

1 AN ACT relating to towed vehicles.

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

3 ➔Section 1. KRS 186A.190 (Effective until January 1, 2025) is amended to read  
4 as follows:

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

22 (2) A motor vehicle dealer, a secured party or its representative, an assignee of a retail  
23 installment contract lender, or a county clerk shall rely on a county of residence  
24 designated by the debtor on any approved, notarized state form utilized in lien  
25 titling or the title transfer process signed by the debtor. Reliance on the foregoing  
26 by the motor vehicle dealer, secured parties, and county clerk shall relieve those  
27 persons from liability to any third party claiming failure to comply with this section.

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

9 (a) Is received by the county clerk in the county in which residence of the debtor  
10 resides as determined under the provisions of this section together with the  
11 required fees, as designated by the debtor in the sworn statement;

12 (b) Describes the titled vehicle, or vehicle to be titled, by year, model, make, and  
13 vehicle identification number;

14 (c) Provides the name of the secured party, or a representative of the secured  
15 party, together with the additional information about the secured party  
16 required by subsection (9) of this section with reasonable particularity; and

17 (d) Includes the date and time-stamped entry of the notation of the security  
18 interest by the county clerk of the required information in the Automated  
19 Vehicle Information System (AVIS), or its successor title processing system  
20 maintained by the Division of Motor Vehicle Licensing of the Transportation  
21 Cabinet.

22 (4) Except as provided in subsection (6) of this section, if the debtor is other than a  
23 natural person, the following provisions govern the determination of the county of  
24 the debtor's residence:

25 (a) A partnership shall be deemed a resident of the county in which its principal  
26 place of business in this state is located. If the debtor does not have a place of  
27 business in this state, then the debtor shall be deemed a nonresident for

- 1 purposes of filing in this state;
- 2 (b) A limited partnership organized under KRS Chapter 362 or as defined in KRS  
3 362.2-102(14) shall be deemed a resident of the county in which its principal  
4 place of business is located, as set forth in its certificate of limited partnership  
5 or most recent amendment thereto filed pursuant to KRS Chapter 362 or  
6 362.2-202. If such office is not located in this state, the debtor shall be  
7 deemed a nonresident for purposes of filing in this state;
- 8 (c) A limited partnership not organized under the laws of this state and authorized  
9 to do business in this state shall be deemed a resident of the county in which  
10 the office of its process agent is located, as set forth in the designation or most  
11 recent amendment thereto filed with the Secretary of State of the  
12 Commonwealth of Kentucky;
- 13 (d) A corporation organized under KRS Chapter 271B, 273, or 274 or a limited  
14 liability company organized under KRS Chapter 275 shall be deemed a  
15 resident of the county in which its registered office is located, as set forth in  
16 its most recent corporate filing with the Secretary of State which officially  
17 designates its current registered office;
- 18 (e) A corporation not organized under the laws of this state, but authorized to  
19 transact or do business in this state under KRS Chapter 271B, 273, or 274, or  
20 a limited liability company not organized under the laws of this state, but  
21 authorized to transact business in this state under KRS Chapter 275, shall be  
22 deemed a resident of the county in which its registered office is located, as set  
23 forth in its most recent filing with the Secretary of State which officially  
24 designates its current registered office;
- 25 (f) A cooperative corporation or association organized under KRS Chapter 272  
26 shall be deemed a resident of the county in which its principal business is  
27 transacted, as set forth in its articles of incorporation or most recent

1 amendment thereto filed with the Secretary of State of the Commonwealth of  
2 Kentucky;

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

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

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

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

24 If the debtor does not reside in the Commonwealth, the notation of the security  
25 interest shall be done in the office of the county clerk in which the property is  
26 principally situated or operated. Notwithstanding the existence of any filed  
27 financing statement under the provisions of KRS Chapter 355 relating to any

1 property registered or titled in Kentucky, the sole means of perfecting and  
2 discharging a security interest in property for which a certificate of title is required  
3 by this chapter is by notation on the property's certificate of title under the  
4 provisions of this chapter or in accordance with the provisions of KRS 186.045(3).  
5 In other respects the security interest is governed by the provisions of KRS Chapter  
6 355.

