

FIRST REGULAR SESSION
[TRULY AGREED TO AND FINALLY PASSED]
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 456

98TH GENERAL ASSEMBLY

2015

1270H.04T

AN ACT

To repeal sections 301.140, 301.190, 301.562, and 407.581, RSMo, and to enact in lieu thereof five new sections relating to ownership of motor vehicles.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 301.140, 301.190, 301.562, and 407.581, RSMo, are
2 repealed and five new sections enacted in lieu thereof, to be known as sections
3 301.140, 301.190, 301.213, 301.562, and 301.644, to read as follows:

301.140. 1. Upon the transfer of ownership of any motor vehicle or trailer,
2 the certificate of registration and the right to use the number plates shall expire
3 and the number plates shall be removed by the owner at the time of the transfer
4 of possession, and it shall be unlawful for any person other than the person to
5 whom such number plates were originally issued to have the same in his or her
6 possession whether in use or not, unless such possession is solely for charitable
7 purposes; except that the buyer of a motor vehicle or trailer who trades in a motor
8 vehicle or trailer may attach the license plates from the traded-in motor vehicle
9 or trailer to the newly purchased motor vehicle or trailer. The operation of a
10 motor vehicle with such transferred plates shall be lawful for no more than thirty
11 days, **or no more than ninety days if the dealer is selling the motor**
12 **vehicle under the provisions of section 301.213.** As used in this subsection,
13 the term "trade-in motor vehicle or trailer" shall include any single motor vehicle
14 or trailer sold by the buyer of the newly purchased vehicle or trailer, as long as
15 the license plates for the trade-in motor vehicle or trailer are still valid.

16 2. In the case of a transfer of ownership the original owner may register

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

17 another motor vehicle under the same number, upon the payment of a fee of two
18 dollars, if the motor vehicle is of horsepower, gross weight or (in the case of a
19 passenger-carrying commercial motor vehicle) seating capacity, not in excess of
20 that originally registered. When such motor vehicle is of greater horsepower,
21 gross weight or (in the case of a passenger-carrying commercial motor vehicle)
22 seating capacity, for which a greater fee is prescribed, applicant shall pay a
23 transfer fee of two dollars and a pro rata portion for the difference in fees. When
24 such vehicle is of less horsepower, gross weight or (in case of a passenger-carrying
25 commercial motor vehicle) seating capacity, for which a lesser fee is prescribed,
26 applicant shall not be entitled to a refund.

27 3. License plates may be transferred from a motor vehicle which will no
28 longer be operated to a newly purchased motor vehicle by the owner of such
29 vehicles. The owner shall pay a transfer fee of two dollars if the newly purchased
30 vehicle is of horsepower, gross weight or (in the case of a passenger-carrying
31 commercial motor vehicle) seating capacity, not in excess of that of the vehicle
32 which will no longer be operated. When the newly purchased motor vehicle is of
33 greater horsepower, gross weight or (in the case of a passenger-carrying
34 commercial motor vehicle) seating capacity, for which a greater fee is prescribed,
35 the applicant shall pay a transfer fee of two dollars and a pro rata portion of the
36 difference in fees. When the newly purchased vehicle is of less horsepower, gross
37 weight or (in the case of a passenger-carrying commercial motor vehicle) seating
38 capacity, for which a lesser fee is prescribed, the applicant shall not be entitled
39 to a refund.

40 4. The director of the department of revenue shall have authority to
41 produce or allow others to produce a weather resistant, nontearing temporary
42 permit authorizing the operation of a motor vehicle or trailer by a buyer for not
43 more than thirty days, **or no more than ninety days if issued by a dealer**
44 **selling the motor vehicle under the provisions of section 301.213**, from
45 the date of purchase. The temporary permit authorized under this section may
46 be purchased by the purchaser of a motor vehicle or trailer from the central office
47 of the department of revenue or from an authorized agent of the department of
48 revenue upon proof of purchase of a motor vehicle or trailer for which the buyer
49 has no registration plate available for transfer and upon proof of financial
50 responsibility, or from a motor vehicle dealer upon purchase of a motor vehicle
51 or trailer for which the buyer has no registration plate available for transfer, or
52 from a motor vehicle dealer upon purchase of a motor vehicle or trailer for which

