |  |
| --- | --- | --- |
| STATE OF SOUTH CAROLINA | ) |  |
| COUNTY OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | ) | PROBATE |

Before me, the undersigned Notary Public, personally appeared \_, who, being duly sworn, deposed and said that he saw \_, sign, seal, and deliver the foregoing Affidavit and that he, together with \_ witnessed the execution thereof.

\_

SWORN to before me this

\_ day of \_

Notary Public for\_(L.S.)

My Commission Expires:\_

HISTORY: 2003 Act No. 88, Section 2.

**SECTION 56‑19‑550.** Severance of manufactured home from real property when it will be affixed to real property in new location; filing of Manufactured Home Severance Affidavit; if not to be affixed to real property, Attorney Affidavit of Security Interests of Record reflecting liens to be filed.

(A) A manufactured home for which the title certificate has been retired may be severed from real property only in accordance with the procedures prescribed in this article. Any person who removes a manufactured home for which the title certificate has been retired from the real property to which it has been affixed in a manner inconsistent with requirements of this article is guilty of a misdemeanor and, upon conviction, must be fined five hundred dollars.

(B) If a manufactured home for which the title certificate has been retired is to be severed from the real property to which it is affixed, it is not necessary for the owner of the manufactured home to obtain a new title certificate if the manufactured home is to be affixed to real property in its new location. However, the owner shall file a Manufactured Home Severance Affidavit in the form prescribed in this article with the Register of Deeds or Clerk of Court in the county or counties from which the manufactured home is being moved and where it is to be relocated and pay a fee for the filing of affidavits provided by Section 8‑21‑310. No manufactured home that is to be severed may be transported without first obtaining the appropriate moving permit and a receipt indicating payment of any taxes accrued, due, or payable on the manufactured home.

(C) The Manufactured Home Severance Affidavit must be in the following form:

|  |  |  |
| --- | --- | --- |
| STATE OF SOUTH CAROLINA | ) |  |
|  | ) | MANUFACTURED HOME |
|  | ) | SEVERANCE AFFIDAVIT |
| COUNTY OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | ) |  |

OWNERS SECTION

|  |  |  |
| --- | --- | --- |
|  | (1) | Name of Owner: |
|  | (2) | Description of Manufactured Home: |
|  |  | Date of Manufacture: |
|  |  | Manufacturer: |
|  |  | Model year: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Make: |
|  |  | Width: \_\_\_\_\_\_\_\_\_\_\_\_\_ Length: |
|  |  | Identification Number (VIN): |

(3) Check whichever is applicable:

\_ The above described manufactured home will be removed from its current location and will not be permanently affixed in a new location.

\_ The above described manufactured home will be removed from its current location and will be permanently affixed in a new location.

(4) Full legal description of new property to which manufactured home is to be affixed using metes and bounds or reference to recorded plat by book and page. (A separate sheet identified as “Exhibit A” may be attached.)

\_

(5) Derivation: This being the identical or a portion of property conveyed or leased to the owner by deed or lease from \_ and recorded \_ in Book\_ at page\_.

Tax map number\_

Tax billing address\_

(6) Name of owner of real property if different from owner of manufactured home.

\_

(7) The initial manufactured home affidavit was recorded on \_, in book \_, at page \_, in the County of \_.

The owner certifies that the above information provided by the owner is true and correct to the best information and belief of the owner.

|  |  |
| --- | --- |
| Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |  |
|  | Signature of Owner |
|  |  |
|  |  |
|  | Type or Print Name of Owner |
|  |  |
| Witness: |  |
| Witness: |  |
|  |  |

|  |  |  |
| --- | --- | --- |
| STATE OF SOUTH CAROLINA | ) |  |
|  | ) |  |
| COUNTY OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | ) | PROBATE |

Before me, the undersigned Notary Public, personally appeared \_, who, being duly sworn, deposed and said that he saw \_, sign, seal, and deliver the foregoing affidavit and that he, together with \_ witnessed the execution thereof.

\_

SWORN to before me this

\_ day of \_

Notary Public for\_(L.S.)

