

In July, 2018, Kentucky lawmakers changed the process for processing **Mechanic's Liens** and **Salvage Titles**. Effective immediately, the Jefferson County Clerk's Office will follow these changes. Please look at what is required when doing these type transactions:

### **MECHANIC'S LIENS**

- Must be a mechanic or lien holder to process transaction
- Creditor must be in possession of vehicle
- Charges for debt owed must be for that vehicle only

The following statutes allow any person engaged in the business of selling, repairing or furnishing supplies for vehicles, and to whom the charges for such repairs, labor or supplies have been owed for a period of more than thirty (30) days, to sell the vehicle to pay for the accrued charges.

### **STATUTORY REQUIREMENTS OF KRS.186A 190 (4)**

1. Any boat or motor vehicle remaining in the possession of a person engaged in the business of selling, repairing or furnishing supplies for vehicles, and to whom the charges for such repairs, labor or supplies have been owed for a period of more than thirty (30) days, may have the vehicle sold to pay for the accrued charges.
2. The proposed sale notice shall be sent by certified mail, return receipt requested or by registered mail to the owner of the vehicle and to any other person known to have any interest in the vehicle. **The notice shall be sent more than 14 days before presenting the affidavit to the county clerk.**
3. An advertisement of the motor vehicle (boat) sale **shall be published in a newspaper with circulation in the county at least twice in a seven (7) day period.** The advertisement shall include the vehicle (boat) model year, make, vehicle identification number (HIN), name of owner(s) and lien holder(s), the name, address and phone number of the selling/repair business, **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.**
4. A mechanic's lien created by KRS 376.270 is superior to an already perfected security interest in compliance with OAG 63-41.

In compliance with the statutory requirements above, the following documents are required from the purchaser of a vehicle sold under a Mechanic's Lien when applying for a title:

- An affidavit of Motor Vehicle Sale (TC 96-159) completed by the seller
- A Bill of Sale from the repair company on the company's letterhead. KRS 186.200  
Bill of sale must include year, make and VIN of the vehicle
- Application for Title and Registration (TC 96-182) or Motor Boat Transaction Record (TC 96-184)

The repair company completes the SELLER/BUYER section

The buyer completes the BUYER/TRANSFeree section

- An original copy of the newspaper pages containing the legal notices including the date and the publication's name
- The certified mail receipt (green/white slip) and the return receipt (green postcard) from each certified letter or registered mail verification
- Sheriff's inspection is required if the vehicle is from out of state or not currently titled in Kentucky
- Proof of current Kentucky insurance (45days), if applicable

Purchaser must pay any delinquent property taxes (if any)

Purchaser must pay road usage tax (6%) of NADA retail value or purchase price

Speed titles are not permitted

## **SALVAGE TITLES**

KRS.186A.520

A salvage vehicle is a vehicle which has been wrecked or damaged to the extent that the estimated cost of repairs exceeds 75% of the NADA retail price. The owner or authorized agent shall make application for a salvage title on any vehicle meeting the definition of "salvage".

Customer must:

- Possess a properly assigned certificate of title
- Know the current mileage
- Return the license plate to the county clerk's office (a plate replacement is required if the plate is NOT expired and unavailable...form TC 96-167 must be used)
- Insurance companies and companies dealing with the salvage and parts industry, etc., may provide an affidavit for Non-Exchange (TC 96-167) in lieu of the license plate. However, unexpired "special plates" must be replaced to a regular plate before transferring.
- Picture identification
- Lien release, if applicable.

If a lien and/or title is not available, the following method for lien release is required:

**KRS 186A.190**

1. Form TC 96-159S must be completed and notarized (this form replaces the title)
2. The proposed sale notice shall be sent by certified mail, return receipt requested or by registered mail to the owner of the vehicle and to any other person known to have any interest in the vehicle. The notice shall be sent more than 14 days before presenting the affidavit to the county clerk.
3. An advertisement of the motor vehicle (boat) sale shall be published in a newspaper with circulation in the county at least twice in a seven (7) day period. The advertisement shall include the vehicle (boat) model, year, make, vehicle identification number (VIN or HIN), name of owner(s), and lien holder(s), the name, address and phone number of the selling/repair business, the affiant's intention to obtain title to the vehicle unless the owner or lien holder objects in writing within fourteen (14) days after the last publication of the legal notice.

**FEES:**

- \$9.00 title fee (\$25.00 if speed title)
- \$3.00 clerk fee, if applicable
- All ad-valorem property taxes must be paid if due by purchaser
- Plate replacement fees if applicable

**SPEED TITLES ARE ALLOWED**

**THE CUSTOMER MUST REPAIR THE VEHICLE TO ROADWORTHY CONDITION AND COMPLETE THE "REBUILT" APPLICATION BEFORE A PLATE CAN BE ISSUED TO THE VEHICLE**

**SALVAGE TITLED VEHICLES MAY BE TRANSFERRED AS SALVAGE TITLES**