53 the buyer has registered and is awaiting receipt of registration plates. The
54 director of the department of revenue or a producer authorized by the director of
55 the department of revenue may make temporary permits available to registered
56 dealers in this state, authorized agents of the department of revenue or the
57 department of revenue. The price paid by a motor vehicle dealer, an authorized
58 agent of the department of revenue or the department of revenue for a temporary
59 permit shall not exceed five dollars for each permit. The director of the
60 department of revenue shall direct motor vehicle dealers and authorized agents
61 to obtain temporary permits from an authorized producer. Amounts received by
62 the director of the department of revenue for temporary permits shall constitute
63 state revenue; however, amounts received by an authorized producer other than
64 the director of the department of revenue shall not constitute state revenue and
65 any amounts received by motor vehicle dealers or authorized agents for temporary
66 permits purchased from a producer other than the director of the department of
67 revenue shall not constitute state revenue. In no event shall revenues from the
68 general revenue fund or any other state fund be utilized to compensate motor
69 vehicle dealers or other producers for their role in producing temporary permits
70 as authorized under this section. Amounts that do not constitute state revenue
71 under this section shall also not constitute fees for registration or certificates of
72 title to be collected by the director of the department of revenue under section
73 301.190. No motor vehicle dealer, authorized agent or the department of revenue
74 shall charge more than five dollars for each permit issued. The permit shall be
75 valid for a period of thirty days, **or no more than ninety days if issued by**
76 **a dealer selling the motor vehicle under the provisions of section**
77 **301.213**, from the date of purchase of a motor vehicle or trailer, or from the date
78 of sale of the motor vehicle or trailer by a motor vehicle dealer for which the
79 purchaser obtains a permit as set out above. No permit shall be issued for a
80 vehicle under this section unless the buyer shows proof of financial
81 responsibility. Each temporary permit issued shall be securely fastened to the
82 back or rear of the motor vehicle in a manner and place on the motor vehicle
83 consistent with registration plates so that all parts and qualities of the temporary
84 permit thereof shall be plainly and clearly visible, reasonably clean and are not
85 impaired in any way.

86 5. The permit shall be issued on a form prescribed by the director of the
87 department of revenue and issued only for the applicant's temporary operation
88 of the motor vehicle or trailer purchased to enable the applicant to temporarily

89 operate the motor vehicle while proper title and registration plates are being
90 obtained, or while awaiting receipt of registration plates, and shall be displayed
91 on no other motor vehicle. Temporary permits issued pursuant to this section
92 shall not be transferable or renewable and shall not be valid upon issuance of
93 proper registration plates for the motor vehicle or trailer. The director of the
94 department of revenue shall determine the size, material, design, numbering
95 configuration, construction, and color of the permit. The director of the
96 department of revenue, at his or her discretion, shall have the authority to
97 reissue, and thereby extend the use of, a temporary permit previously and legally
98 issued for a motor vehicle or trailer while proper title and registration are being
99 obtained.

100 6. Every motor vehicle dealer that issues temporary permits shall keep,
101 for inspection by proper officers, an accurate record of each permit issued by
102 recording the permit number, the motor vehicle dealer's number, buyer's name
103 and address, the motor vehicle's year, make, and manufacturer's vehicle
104 identification number, and the permit's date of issuance and expiration
105 date. Upon the issuance of a temporary permit by either the central office of the
106 department of revenue, a motor vehicle dealer or an authorized agent of the
107 department of revenue, the director of the department of revenue shall make the
108 information associated with the issued temporary permit immediately available
109 to the law enforcement community of the state of Missouri.

110 7. Upon the transfer of ownership of any currently registered motor
111 vehicle wherein the owner cannot transfer the license plates due to a change of
112 motor vehicle category, the owner may surrender the license plates issued to the
113 motor vehicle and receive credit for any unused portion of the original
114 registration fee against the registration fee of another motor vehicle. Such credit
115 shall be granted based upon the date the license plates are surrendered. No
116 refunds shall be made on the unused portion of any license plates surrendered for
117 such credit.

118 8. The provisions of subsections 4, 5, and 6 of this section shall expire
119 July 1, 2019.

120 9. An additional temporary license plate produced in a manner and of
121 materials determined by the director to be the most cost-effective means of
122 production with a configuration that matches an existing or newly issued plate
123 may be purchased by a motor vehicle owner to be placed in the interior of the
124 vehicle's rear window such that the driver's view out of the rear window is not

125 obstructed and the plate configuration is clearly visible from the outside of the
126 vehicle to serve as the visible plate when a bicycle rack or other item obstructs
127 the view of the actual plate. Such temporary plate is only authorized for use
128 when the matching actual plate is affixed to the vehicle in the manner prescribed
129 in subsection 5 of section 301.130. The fee charged for the temporary plate shall
130 be equal to the fee charged for a temporary permit issued under subsection 4 of
131 this section. Replacement temporary plates authorized in this subsection may be
132 issued as needed upon the payment of a fee equal to the fee charged for a
133 temporary permit under subsection 4 of this section. The newly produced third
134 plate may only be used on the vehicle with the matching plate, and the additional
135 plate shall be clearly recognizable as a third plate and only used for the purpose
136 specified in this subsection.