My Commission Expires:\_

SECURED PARTY SECTION

(1) Names and mailing address of all parties with a security interest in the manufactured home:

\_

\_

(2) Consent to sever. This section must be completed by each secured party and the signature of each must be notarized. By my (our) signature(s) affixed hereto I (we) consent to the severance of the within described manufactured home from the real property identified herein.

|  |  |
| --- | --- |
| Date: |  |
|  | Signature of secured party |
|  |  |
| Witness: |  |
|  | Signature of secured party |
| Witness: |  |
|  | Print or type name of secured party |
|  |  |
|  |  |
|  | Print or type name of secured party |
|  |  |
| Date: |  |
|  | Signature of secured party |
|  |  |
| Witness: |  |
|  | Signature of secured party |
| Witness: |  |
|  | Print or type name of secured party |
|  |  |
|  |  |
|  | Print or type name of secured party |
|  |  |

|  |  |  |
| --- | --- | --- |
| STATE OF SOUTH CAROLINA | ) |  |
| COUNTY OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | ) | PROBATE |

Before me, the undersigned Notary Public, personally appeared \_, who, being duly sworn, deposed and said that he saw \_, sign, seal, and deliver the foregoing consent to sever and that he, together with \_ witnessed the execution thereof.

\_

SWORN to before me this

\_ day of \_

Notary Public for\_(L.S.)

My Commission Expires:\_

(D) If the manufactured home will not be affixed to real property, it is necessary for the owner of the manufactured home to obtain a new title certificate from the Department of Motor Vehicles by filing with the department an application for title on the form prescribed by the department, by paying the fee established by Section 56‑19‑420, and by furnishing a stamped, clocked copy of the Manufactured Home Severance Affidavit which must contain an affidavit executed by a licensed South Carolina attorney identifying in the order of their priority any secured party having a security interest in the real property. Liens reflected on the Manufactured Home Severance Affidavit must be reflected on the title certificate in order of their priority.

(E) The attorney’s affidavit required by subsection (D) must be in the following form:

|  |  |  |
| --- | --- | --- |
| STATE OF SOUTH CAROLINA | ) | ATTORNEY AFFIDAVIT OF |
|  | ) | SECURITY INTERESTS OF |
| COUNTY OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | ) | RECORD |

The undersigned on oath, being duly sworn, hereby certifies as follows:

(1) The undersigned is a licensed attorney admitted to practice in the State of South Carolina.

(2) The undersigned has conducted an examination of the real property records in the office of the Register of Deeds or Clerk of Court in the county of \_, and states that the following security interests listed below in their order of priority are recorded and in the undersigned’s opinion are perfected as to the manufactured home identified in the attached Severance Affidavit. The parties are listed by name and address in order of priority of security interest:

|  |  |
| --- | --- |
| Date: |  |
|  | Signature of attorney |
|  |  |
|  |  |
|  | Printed name of attorney and |
|  | Bar Number |
|  |  |
|  |  |
|  | Street Address |
|  |  |
|  |  |
|  | City, State, Zip Code |
|  |  |
| Witness: |  |
| Witness: |  |
|  |  |

|  |  |  |
| --- | --- | --- |
| STATE OF SOUTH CAROLINA | ) |  |
| COUNTY OF \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | ) | PROBATE |

Before me, the undersigned Notary Public, personally appeared \_, who, being duly sworn, deposed and said that he saw \_, sign, seal, and deliver the foregoing Affidavit and that he, together with \_ witnessed the execution thereof.

\_

SWORN to before me this

\_ day of \_

Notary Public for\_(L.S.)

My Commission Expires:\_

(F) If a manufactured home which is to be severed from real property is subject to a lien or mortgage, the manufactured home may not be severed without the notarized, written consent of the lienholder to the severance and the discharge or release of the lien or mortgage as to the manufactured home as provided by law.

(G) Notwithstanding the provisions of this article, the security interest in a manufactured home in which the title certificate has been retired shall continue notwithstanding any relocation unless the lien on the manufactured home has been satisfied of record as required by law as to the satisfaction of liens or the lender indicates consent to the relocation on the Severance Affidavit provided for in subsection (C) and the owner files the affidavit with the Register of Deeds or Clerk of Court with whom the Manufactured Home Affidavit for Retirement of title certificate is filed.

