



## **WHY YOUR STATE SHOULD ADOPT THE UNIFORM CERTIFICATE OF TITLE ACT**

The Uniform Certificate of Title Act (UCOTA) will provide a uniform certificate of title system for motor vehicles in all states. Currently, titling laws vary greatly from state to state, resulting in significant gaps and some overlap. These gaps complicate the buying and selling of motor vehicles in the national marketplace. UCOTA will modernize and standardize the law of titling motor vehicles, resulting in all of the following advantages for enacting states:

- ***UCOTA offers a clear choice of law provision.*** The Act generally covers certificates of title created by the enacting state and certificates of origin, which, by their express terms or choice of law principles of the enacting state, are governed by the law of the enacting state. If a vehicle is covered by a certificate of title issued by another state, or a certificate of origin is governed by the law of another state, the Act requires the application of the law of the other state to issues relating to the certificate of title or certificate of origin.
- ***UCOTA permits paper and electronic certificates of title.*** The Act provides for both electronic and paper systems, and for conversions of form (electronic to paper and vice-versa) where appropriate. This relieves enacting states of the burden of amending their statutes simultaneously with converting to electronic systems.
- ***UCOTA builds off of existing titling systems.*** The Act has been drafted to reflect, as much as possible, current titling practices in use by states, motor vehicle title administrators, manufacturers, sellers, and financiers. For example, the Act recognizes the essential role of the vehicle identification number, continues the practice of perfecting security interests within the vehicle titling system, and leaves undisturbed odometer disclosure, environmental protection, title branding and other states' provisions for the protection of consumers.
- ***UCOTA provides smooth transition provisions.*** The Act generally applies to all certificates of title in existence on the effective date of the Act, but it does not impair transactions validly entered into under former law before the effective date or the perfection or priority of security interests in vehicles established before the effective date.

For further information about UCOTA, please contact ULC Legislative Counsel Kaitlin Wolff at (312) 450-6615 or [kwolff@uniformlaws.org](mailto:kwolff@uniformlaws.org).