

**IDAPA 39.02.05 Rules Governing Issuance of Certificate of Title –
Explanation of Changes from Prior Rules – Draft #2**

Page #	Section #	Changes	Explanation
1	01.01 Title	Added “These rules shall be cited as IDAPA 39.02.05 “Rules Governing Issuance of Title”	New name of consolidated rule
1	01.02 Scope	Added “These rules identify requirements for the issuance of certificates of title, pursuant to Title 49, Chapter 5, Idaho Code.”	It was necessary to expand the scope to entire chapter to encompass all that’s within the rule.
1	010 Definitions	Removed “abandoned vehicle” definition	Definition already in IC 49-102(2)
2	010 Definitions	Removed “Date of Lien Creation” and “Notarized Transaction” definitions.	Corresponding language in IC 49-510 was eliminated in 2007 per SB1050
2	010 Definitions	Added definition of “Gray Market Vehicle”	No definition existed in code or rule
2	100 General	Added “Unless specified otherwise in statute or administrative rule” as an exception for ownership document requirements.	Provides for any exceptions that may be in code or rule
3	100.01 General, Titles	Added “if issued in another’s name” following the requirement for a title to be assigned to the applicant.	No assignment is necessary if the title was issued in the applicant’s name.
3	100.04 Transfers by Operation of Law	Eliminates “bankruptcy” and “probate” and adds execution sale’s “certificate of sale or bill of sale” as examples of “instruments”.	“bankruptcy” and “probate” are not instruments, and an execution sale’s instrument is a certificate of sale or bill of sale.
3	100.05 Salvage Vehicles	Added “if issued in another’s name” following the requirement for a salvage document to be assigned to the applicant.	No assignment is necessary if the salvage document was issued in the applicant’s name.
3	100.06 General, Specially Constructed Vehicles	Replaced “Homemade Vehicles” and “Reconstructed Vehicles” language with “Specially Constructed Vehicles”. Listed separate requirements for different sub-definitions of the latter found in code.	In 2008, HB364 replaced “Reconstructed and Repaired Vehicle” with “Rebuilt Salvage Vehicle” in IC 49-123(l) and 49-525. Separate sub-definitions of “Specially Constructed Vehicle” in IC 49-123(p) are different in nature and require different ownership documentation.

3	100.06.c - SPCN docs	Added "or other proof of acquisition" for major components.	In response to dealer concerns that the rule requires bills of sale, receipts or invoices for all the parts a backyard builder may have used that they had forever. This language is to allow ITD to accept something else such as an affidavit.
4	200 Lien Filings	Eliminated lien creation date and time language	Corresponding language in IC 49-510 was eliminated in 2007 per SB1050 . The cost of recording "time" of lien filing for titles recording liens each year would exceed the value.
4	200.01.b Lien Filings, Lien Perfection and Priority	Added language indicating lien priority is according to the order properly completed title applications are filed with the department and this will not be affected if the title is issued without the lien in error.	Resolves a conflict between IC 49-510 (2) and (3). (2) indicates liens are perfected at the time a properly completed title application is filed but (3) indicates lien priority is according to the order their noted on the title or title records. This causes an issue when the department receives a title application with a lien but fails to record it on the issued title, and another lien is subsequently recorded on the title.
4	200.01.c - Grace period for rejected applications	Added language that indicates if a title application is rejected and returned within 30 days, the original recorded date will be retained or if returned later, the date it is returned will be the new recorded date.	Per Idaho Bankers Association and DAB comments, this recaptures what was lost in 2007's SB1050. Decided not to include this since it was the language removed by SB1050 and it would be viewed that it was the intent of the Legislature to remove this and therefore, can't fix by rule. Would need to be addressed by legislation.
4	200.02 Lien Filings, Out-of-state Transfer	Added provisions for assigning a recorded date to a lien for a move-in when the out-of-state title does not have a recorded date.	Fills a gap according to current practices.
4	200.02.d+e - Other considerations for out-of-state transfers	Added language that if an out-of-state title with a lien does not have a recorded date, application date, issue date, or print date, the department would consider other evidence provided in the documentation to determine a filing date, and if there is no other reasonable evidence provided, the date of the application's filing is the recorded date.	Added per request by the American Bankers Association and Northwest Credit Union Association

