

NEBRASKA ADMINISTRATIVE CODE

TITLE 248, NEBRASKA ADMINISTRATIVE CODE, CHAPTER 4

NEBRASKA DEPARTMENT OF MOTOR VEHICLES

**RULES AND REGULATIONS GOVERNING BONDED TITLES FOR VEHICLES,
NEB. REV. STAT. § 60-167.**

Last Filing Date: _____

FINAL DATE
12/3/08

FINAL DATE
12/3/08

NEBRASKA ADMINISTRATIVE CODE
Nebraska Department of Motor Vehicles

248 NAC 4

RULES AND REGULATIONS GOVERNING BONDED TITLES FOR VEHICLES,
NEB. REV. STAT. § 60-167.

ALPHABETICAL TABLE OF CONTENTS

<u>Subject of Title</u>	<u>Statutory Authority</u>	<u>Code Section</u>
Appeal	§ 84-917	012
Application	§ 60-149, 60-167(1)	005
Application for Release of Bond	§ 60-167(3)	008
Bond	§ 60-167(2)	007
Bonded Titles Issued by Other States	§ 60-172	006
Bonded Certificate of Title	§ 60-167(2)	010
Definitions	§ 60-103 through 60-136	003
Final Decisions	§ 84-917	011
Forms	§ 60-162(3), 60-197(3)	002
Scope	§ 60-167, 60-197(3)	001
Valuation for Bond	§ 60-167(2)	009
Who May Apply	§ 60-167(1)	004

FINAL DATE
12/3/08

NEBRASKA ADMINISTRATIVE CODE
Nebraska Department of Motor Vehicles

248 NAC 4

RULES AND REGULATIONS GOVERNING BONDED TITLES FOR VEHICLES,
NEB. REV. STAT. § 60-167.

NUMERICAL TABLE OF CONTENTS

<u>Subject of Title</u>	<u>Statutory Authority</u>	<u>Code Section</u>
Scope	§ 60-167, 60-197(3)	001
Forms	§ 60-162(3), 60-197(3)	002
Definitions	§ 60-103 through 60-136	003
Who May Apply	§ 60-167(1)	004
Application	§ 60-149, 60-167(1)	005
Bonded Titles Issued by Other States	§ 60-172	006
Bond	§ 60-167(2)	007
Application for Release of Bond	§ 60-167(3)	008
Valuation for Bond	§ 60-167(2)	009
Bonded Certificate of Title	§ 60-167(2)	010
Final Decisions	§ 84-917	011
Appeal	§ 84-917	012

NEBRASKA ADMINISTRATIVE CODE
Nebraska Department of Motor Vehicles

FINAL DATE
12/3/08

248 NAC 4

LAST EFFECTIVE DATE: January 28, 1997.

RULES AND REGULATIONS GOVERNING BONDED TITLES FOR VEHICLES,
NEB. REV. STAT. § 60-167.

001 SCOPE. These rules and regulations govern the Department of Motor Vehicles' procedures for the administration of bonded certificates of title pursuant to Neb. Rev. Stat. §§ 60-149(1)(d), 60-162(3), 60-167, and 60-197(3).

002 FORMS. All named forms referred to in these rules and regulations may be found on the Department of Motor Vehicles' web page. Forms may be downloaded, completed and returned to the Department. The forms may also be obtained by calling the phone number listed for the Driver and Vehicle Records Division on the website.

003 DEFINITIONS.

003.01 Currently valid Certificate of Title means the original title immediately prior to the bonded title, showing ownership in the bonded title owner's name.

003.02 Department means the Nebraska Department of Motor Vehicles.

003.03 Vehicle means a motor vehicle, all-terrain vehicle, minibike, trailer or semitrailer.

004 WHO MAY APPLY. The Department will consider applications for a bonded certificate of title in the following situations:

004.01 No Certificate of Title. When a certificate of title has not previously been issued for a vehicle in this or any other state; or

004.02 No Documentation. When the applicant(s) is unable to provide the documentation required by Neb. Rev. Stat. § 60-149 for a vehicle previously titled in this or any other state; or

004.03 Foreign Bonded Certificate of Title. When the vehicle currently has a bonded certificate of title issued by another state.

005 APPLICATION. Applicant(s) shall complete either an APPLICATION FOR BONDED CERTIFICATE OF TITLE FOR A VEHICLE or APPLICATION FOR A BONDED CERTIFICATE OF TITLE FOR A MOTORBOAT, and submit the completed form to the Department. The Application must be accompanied by the following items:

005.01 Sheriff's Inspection Certificate. A statement that an identification inspection has been conducted pursuant to Neb. Rev. Stat. § 60-146(3).

005.02 Fee. A fee of fifty dollars (\$50.00) pursuant to Neb. Rev. Stat. § 60-160.

005.03 Photograph. A photograph, taken at an angle to show the front and one side of the vehicle.

005.04 Bond. A bond in a form prescribed by the Department and executed by the applicant(s). The APPLICATION FOR BONDED CERTIFICATE OF TITLE FOR A VEHICLE or APPLICATION FOR A BONDED CERTIFICATE OF TITLE FOR A MOTORBOAT must be made within 30 days of the receipt of the bond.