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

19 (6) Notwithstanding subsections (1) to (5) of this section, a county clerk shall,  
20 following inspection of the vehicle by the sheriff, to determine that the vehicle has  
21 not been stolen, issue a new ownership document to a vehicle, clear of all prior  
22 liens, to a person after he or she provides to the county clerk an affidavit devised by  
23 the Transportation Cabinet and completed by the person. The ownership document  
24 presented as a result of this affidavit shall be in accordance with subsection (7) of  
25 this section. In the affidavit, the affiant shall attest that:

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

27 (b) Before he or she provided the notices required by paragraphs (c) and (d) of

1           this subsection:

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

4           2.    Within thirty (30) days of payment of damages by an insurance  
5           company and receipt by the current owner of the motor vehicle or  
6           lienholder of damages pursuant to a claim settlement which required  
7           transfer of the vehicle to the insurance company, the insurance company  
8           has been unable to obtain:

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

11           b.    If applicable, any lien satisfactions; or

12           3.    ~~a.~~ The vehicle was:

13           a.    Voluntarily towed or transported pursuant to a request of the  
14           current owner or an insurance company that a motor vehicle  
15           dealer, licensed as a used motor vehicle dealer and motor vehicle  
16           auction dealer, take possession of and store the motor vehicle in  
17           the regular course of business; or

18           b.    Involuntarily towed or transported under the provisions of KRS  
19           376.275; and

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

25           (c)   More than thirty (30) days before presenting the affidavit to the county clerk,  
26           the affiant attempted to notify the owner of the vehicle and all known  
27           lienholders, including those noted on the title, by certified mail, return receipt

1 requested, or by a nationally recognized courier service, of his or her name,  
2 address, and telephone number as well as his or her intention to obtain a new  
3 title or salvage title, as applicable, clear of all prior liens, unless the owner or  
4 a lienholder objects in writing;

5 (d) More than fourteen (14) days before presenting the affidavit to the county  
6 clerk, the affiant had published a legal notice stating his or her intention to  
7 obtain title to the vehicle. The legal notice appeared at least twice in a seven  
8 (7) day period in a newspaper with circulation in the county. The legal notice  
9 stated:

- 10 1. The affiant's name, address, and telephone number;
- 11 2. The owner's name;
- 12 3. The names of all known lienholders, including those noted on the title;
- 13 4. The vehicle's make, model, and year; and
- 14 5. The affiant's intention to obtain title to the vehicle unless the owner or a  
15 lienholder objects in writing within fourteen (14) days after the last  
16 publication of the legal notice; and

17 (e) Neither the owner nor a lienholder has objected in writing to the affiant's right  
18 to obtain title to the vehicle.

19 (7) (a) If subsection (6)(b)1. of this section applies, the new ownership document  
20 shall be a title.

21 (b) If subsection (6)(b)2. or 3. of this section applies, the new ownership  
22 document shall be a salvage title if the vehicle meets the requirements for a  
23 salvage title as stated in KRS 186A.520(1)(a).

24 (c) If subsection (6)(b)2. or 3. of this section applies and the vehicle does not  
25 meet the requirements for a salvage title as stated in KRS 186A.520(1)(a), the  
26 new ownership document shall be a title.

27 (8) No more than two (2) active security interests may be noted upon a certificate of

1 title.

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

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

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

14 ➔Section 2. KRS 186A.190 (Effective January 1, 2025) is amended to read as  
15 follows:

16 (1) Except as provided in subsection (6) of this section and in KRS 355.9-311(4), the  
17 perfection of a security interest in any property for which has been issued a  
18 Kentucky certificate of title shall be by notation on the certificate of title which  
19 shall be deemed to have occurred when the provisions of subsection (3) of this  
20 section have been complied with. Discharge of a security interest shall be by  
21 notation on the certificate of title. Notation shall be made by the entry of  
22 information required by subsection (9) of this section into the Automated Vehicle  
23 Information System. The notation of the security interest on the certificate of title  
24 shall be in accordance with this chapter and shall remain effective from the date on  
25 which the security interest is noted on the certificate of title for a period of ten (10)  
26 years, or, in the case of a manufactured home, for a period of thirty (30) years, or  
27 until discharged under this chapter and KRS Chapter 186. The filing of a



1 continuation statement within the six (6) months preceding the expiration of the  
2 initial period of a notation's effectiveness extends the expiration date for five (5)  
3 additional years, commencing on the day the notation would have expired in the  
4 absence of the filing. Succeeding continuation statements may be filed in the same  
5 manner to continue the effectiveness of the initial notation.

6 (2) A motor vehicle dealer, a secured party or its representative, an assignee of a retail  
7 installment contract lender, the cabinet, or a county clerk shall rely on a county of  
8 residence designated by the debtor on any approved, notarized state form utilized in  
9 lien titling or the title transfer process signed by the debtor. Reliance on the  
10 foregoing by the motor vehicle dealer, secured parties, cabinet, and county clerk  
11 shall relieve those persons from liability to any third party claiming failure to  
12 comply with this section.