(H) A copy of the application for a new title certificate along with the Manufactured Home Severance Affidavit required by this article must also be filed in the office of the Register of Deeds or Clerk of Court for the county in which is located the real property from which the manufactured home is severed together with payment of the fee for the filing of affidavits provided by Section 8‑21‑310.

HISTORY: 2003 Act No. 88, Section 2.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” or “department” was substituted for “division”.

**SECTION 56‑19‑560.** Manufactured home treated as real property.

Upon an owner of a manufactured home meeting all requirements of this article for retiring the title certificate on his manufactured home and having the manufactured home and the real property to which it is affixed classified as real property, the register of deeds or clerk of court in the county where it is located in all indexes and transactions regarding the manufactured home and the real property to which it is affixed must confer upon it the treatment required by Section 56‑19‑510(C) and may not in any particulars still treat the manufactured home as personal property.

HISTORY: 2005 Act No. 174, Section 1, eff June 7, 2005.

ARTICLE 5

Secured Interests and Other Liens

**SECTION 56‑19‑610.** Chapter inapplicable to certain liens and security interests.

This chapter does not apply to or affect:

(1) A lien given by statute or rule of law to a supplier of services or materials for the vehicle;

(2) A lien given by statute to the United States, this State or any political subdivision of this State, if such lien is recorded on the title;

(3) A security interest in a vehicle created by a manufacturer or dealer who holds the vehicle for sale; or

(4) Attachment liens provided for in Section 29‑15‑20.

HISTORY: 1962 Code Section 46‑150.41; 1957 (50) 595.

**SECTION 56‑19‑620.** Security interest invalid against third parties unless properly perfected.

Unless excepted by Section 56‑19‑610, a security interest in a vehicle of a type for which a certificate of title is required is not valid against creditors of the owner or subsequent transferees or lienholders of the vehicle unless perfected as provided in this article. No other recordation shall be necessary to protect the interest of the lienholder.

HISTORY: 1962 Code Section 46‑150.42; 1957 (50) 595; 1960 (51) 1730.

**SECTION 56‑19‑630.** Perfecting security interest; time when effective.

A security interest is perfected by the delivery to the Department of Motor Vehicles of the existing certificate of title, if any, an application for a certificate of title containing the name and address of the lienholder and the date of his security agreement and the required fee. It is perfected as of the time of its creation if the delivery is completed within ten days thereafter, otherwise, as of the time of the delivery.

HISTORY: 1962 Code Section 46‑150.43; 1957 (50) 595.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

**SECTION 56‑19‑650.** Procedure when owner creates security interest.

If an owner creates a security interest in a vehicle:

(1) The owner immediately shall execute the application, in the space provided for on the certificate of title or on a separate form the Department of Motor Vehicles prescribes, to name the lienholder on the certificate, showing the name and address of the lienholder and the date of his security agreement, and cause the certificate, application, and the required fee to be delivered to the lienholder.

(2) The lienholder immediately shall cause the certificate, application, and the required fee to be mailed or delivered to the department.

(3) If the certificate of title is in the possession of a lienholder and a supplemental lien is created by the owner, the subsequent lienholder shall secure the title from the first lienholder and forward to the department the required application and the title for perfecting the lien, together with the required fee. The department when satisfied that the application is in order shall issue a new certificate of title containing the name and address of the new lienholder and mail the certificate to the first lienholder named on it. The delivery of the certificate does not affect the rights of the first lienholder under his security agreement.

HISTORY: 1962 Code Section 46‑150.45; 1957 (50) 595; 1963 (53) 161; 1996 Act No. 459, Section 238.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

**SECTION 56‑19‑660.** Filing notices of security interests; record thereof.

The Department of Motor Vehicles shall file each notice of security interest received by it with the required fee and maintain a record of all notices of security interests filed by it.

HISTORY: 1962 Code Section 46‑150.46; 1957 (50) 595.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

**SECTION 56‑19‑670.** Assignment of security interest; perfection; filing.

A lienholder may assign, absolutely or otherwise, his security interest in the vehicle to a person other than the owner without affecting the interest of the owner or the validity of the security interest, but any person without notice of the assignment is protected in dealing with the lienholder as the holder of the security interest, and the lienholder remains liable for any obligations as lienholder until an assignment by the lienholder is delivered to the Department of Motor Vehicles as provided in this section.