005.05 Proof of Notification of Owner of Record. If there is an owner of record for the vehicle, the applicant(s) shall send a certified or registered letter, return receipt requested, to the owner of record at the last known address. The letter shall state that the applicant(s) is the present owner of the vehicle and request a duplicate title with an assignment to the applicant(s) on the reverse side. The applicant(s) shall submit a copy of the letter and the returned receipt to the Department.

005.05A Other Proof. The Director may in his or her discretion accept other proof that the recorded owner has been notified or that it is impossible, inappropriate, or impracticable to notify the recorded owner.

005.06 Proof of Ownership. The applicant(s) shall provide evidence reasonably sufficient to satisfy the Department of the applicant's or applicants' ownership of the vehicle or security interest in the vehicle. Such evidence shall include:

005.06A Documents. A copy of any written document received at the time the vehicle was acquired, such as a bill of sale or cancelled check. If the applicant(s) has no written documents, or the documents are not self explanatory, the applicant(s) must explain on the application why he or she is entitled to ownership despite the absence of any documents.

005.06B Foreign Bonded Title. A bonded certificate of title from another state.

006 BONDED TITLES ISSUED BY OTHER STATES. If a vehicle has an out-of-state bonded title, the applicant(s) may either:

006.01 Foreign Bond. Provide evidence that a bond is currently in force in the former state. Such evidence shall include a copy of the bond and evidence from the bonding company that the bond has not been released.

006.02 Nebraska Bond. If the applicant(s) cannot, or does not, provide such proof, he or she may execute a three-year bond in the form prescribed by the Department according to these rules and regulations.

007 BONDS.

007.01 Purpose. The bond shall be conditioned to indemnify any prior owner and secured party, and subsequent purchaser and secured party, and any successor of the purchaser and secured party for any expense, loss, or damage, including reasonable attorney's fees, incurred by reason of the issuance of the certificate of title to the vehicle or any defect in or undisclosed security interest upon the right, title, and interest of the applicant(s) in and to the vehicle.

007.02 Issuance. The bond shall be issued by a surety company authorized to transact business in this state by the Nebraska Department of Insurance.

007.03 Value. The bond shall be issued in an amount equal to one and one half times the value of the vehicle as determined by the Department using reasonable appraisal methods.

007.04 Cause of Action. An interested person may have a cause of action to recover on the bond for a breach of the conditions of the bond. The aggregate liability of the surety to all persons having a claim shall not exceed the amount of the bond.

007.05 Period. The bond shall be in effect for three years.

008 APPLICATION FOR RELEASE OF BOND. The holder of the certificate of title may apply to the Department, on the APPLICATION FOR RELEASE OF NOTICE ON BONDED TITLE for the release of the bond requirement and the removal of the notice that the vehicle may be subject to an undisclosed interest, if either of the following criteria is met.

008.01 Surrender of Currently Valid Certificate of Title. Prior to the end of the three-year period, the notice may be removed if a currently valid certificate of title is surrendered to the Department for cancellation; or

008.02 Expiration of Bond. At the expiration of the three-year period of the bond, the notice may be removed unless questions as to the ownership of the vehicle have been raised with the Department. Pendency of an action to recover on the bond will mean the ownership of the vehicle is unresolved.

009 VALUATION FOR BOND. The Department will use the following methods to determine the value of the vehicle for purposes of calculating the amount of bond. If the methods do not agree on the value of the vehicle, the value will be the highest of the determined values. The bond will be issued for one and one half times the value.

009.01 N.A.D.A. Official Used Car Guide; N.A.D.A. Motorcycle/Snowmobile, ATV, Personal Watercraft Appraisal Guide; Kelley Blue Book; Auto Site; Intellichoice or other reputable new or used vehicle pricing guide; and/or

009.02 Other Methods. The Department may, at its discretion, consider any other method or information.

010 BONDED CERTIFICATE OF TITLE.

010.01 Notice. The Department shall include the following statement on a bonded certificate of title and any subsequent title issued as a result of a title transfer while the bond is in effect: NOTICE: THIS VEHICLE MAY BE SUBJECT TO AN UNDISCLOSED INTEREST, BOND NUMBER The Department will assign a bond number to each bond received. The assigned number will be separate from any number the surety company may assign, and the Department's number will be set in the notice on the title.

010.02 Recall. The Department shall recall a bonded certificate of title if the Department finds that the application for the title contained a false statement or if a check presented by the applicant(s) for fees pursuant to this section is returned uncollected by a financial institution.

010.02A Notice. If a bonded certificate of title is recalled, the Department will send a certified letter informing the title holder that the title has been cancelled, the reasons for the cancellation, and requesting that the title be returned to the Department.

010.02B Cancellation. If a bonded certificate of title is recalled, the Department will cancel the title in its records.

010.03 Titleholder. The first bonded certificate of title will be issued in the name of the applicant(s). When a bonded certificate of title is transferred to a new owner, the bond need not be renewed unless the Department questions its authenticity.

011 FINAL DECISION. The Director's decision pursuant to these rules and regulations to issue or not issue a bonded certificate of title, to require a bond on an out-of-state bonded title, or to recall a title, are final decisions and may be appealed under the Administrative Procedures Act Neb. Rev. Stat. § 84-917.

012 APPEAL. A declaratory order is subject to review in the manner provided for review of contested cases by the Administrative Procedure Act, Neb. Rev. Stat. §§ 84-901 through 84-920. Specific procedures for appeal are set forth in Neb. Rev. Stat. § 84-917.