

SUPREME COURT OF KENTUCKY

Dolores Zepeda v. Central Motors, Inc.

Dolores Zepeda v. Central Motors, Inc. · No. 2021-SC-0204-DG · Decided August 18, 2022

SUMMARY

The Kentucky Supreme Court affirmed summary judgment for Central Motors in a dispute over statutory ownership of a vehicle involved in an automobile accident. The Court held that Central Motors substantially complied with KRS 186A.220 by notifying the county clerk through its title and registration submission before the accident, despite not filing the prescribed acquisition form or paying the transfer fee. Because the vehicle had been sold and delivered to Garcia pursuant to a bona fide sale, Garcia—not Central Motors—was the statutory owner at the time of the accident.

CASE DETAILS

COURT	Supreme Court of Kentucky
WRITING FOR THE COURT	Justice Conley; Minton, C.J.; Keller, J.; Lambert, J.; Nickell, J.; VanMeter, J.
JURISDICTION	Kentucky
DECIDED	August 18, 2022
DOCKET	2021-SC-0204-DG
DISPOSITION	affirmed
PROCEDURAL POSTURE	Zepeda sought discretionary review of the Court of Appeals' affirmance of summary judgment for Central Motors in an action alleging that Central Motors remained the statutory owner of the vehicle involved in the accident.
STANDARD OF REVIEW	De novo review applies to summary judgment because summary judgment presents a matter of law and no material facts were disputed.
PRECEDENTIAL VALUE	Published and designated to be published; precedential value under Kentucky law is not otherwise specified in the provided text.
PARTIES	Dolores Zepeda v. Central Motors, Inc.

TOPICS

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PRACTICE AREAS

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motor vehicle ownership

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QUESTIONS PRESENTED

1. Whether Central Motors substantially complied with KRS 186A.220 despite not filing the TC 96-183 notice form and despite the required transfer fee not being collected before the accident.
2. Whether ownership transferred to Garcia upon delivery of the vehicle pursuant to a bona fide sale and submission of the required title documents, even though the Kentucky certificate of title was issued after the accident.
3. Whether summary judgment for Central Motors was proper.

HOLDINGS

1. A licensed motor vehicle dealer substantially complies with KRS 186A.220 when it accomplishes the statute's notice and title-transfer purpose before the accident, even if it does not strictly satisfy the fifteen-day timing requirement or use the Transportation Cabinet's TC 96-183 form.
2. Garcia was the statutory owner of the BMW on August 14, 2014, and Central Motors was not the statutory owner.
3. Nantz does not control because it interpreted the pre-1994 statutory scheme, whereas the current statutes provide that ownership may transfer upon delivery of the vehicle to the purchaser when the dealer substantially complies with KRS 186A.220.

KEY QUOTATIONS

“The purpose of the KRS 186A.220(1) is: to effectuate an efficient registration and titling process.” (at 6)

“Therefore, Central Motors substantially complied with KRS 186A.220 and transferred physical possession of the vehicle pursuant to a bona fide sale. As such, Central Motors was not the statutory owner of the vehicle on the date of the accident.” (at 10)

FACTUAL BACKGROUND

Central Motors purchased a 2002 BMW in Tennessee and brought it into Kentucky. It sold the vehicle to Juan Garcia on July 24, 2014, transferred physical possession to him, obtained proof of insurance, and acted as his attorney-in-fact in submitting the assigned Tennessee title and title application to the Fayette County Clerk on August 11, 2014. The vehicle was involved in an accident on August 14, 2014, before the Kentucky title was issued in Garcia's name. Zepeda, a passenger, was paralyzed, and she claimed Central Motors was still the statutory owner because it had not filed the Transportation Cabinet's TC 96-183 notice form or paid the required transfer fee.

PROCEDURAL HISTORY

The Scott Circuit Court granted summary judgment to Central Motors, ruling that it had substantially complied with KRS 186A.220 and was not the vehicle's statutory owner. The Court of Appeals affirmed. The Supreme

Court of Kentucky granted discretionary review and affirmed the Court of Appeals.

DISPOSITION

affirmed

CASES CITED

- Travelers Indem. Co. v. Armstrong, 565 S.W.3d 550 (Ky. 2018)
- Auto Acceptance Corp. v. T.I.G. Ins. Co., 89 S.W.3d 398 (Ky. 2002)
- Nantz v. Lexington Lincoln Mercury Subaru, 947 S.W.2d 36 (Ky. 1997)
- Scifres v. Kraft, 916 S.W.2d 779 (Ky. App. 1996)

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