The assignee may, but need not, to perfect the assignment, deliver to the department an assignment by the lienholder in the form the department prescribes with the required fee.

The Department shall file each assignment received by it with the required fee and note the assignee as lienholder upon the record of security interests maintained by the Department pursuant to Section 56‑19‑660.

HISTORY: 1962 Code Section 46‑150.47; 1957 (50) 595; 1990 Act No. 577, Section 3(A).

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

**SECTION 56‑19‑680.** Satisfaction of security interest for which certificate is in possession of lienholder; filing release.

(1) Upon the satisfaction of a security interest in a vehicle for which the certificate of title is in the possession of the lienholder, he shall, within ten days after demand and, in any event, within thirty days, execute a release of his security interest, in the space provided therefor on the certificate or as the Department of Motor Vehicles prescribes, and mail or deliver the certificate and release to the Department which shall file the release and note it upon the record of security interest maintained by the Department pursuant to Section 56‑19‑660. The Department shall then mail the certificate to the next lienholder or if no other lienholder, then to the owner. No charge shall be made by the lienholder for executing such release.

(2) Upon the satisfaction of a security interest in a vehicle for which the certificate of title is in the possession of a prior lienholder, the lienholder whose security interest is satisfied shall within ten days after demand, and, in any event, within thirty days execute a release in duplicate in the form the Department prescribes and deliver or mail a copy to the owner and a copy to the Department for notation upon the record of security interests maintained by the Department pursuant to Section 56‑19‑660.

(3) Upon failure of the lienholder to forward the certificate to the Department as required by this article he shall be guilty of a misdemeanor and upon conviction thereof, shall be fined not more than one hundred dollars or be imprisoned for not more than thirty days.

HISTORY: 1962 Code Section 46‑150.48; 1957 (50) 595, 1963 (53) 161.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

**SECTION 56‑19‑700.** Security interests in previously registered vehicles not needing certificates unaffected.

This chapter shall in no wise affect or impair any chattel mortgage, lien or other security interest in a previously registered vehicle for which no certificate of title or application for a certificate of title is required under this chapter.

HISTORY: 1962 Code Section 46‑150.50; 1957 (50) 595.

**SECTION 56‑19‑710.** Continuation of security interests previously perfected under other laws.

If a security interest in a previously registered vehicle was perfected under any other applicable law of this State on January 1, 1958, the security interest shall continue perfected until its perfection lapses under the law under which it was perfected or would lapse in the absence of a further recording or until the earlier lapse of two years and nine months from January 1, 1958 and thereafter, if previously perfected under this article.

HISTORY: 1962 Code Section 46‑150.51; 1957 (50) 595.

**SECTION 56‑19‑720.** Sale or security interest not created by terminal rental adjustment clause in motor vehicle or trailer lease.

Notwithstanding another provision of law, a transaction involving a motor vehicle or trailer does not create a sale or security interest merely because the agreement contains a terminal rental adjustment clause which provides that the rental price may be or must be adjusted either upward or downward by reference to the amount realized upon sale or other disposition of the motor vehicle or trailer.

HISTORY: 1998 Act No. 406, Section 1.

Editor’s Note

“The clarification of existing law in Section 56‑19‑720 of the 1976 Code as contained in Section 1 of this act must be given effect in all court cases brought on or after the effective date of this act.”

ARTICLE 7

Stolen, Converted or Unclaimed Vehicles

**SECTION 56‑19‑810.** Peace officers shall report theft or recovery of vehicles.

A peace officer who learns of the theft of a vehicle not since recovered or of the recovery of a vehicle whose theft or conversion he knows or has reason to believe has been reported to the Department of Motor Vehicles shall forthwith report the theft or recovery to the Department.

HISTORY: 1962 Code Section 46‑150.61; 1957 (50) 595.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

**SECTION 56‑19‑820.** Owners of lienholders may report thefts or conversions; Department of Motor Vehicles may disregard report; recovery shall be reported.