5	201.01.a Odometers	Added condition that reading <i>and status</i> would be printed on title for non-exempt vehicles.	Federal odometer requirements only apply to non-exempt vehicles. Aligns with national practice. Removed this proposed language per request from dealers so odometer readings could potentially be captured for age-exempt vehicles. They would like to see odometer readings on titles for these vehicles.
5	201.03 Odometers	Removed penalty language relating to false or incomplete odometer readings and violations by dealers	False readings included in application documents are already addressed in IC 49-518(5) . Dealer violations already addressed in IC 49-1602 .
5	202.01.a VIN inspectors	Added language to provide that federal peace officers may conduct VIN inspections	Allows for acceptance of VIN inspection from peace officers such as U.S. Marshalls
5	202.01.b VIN Inspections	Added "licensed" to "Idaho dealers" authorized to do VIN inspections and removed restriction that vehicles be in dealer's inventory.	Clarifies only licensed dealers are allowed to do VIN inspections. Adds another option for the general public.
5	202.01.e Out-of-state VIN inspectors	Adds language providing for acceptance of out-of-state VIN inspections conducted by any city, county, state, or federal peace officer, any employee of the state's vehicle titling and registration agency.	Aligns with current practice and accommodates Idaho residents purchasing vehicles while living temporarily out-of-state such as "snowbirds".
5	202.02 VIN Inspections	Added language clarifying VIN inspection needed when <i>current</i> title not issued by Idaho rather than title not previously issued in Idaho. Added when department not satisfied with "accuracy" for condition when VIN inspection required.	Technically necessary as a vehicle titled in Idaho that is subsequently titled in another state and then returns to Idaho needs to be inspected again. Inspections are sometimes needed when "accuracy" is in question.
6	300.01.b Brands	Inserted "Vehicle with a" before "branded title".	<i>Vehicles</i> with brands are sold, not <i>titles</i> with brands.
6	300.02 Brands	Added condition that a brand remains throughout vehicle's existence <i>unless it has an expiration date</i> .	Conditional and bonded title brands have expiration dates and may be removed after expiration.
6	300.03 Brands	Corrects language for vehicles with branded titles that leave the state and return without a brand or with a different brand.	New practices needed in anticipation of going online with the National Motor Vehicle Title Information System (NMVTIS) and the GEM system.
6	301.01.c Affidavit of Explanation	Adds language recognizing there are other documents evidencing ownership other than titles and references the section identifying these documents	New language necessary since a title is not always required and other ownership documents may be required depending on referenced circumstances .
6	301.01.e Bonded Titles	Added option for appraisal to be on "other form provided by the department".	Form ITD 3404 Appraisal and VIN Inspection form may be used for appraisals.

7	301.01.g Bonded Titles	Adds brand expiration date provision for when a bond rider has been issued.	Fills a gap for when a bond rider has been issued because the applicant failed to apply for title more than 90 days from the issue date of the bond.
7	301.04, 301.05 Bonded Titles	Changes requirement to return bond or cash deposit to correspond with brand expiration rather than bond expiration	Provides uniform provision for all situations including bond riders and cash deposits.
7	302.01 Specially Constructed Vehicles	Removed effective date for slide-in campers.	Outdated language.
8	302.03.a Bonded Titles	Removed requirement for bill of sale to accompany properly released title. Added statement certifying no MCO or MSO was issued for the kit when no MCO or MSO submitted.	Bill of sale unnecessary since title has seller's release and selling price. MCO for kit must be submitted when issued so need statement no MCO exists when no MCO submitted.
8	303.01 Rebuilt Salvage Vehicles	Added that a Rebuilt Salvage Vehicle must be in compliance with FMVSS in addition to Title 49, Chapter 9 requirements.	Safety consideration. FMVSS required as condition to be "motor vehicle" in IC 49-123(2)(h) and as a condition to be registered in 49-402(10)
8	303.02.a Rebuilt Salvage Vehicles	Salvage vehicles from other jurisdictions also need to be rebuilt to meet FMVSS. Removes requirement for Idaho salvage certificate to be issued when vehicle has out-of-state salvage certificate or equivalent document.	See FMVSS comment above. Corrects language for salvage vehicles coming from other jurisdictions with salvage ownership documents to eliminate unnecessary requirement to obtain Idaho salvage certificate, aligning with current practices.
9	303.04 Salvage Vehicle Damaged Out-of-state	When Idaho vehicle salvaged out-of-state, adds language to provide for issuance of Idaho salvage certificate rather than title branded "Rebuilt Salvage" if vehicle not repaired and no salvage ownership document issued by other state.	Title branded "Rebuilt Salvage" can only be issued after vehicle has been salvage-certified and subsequently repaired per IC 49-525(1) .
9	304.01.b Glider Kits	Provides that a bill of sale be provided for significant parts for a glider kits when purchased from a private owner. Also allows option for an owner to complete an affidavit for significant parts.	Fills a gap with language that aligns with current practices. Enables some glider kits to be titled at the county without an MVI's involvement. MVIs report that glider kit vehicles they have been seeing are now being completed by manufacturers or dealers with standardized paperwork including an MCO for the kit and an invoice for the significant parts.
9	304.01.c Glider Kits	Specifies the <i>owner</i> or a motor vehicle investigator may enter a notation on a title for a vehicle from which parts	Allows customer to process most glider kit applications at the county without making appointment to see MVI

