



## HOUSE COMMITTEE ON APPROPRIATIONS

# FISCAL NOTE

HOUSE BILL NO. 632

PRINTERS NO. 4052

PRIME SPONSOR: Rothman

### COST / (SAVINGS)

FUND	FY 2020/21	FY 2021/22
Motor License Fund	\$0	\$0

**SUMMARY:** Extends the use of a limited power of attorney during a declared disaster emergency when selling, purchasing or transferring a manufactured home; allows for an insurer to use a secure power of attorney, which may be signed electronically when transferring a salvage vehicle in certain instances; and expands when a licensed dealer may use a secure power of attorney to transfer a vehicle. The provision relating to a limited power of attorney used for manufactured homes shall take effect immediately and the remainder of the legislation shall take effect in 90 days.

**ANALYSIS:** Amends Title 75 (Vehicle Code) to permit insurance companies to use a Secure Power of Attorney (sPOA) form, allows sPOA forms to be signed electronically and provides that a limited power of attorney submitted to PennDOT during the 90 day requirement for an application for certificate of title by an agent is still valid if the 90th day occurs during a disaster declaration by the Governor.

**Secure Power of Attorney:** The legislation amends Section 7134 (Odometer disclosure requirements) to clarify that prior to the execution of any ownership transfer document relating to a motor vehicle, that the ownership transfer document (sPOA) does not need to be a "written" statement signed by the transferor.

The legislation also adds subsection 7134(d.2) to outline when an insurance company can use a sPOA. PennDOT shall permit an insurer to use a sPOA to transfer a salvage vehicle when:

- the certificate of title is encumbered with a lien.
- the title has been lost by the transferor.
- the insurer is applying for a duplicate title.
- the manufactured certificate of origin for a new vehicle is in possession of the lienholder.

Subsection 7134(d.2) also outlines that a sPOA does not need to be notarized and may be signed electronically. The insurance company is responsible for ensuring the sPOA complies with the requirements outlined within 15 U.S.C. § 7001 et seq. (relating to electronic signatures in global and national commerce), the requirements of 49 U.S.C. § 32705 (relating to disclosure requirements on transfer of motor vehicles) and any requirements imposed by the Commonwealth.

PennDOT may, at its discretion, permit the use of a sPOA for the transfer of other vehicles in addition to salvage vehicles. Also, PennDOT is not required to certify an electronic signature process or an electronic signature process vendor before accepting a POA that is executed with an electronic signature.

If the Secretary of the USDOT promulgates regulations regarding the use of a POA relating to subsection 7134(d.2), those regulations will supersede in accordance with 49 U.S.C. § 32705(g).

In addition, the legislation adds that PennDOT shall permit a licensed dealer to use a sPOA to transfer a vehicle when:

- the title has been lost by the transferor
- the licensed dealer is applying for a duplicate title.
- the manufacturer certificate of origin for a new vehicle is in possession of the lienholder.

**Limited Power of Attorney used for Manufactured Homes:** The legislation adds that a limited power of attorney submitted to PennDOT during the 90 days requirement required by Section 1119 for the application of certificate of title by an agent may still be used for the sale, purchase or transfer of manufactured homes during the period of a disaster emergency declared by the Governor and for 10 days following the expiration of the disaster declaration.

**FISCAL IMPACT:** This legislation would have no adverse fiscal impact on Commonwealth funds.

**PREPARED BY:** Tim Rodrigo  
House Appropriations Committee (R)

**DATE:** July 7, 2020

*Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.*