13 (3) Except as provided in subsection (6) of this section, the notation of security  
14 interests relating to property required to be titled under this chapter in Kentucky  
15 through the cabinet shall be done in the office of a county clerk. The notation of a  
16 security interest shall reflect the county in which the debtor resides as determined  
17 by subsections (2) and (4) of this section. The security interest shall be deemed to  
18 be noted on the certificate of title and perfected, or deemed perfected at the time the  
19 security interest attaches as provided in KRS 355.9-203, if in compliance with KRS  
20 186A.195(7), when a title lien statement:

- 21 (a) Is received by the county clerk, together with the required fees;
- 22 (b) Describes the titled vehicle, or vehicle to be titled, by year, model, make, and  
23 vehicle identification number;
- 24 (c) Provides the name of the secured party, or a representative of the secured  
25 party, together with the additional information about the secured party  
26 required by subsection (9) of this section with reasonable particularity; and
- 27 (d) Includes the date and time-stamped entry of the notation of the security

1 interest by the county clerk of the required information in the Automated  
2 Vehicle Information System (AVIS), or its successor title processing system  
3 maintained by the Division of Motor Vehicle Licensing of the Transportation  
4 Cabinet.

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

- 1 (e) A corporation not organized under the laws of this state, but authorized to  
2 transact or do business in this state under KRS Chapter 271B, 273, or 274, or  
3 a limited liability company not organized under the laws of this state, but  
4 authorized to transact business in this state under KRS Chapter 275, shall be  
5 deemed a resident of the county in which its registered office is located, as set  
6 forth in its most recent filing with the Secretary of State which officially  
7 designates its current registered office;
- 8 (f) A cooperative corporation or association organized under KRS Chapter 272  
9 shall be deemed a resident of the county in which its principal business is  
10 transacted, as set forth in its articles of incorporation or most recent  
11 amendment thereto filed with the Secretary of State of the Commonwealth of  
12 Kentucky;
- 13 (g) A cooperative corporation organized under KRS Chapter 279 shall be deemed  
14 a resident of the county in which its principal office is located, as set forth in  
15 its articles of incorporation or most recent amendment thereto filed with the  
16 Secretary of State of the Commonwealth of Kentucky;
- 17 (h) A business trust organized under KRS Chapter 386 shall be deemed a resident  
18 of the county in which its principal place of business is located, as evidenced  
19 by the recordation of its declaration of trust in that county pursuant to KRS  
20 Chapter 386;
- 21 (i) A credit union organized under Subtitle 6 of KRS Chapter 286 shall be  
22 deemed a resident of the county in which its principal place of business is  
23 located, as set forth in its articles of incorporation or most recent amendment  
24 thereto filed with the Secretary of State of the Commonwealth of Kentucky;  
25 and
- 26 (j) Any other organization defined in KRS 355.1-201 shall be deemed a resident  
27 of the county in which its principal place of business in this state is located,

1           except that any limited liability company, limited liability partnership, limited  
2           partnership, or corporation not organized under the laws of this state and not  
3           authorized to transact or do business in this state shall be deemed a  
4           nonresident for purposes of filing in this state. If the organization does not  
5           have a place of business in this state, then it shall be deemed a nonresident for  
6           purposes of filing in this state.

7           If the debtor does not reside in the Commonwealth, the notation of the security  
8           interest shall be done in the office of the county clerk in which the property is  
9           principally situated or operated. Notwithstanding the existence of any filed  
10          financing statement under the provisions of KRS Chapter 355 relating to any  
11          property registered or titled in Kentucky, the sole means of perfecting and  
12          discharging a security interest in property for which a certificate of title is required  
13          by this chapter is by notation on the property's certificate of title under the  
14          provisions of this chapter or in accordance with the provisions of KRS 186.045(3).  
15          In other respects the security interest is governed by the provisions of KRS Chapter  
16          355.

17       (5) Except as provided in subsection (6) of this section, before ownership of property  
18          subject to a lien evidenced by notation on the certificate of title may be transferred,  
19          the transferor shall obtain the release of the prior liens in his or her name against the  
20          property being transferred. Once a security interest has been noted on the owner's  
21          title, a subsequent title shall not be issued by any county clerk free of the notation  
22          unless it has been noted in the system of record established under KRS 186A.195  
23          that the security interest has been discharged. If this requirement is met, information  
24          relating to any security interest shown on the title as having been discharged may be  
25          omitted from the title to be issued by the clerk. If information relating to the  
26          discharge of a security interest is presented to a clerk under the provisions of KRS  
27          186.045(3), the clerk shall discharge the security interest and remove the lien

1 information from AVIS.