		were taken for a glider kit, and removes requirements to make notes on a statement of fact – an MVI form.	since most glider kits now have standard documentation counties can easily process.
9	304.03 Glider Kits	Reorders model year determination priority order for glider kits.	Statement from manufacturer should override all. MCO is second most reliable, and then model year designation in VIN.
10	304.06 Glider Kits	Removes language relating to MVI fees associated with services performed for glider kits.	On rare occasions when MVI may inspect a glider kit vehicle, no \$25 fee should apply since brand is automatic so no brand determination made. Any inspection and VIN assignment fees are already addressed in IC 49-202(J) & (K)
10	305.01 Replicas, Street Rods, Replica Street Rods, Assembled Vehicles	Provides language for situations when the owner of a street rod, replica, replica street rod or assembled vehicle already has a title to the body in his name. Provides that when no MCO submitted for kit, statement needed that no MCO was issued.	Fills a gap and aligns with current practices. MCO for kit must be submitted when issued so need statement no MCO exists when no MCO submitted.
10	400 Abandoned Vehicles	Removes provision for appropriate governmental agency to provide notices for abandoned vehicles upon request by possessory lienholder.	This was unnecessary. “Appropriate governmental agency” as defined in this rule and previously, IDAPA 39.02.10 is an agency that <i>took a vehicle into custody or directed the tow</i> . These agencies are already required to provide notice in these situations per IC 49-1805 , 49-1810 , & 49-1815 . If tow companies have towed from posted property under IC 49-1806(1) , there is no “appropriate governmental agency” since tow was under direction of property owner or manager.
10	401.02 Gray Market Vehicles	Eliminated substituted documents paragraph for gray market vehicles allowing acceptance of Customs bond release letter in lieu of DOT and EPA bond release letters.	Learned that a U.S. Customs bond release does not provide evidence DOT and EPA requirements were met.
11	401.05 Gray Market Vehicles	Replaced “Registration Only” with “Conditional Registration”	Aligns with new terminology
11	401.06 Gray Market Vehicles	New section provides exception from gray market vehicle requirements if title already issued by another state unless brand indicates vehicle noncompliant with requirements.	Federal DOT, EPA, and Customs requirements presumed to have been verified by state that issued title unless they issued with brand or notation indicating otherwise.
11	900.01 Waiver of	When vehicle obtained by operation of law, eliminates requirement to reassign title since bill of sale being	Parties acquiring vehicles through operations of law often do not have the title or need it. Bill of sale

	Title Requirements	provided; adds requirement to provide court order or other instrument.	provides release. Court order or other instrument required by IC 49-514 .
11	900.02 Waiver of Title Requirements	When law enforcement agencies acquire vehicles through operation of law, replaces requirement to reassign title with provision of bill of sale; adds requirement to provide court order or other instrument.	Titles often are unavailable and are unneeded for these transactions. Transfers by bill of sale suffice. Court order or other instrument required by IC 49-514 .
11	900.03 Waiver of Title Requirements	When a vehicle is received in an inheritance, replaces requirement to reassign title with provision of bill of sale or gift affidavit; adds requirement to provide inheritance affidavit to purchaser.	Titles often are unavailable and are unneeded for these transactions. Transfers by providing inheritance affidavit and bill of sale suffice and heirs sometimes gift vehicles to relatives or friends. Aligns with current practices.