**§659. Withholding of certificate of title or certificate of salvage; bond required**

**1. Action by Secretary of State.**  If the Secretary of State is not satisfied as to ownership of the vehicle or the absence of security interests, the Secretary of State may register the vehicle but must either:

A. Withhold a certificate of title or certificate of salvage until the applicant presents documents to satisfy the Secretary of State as to ownership and the absence of undisclosed security interests; or [PL 1993, c. 683, Pt. A, §2 (NEW); PL 1993, c. 683, Pt. B, §5 (AFF).]

B. Require the applicant to file a bond executed by the applicant that is:

(1) Executed by a person authorized to conduct a surety business in this State;

(2) In an amount equal to 1 1/2 times the value of the vehicle as determined by the Secretary of State; and

(3) Conditioned to indemnify a prior or subsequent owner or lienholder against any expense, loss or damage, including reasonable attorney's fees, by reason of the issuance of the certificate or on account of any defect in or undisclosed security interest in the interest of the applicant to the vehicle. [PL 2005, c. 573, §4 (AMD).]

[PL 2005, c. 573, §4 (AMD).]

**2. Recovery of bond for breach.**  An interested person may recover on a bond required under this section for a breach of its conditions, but the aggregate liability of the surety to all persons may not exceed the amount of the bond.

[PL 1993, c. 683, Pt. A, §2 (NEW); PL 1993, c. 683, Pt. B, §5 (AFF).]

**3. Return of bond or deposit.**  Unless the Secretary of State has been notified of the pendency of an action to recover against the bond, a bond or deposit required under this section must be returned at the end of 3 years or earlier, if the vehicle is no longer registered in this State and the current certificate of title or salvage is surrendered to the Secretary of State.

[PL 1993, c. 683, Pt. A, §2 (NEW); PL 1993, c. 683, Pt. B, §5 (AFF).]

**4. Violation.**  Violation of this section is a traffic infraction for which a fine of not less than $100 and not more than $500 may be adjudged.

[PL 2005, c. 433, §10 (NEW); PL 2005, c. 433, §28 (AFF).]

SECTION HISTORY

PL 1993, c. 683, §A2 (NEW). PL 1993, c. 683, §B5 (AFF). PL 2005, c. 433, §10 (AMD). PL 2005, c. 433, §28 (AFF). PL 2005, c. 573, §4 (AMD).

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