An owner or a lienholder may report the theft of a vehicle, or its conversion if a crime, to the Department of Motor Vehicles, but the Department may disregard the report of a conversion unless a warrant has been issued for the arrest of a person charged with the conversion. A person who has so reported the theft or conversion of a vehicle shall forthwith after learning of its recovery report the recovery to the Department.

HISTORY: 1962 Code Section 46‑150.62; 1957 (50) 595.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

**SECTION 56‑19‑830.** Liability of officer or agency for acting on false theft report.

No peace officer or government agency shall be criminally or civilly liable for any act done in good faith as a result of a false report of the theft of a vehicle if no liability would have resulted from such act had the report been true.

HISTORY: 1962 Code Section 46‑150.63; 1957 (50) 595.

**SECTION 56‑19‑840.** Unclaimed vehicles in garages and certain other places shall be reported; loss of storage lien for failure to report.

A proprietor, an owner, or an operator of any towing company, storage facility, garage, or repair shop or any person who repairs or furnishes any material for the repair of a vehicle, where a vehicle remains unclaimed for a period of thirty days, must report the vehicle as unclaimed to the Department of Motor Vehicles within five days after the expiration of the thirty‑day period. The report must be on a form prescribed by the department. The form may be submitted before the thirty‑day period expires.

A vehicle is considered “unclaimed” when the owner of the vehicle has not reclaimed it within thirty days after notification pursuant to Sections 29‑15‑10 and 56‑5‑5630. A person who fails to report a vehicle as unclaimed in accordance with this section forfeits all claims, liens, or costs associated with the towing and storage.

HISTORY: 1962 Code Section 46‑150.64; 1957 (50) 595; 2004 Act No. 269, Section 9.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

**SECTION 56‑19‑850.** Records of reports of stolen, converted, recovered and unclaimed vehicles; distribution of lists.

The Department of Motor Vehicles shall maintain and appropriately index cumulative public records of stolen, converted, recovered and unclaimed vehicles reported to it pursuant to this article. The Department may make and distribute weekly lists of such vehicles so reported to it to peace officers.

HISTORY: 1962 Code Section 46‑150.65; 1957 (50) 595.

Code Commissioner’s Note

Pursuant to the directive to the Code Commissioner in 2003 Act No. 51, Section 18, “Department of Motor Vehicles” was substituted for “department”.

ARTICLE 9

Titling of All‑Terrain Vehicles

**SECTION 56‑19‑1010.** Title for all‑terrain vehicle (ATV); application.

An owner of an ATV may make application to the Department of Motor Vehicles for a title for the vehicle accompanied by the required fee and upon the appropriate form prescribed and furnished by the department. The application must be accompanied by a manufacturer’s certificate of origin or previous title properly assigned to the applicant.

HISTORY: 2011 Act No. 24, Section 2, eff July 1, 2011.

**SECTION 56‑19‑1020.** Application for title of previously‑titled all‑terrain vehicle (ATV) received by gift, trade or other means; proof of ownership

When a person who is not a licensed ATV dealer receives by purchase, gift, trade, or by another means a vehicle that was titled in this State, the person who receives the vehicle may make application to the department for a title. The application must be accompanied by the required documents and fee for title. The department shall issue a certificate of title once it has received a properly completed application. An owner of an ATV, before the effective date of this article, who cannot provide proof of ownership, may request an affidavit from the sheriff in the county in which he resides. The affidavit shall state that the sheriff finds the person making application for the title is the legal owner of the ATV. Before issuing the affidavit, the sheriff must verify through the National Crime Information Center that the ATV is not stolen. The department shall issue a title application to the owner upon presentation of the affidavit, application, and fee.

HISTORY: 2011 Act No. 24, Section 2, eff July 1, 2011.

**SECTION 56‑19‑1030.** Title fee for all‑terrain vehicle (ATV).

The title fee for an ATV is contained in Section 56‑19‑420(A). For purposes of this article, an all‑terrain vehicle (ATV) is defined as provided in Section 50‑26‑20.

HISTORY: 2011 Act No. 24, Section 2, eff July 1, 2011.