Public Law 85-728

August 23, 1958
[S. 375]

AN ACT

To amend the Interstate Commerce Act to provide for the validity and perfection of certain security interests in motor vehicles.

Interstate Commerce Act, amendment.
49 Stat. 543.
49 USC 301 and note.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That part II of the Interstate Commerce Act is amended by inserting after section 212 the following new section:

"VALIDITY AND PERFECTION OF CERTAIN SECURITY INTERESTS IN MOTOR VEHICLES

"SEC. 213. (a) As used in this section the term—

"(1) 'debtor carrier' means every common or contract carrier having a certificate of public convenience and necessity or permit issued under this Act who owes payment or performance of an obligation secured by a security interest.

"(2) 'home State' means the State of the United States, or the District of Columbia, where the principal place of business of the debtor carrier is located.

"(3) 'lien creditor' means a creditor who has acquired a lien on the motor vehicle involved by attachment, levy, or the like, and includes an assignee for benefit of creditors from the time of assignment, a trustee in bankruptcy from the date of the filing of the petition in bankruptcy, and a receiver in equity from the time of his appointment.

"(4) 'perfection' in connection with a security interest means the taking of the steps (including but not limited to public filing, recording, notation on a certificate of title, or possession of collateral by the secured party), or the existence of the facts, required by applicable law to make a security interest enforceable against general creditors and subsequent lien creditors of a debtor carrier, but does not include any reference to compliance with requirements, if any, as to capacity, authority, form of instruments, value, consideration, good faith, and other matters which go only to the creation of a valid security interest as between the debtor carrier and the secured party.

"(5) 'security interest' means an interest (including but not limited to an interest created by a conditional sale contract, mortgage, equipment trust, or other lien or title retention contract, or lease) in a motor vehicle owned by, or the possession and use of which vehicle has been transferred to, a debtor carrier, which interest secures payment or performance of an obligation of the debtor carrier.

"(6) 'motor vehicle' means any truck having a rated capacity (gross vehicle weight) of ten thousand pounds or more; any highway tractor having a rated capacity (gross combination weight) of ten thousand pounds or more; or any property-carrying trailer or semitrailer having one or more load-carrying axles of ten thousand pounds or more; or any motor bus having a seating capacity of ten persons or more.

"(7) 'purchaser' means a person who takes by sale, or who takes or retains a security interest in, a motor vehicle.

"(b) If a certificate of title is issued for a motor vehicle under a statute of a jurisdiction which requires or permits indication on a certificate of title of a security interest in a motor vehicle, and if a security interest is so indicated on the certificate, then the security

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interest is perfected in all jurisdictions against all general creditors of, and subsequent lien creditors of, and all subsequent purchasers from, the debtor carrier.

"(c) In the case of any security interest in a motor vehicle for which a certificate of title has not been issued, (1) if the law of the home State requires or permits public filing, or recording, of, or with respect to, such security interest, and (2) if there has been such a public filing or recording, then such security interest is perfected in all jurisdictions as to all general creditors of, and subsequent lien creditors of, and all subsequent purchasers from, the debtor carrier.

"(d) In the case of any security interest in a motor vehicle for which a certificate of title has not been issued, and which security interest cannot be perfected under subsection (c) of this section, perfection of such a security interest shall be governed by the law of the home State, and if such security interest has been perfected as to general creditors and subsequent lien creditors under the law of the home State (including the conflict of laws rules), then such security interest is perfected in all jurisdictions as to all general creditors of, and subsequent lien creditors of, and all subsequent purchasers from, the debtor carrier.

"(e) This section shall not affect any security interest perfected before the effective date of this section."

SEC. 2. The amendment made by the first section of this Act shall take effect on January 1, 1959. Effective date.

Approved August 23, 1958.

## Public Law 85-729

AN ACT

August 23, 1958
[H. R. 9022]

To amend title 10, United States Code, to authorize the Secretaries of the military departments to settle certain claims in the amount of $5,000, or less, and to partially pay certain claims which are certified to Congress.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That title 10, United States Code, is amended as follows: Armed Forces. Settlement of claims. 70A Stat. 153.

(1) Section 2733 is amended—

(A) by striking out in subsection (a) the words "any officer designated by him may settle, and pay in an amount not more than $1,000" and inserting the words "the Judge Advocate General of an armed force under his jurisdiction, if designated by him, may settle, and pay in an amount not more than $5,000" in place thereof;

(B) by amending subsections (d) and (e) to read as follows: Partial payment. Report to Congress.

"(d) If the Secretary of the military department concerned considers that a claim in excess of $5,000 is meritorious and would otherwise be covered by this section, he may pay the claimant $5,000 and report the excess to Congress for its consideration.

"(e) Except as provided in subsection (d), no claim may be paid under this section unless the amount tendered is accepted by the claimant in full satisfaction."; and

(C) by adding the following new subsection at the end thereof as follows:

"(g) In any case where the amount to be paid is not more than $1,000, the authority contained in subsection (a) may be delegated to any officer of an armed force under the jurisdiction of the military department concerned."

Approved August 23, 1958.