2 (6) Notwithstanding subsections (1) to (5) of this section, a county clerk shall,  
3 following inspection of the vehicle by the sheriff, to determine that the vehicle has  
4 not been stolen, issue a new ownership document to a vehicle, clear of all prior  
5 liens, to a person after he or she provides to the county clerk an affidavit devised by  
6 the Transportation Cabinet and completed by the person. The ownership document  
7 presented as a result of this affidavit shall be in accordance with subsection (7) of  
8 this section. In the affidavit, the affiant shall attest that:

- 9 (a) The affiant or the agent of the affiant possesses the vehicle;
- 10 (b) Before he or she provided the notices required by paragraphs (c) and (d) of  
11 this subsection:

- 12 1. A debt on the vehicle has been owed him or her for more than thirty (30)  
13 days;
- 14 2. Within thirty (30) days of payment of damages by an insurance  
15 company and receipt by the current owner of the motor vehicle or  
16 lienholder of damages pursuant to a claim settlement which required  
17 transfer of the vehicle to the insurance company, the insurance company  
18 has been unable to obtain:

- 19 a. A properly endorsed certificate of title on the vehicle from the  
20 current owner; and
- 21 b. If applicable, any lien satisfactions; or

- 22 3. ~~{a.}~~ The vehicle was:  
23 a. Voluntarily towed or transported pursuant to a request of the  
24 current owner or an insurance company that a motor vehicle  
25 dealer, licensed as a used motor vehicle dealer and motor vehicle  
26 auction dealer, take possession of and store the motor vehicle in  
27 the regular course of business; or

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**b. Involuntarily towed or transported under the provisions of KRS**

**376.275;** and

**c.[b.]** Within forty-five (45) days of taking possession of the motor vehicle, the motor vehicle dealer, **or the towing or storage company,** has not been paid storage fees by the current owner or lienholder and has not been provided both a properly endorsed certificate of title and if applicable, any lien satisfactions;

(c) More than thirty (30) days before presenting the affidavit to the county clerk, the affiant attempted to notify the owner of the vehicle and all known lienholders, including those noted on the title, by certified mail, return receipt requested, or by a nationally recognized courier service, of his or her name, address, and telephone number as well as his or her intention to obtain a new title or salvage title, as applicable, clear of all prior liens, unless the owner or a lienholder objects in writing;

(d) More than fourteen (14) days before presenting the affidavit to the county clerk, the affiant had published a legal notice stating his or her intention to obtain title to the vehicle. The legal notice appeared at least twice in a seven (7) day period in a newspaper with circulation in the county. The legal notice stated:

1. The affiant's name, address, and telephone number;
2. The owner's name;
3. The names of all known lienholders, including those noted on the title;
4. The vehicle's make, model, and year; and
5. The affiant's intention to obtain title to the vehicle unless the owner or a lienholder objects in writing within fourteen (14) days after the last publication of the legal notice; and

(e) Neither the owner nor a lienholder has objected in writing to the affiant's right

- 1 to obtain title to the vehicle.
- 2 (7) (a) If subsection (6)(b)1. of this section applies, the new ownership document  
3 shall be a title.
- 4 (b) If subsection (6)(b)2. or 3. of this section applies, the new ownership  
5 document shall be a salvage title if the vehicle meets the requirements for a  
6 salvage title as stated in KRS 186A.520(1)(a).
- 7 (c) If subsection (6)(b)2. or 3. of this section applies and the vehicle does not  
8 meet the requirements for a salvage title as stated in KRS 186A.520(1)(a), the  
9 new ownership document shall be a title.
- 10 (8) No more than two (2) active security interests may be noted upon a certificate of  
11 title.
- 12 (9) In noting a security interest upon a certificate of title, the county clerk shall ensure  
13 that the certificate of title bears the lienholder's name, mailing address and zip code,  
14 the date the lien was noted, the notation number, and the county in which the  
15 security interest was noted. The clerk shall obtain the information required by this  
16 subsection for notation upon the certificate of title from the title lien statement  
17 described in KRS 186A.195.
- 18 (10) For all the costs incurred in the notation and discharge of a security interest on the  
19 certificate of title, the county clerk shall receive the fee prescribed by KRS 64.012.  
20 The fee prescribed by this subsection shall be paid at the time of submittal of the  
21 title lien statement described in KRS 186A.195.
- 22 (11) A copy of the application, certified by the county clerk, indicating the lien will be  
23 noted on the certificate of title shall be forwarded to the lienholder.