137 10. Notwithstanding the provisions of section [301.127] **301.217**, the
138 director may issue a temporary permit to an individual who possesses a salvage
139 motor vehicle which requires an inspection under subsection 9 of section
140 301.190. The operation of a salvage motor vehicle for which the permit has been
141 issued shall be limited to the most direct route from the residence, maintenance,
142 or storage facility of the individual in possession of such motor vehicle to the
143 nearest authorized inspection facility and return to the originating
144 location. Notwithstanding any other requirements for the issuance of a
145 temporary permit under this section, an individual obtaining a temporary permit
146 for the purpose of operating a motor vehicle to and from an examination facility
147 as prescribed in this subsection shall also purchase the required motor vehicle
148 examination form which is required to be completed for an examination under
149 subsection 9 of section 301.190 and provide satisfactory evidence that such vehicle
150 has passed a motor vehicle safety inspection for such vehicle as required in
151 section 307.350.

152 11. The director of the department of revenue may promulgate all
153 necessary rules and regulations for the administration of this section. Any rule
154 or portion of a rule, as that term is defined in section 536.010, that is created
155 under the authority delegated in this section shall become effective only if it
156 complies with and is subject to all of the provisions of chapter 536 and, if
157 applicable, section 536.028. This section and chapter 536 are nonseverable and
158 if any of the powers vested with the general assembly pursuant to chapter 536 to
159 review, to delay the effective date, or to disapprove and annul a rule are
160 subsequently held unconstitutional, then the grant of rulemaking authority and

161 any rule proposed or adopted after August 28, 2012, shall be invalid and void.

162 12. The repeal and reenactment of this section shall become effective on
163 the date the department of revenue or a producer authorized by the director of
164 the department of revenue begins producing temporary permits described in
165 subsection 4 of such section, or on July 1, 2013, whichever occurs first. If the
166 director of revenue or a producer authorized by the director of the department of
167 revenue begins producing temporary permits prior to July 1, 2013, the director
168 of the department of revenue shall notify the revisor of statutes of such fact.

301.190. 1. No certificate of registration of any motor vehicle or trailer,
2 or number plate therefor, shall be issued by the director of revenue unless the
3 applicant therefor shall make application for and be granted a certificate of
4 ownership of such motor vehicle or trailer, or shall present satisfactory evidence
5 that such certificate has been previously issued to the applicant for such motor
6 vehicle or trailer. Application shall be made within thirty days after the
7 applicant acquires the motor vehicle or trailer, **unless the motor vehicle was**
8 **acquired under section 301.213 in which case the applicant shall make**
9 **application within thirty days after receiving title from the dealer,** upon
10 a blank form furnished by the director of revenue and shall contain the
11 applicant's identification number, a full description of the motor vehicle or trailer,
12 the vehicle identification number, and the mileage registered on the odometer at
13 the time of transfer of ownership, as required by section 407.536, together with
14 a statement of the applicant's source of title and of any liens or encumbrances on
15 the motor vehicle or trailer, provided that for good cause shown the director of
16 revenue may extend the period of time for making such application. When an
17 owner wants to add or delete a name or names on an application for certificate
18 of ownership of a motor vehicle or trailer that would cause it to be inconsistent
19 with the name or names listed on the notice of lien, the owner shall provide the
20 director with documentation evidencing the lienholder's authorization to add or
21 delete a name or names on an application for certificate of ownership.

22 2. The director of revenue shall use reasonable diligence in ascertaining
23 whether the facts stated in such application are true and shall, to the extent
24 possible without substantially delaying processing of the application, review any
25 odometer information pertaining to such motor vehicle that is accessible to the
26 director of revenue. If satisfied that the applicant is the lawful owner of such
27 motor vehicle or trailer, or otherwise entitled to have the same registered in his
28 name, the director shall thereupon issue an appropriate certificate over his

29 signature and sealed with the seal of his office, procured and used for such
30 purpose. The certificate shall contain on its face a complete description, vehicle
31 identification number, and other evidence of identification of the motor vehicle
32 or trailer, as the director of revenue may deem necessary, together with the
33 odometer information required to be put on the face of the certificate pursuant to
34 section 407.536, a statement of any liens or encumbrances which the application
35 may show to be thereon, and, if ownership of the vehicle has been transferred, the
36 name of the state issuing the transferor's title and whether the transferor's
37 odometer mileage statement executed pursuant to section 407.536 indicated that
38 the true mileage is materially different from the number of miles shown on the
39 odometer, or is unknown.

40 3. The director of revenue shall appropriately designate on the current
41 and all subsequent issues of the certificate the words "Reconstructed Motor
42 Vehicle", "Motor Change Vehicle", "Specially Constructed Motor Vehicle", or
43 "Non-USA-Std Motor Vehicle", as defined in section 301.010. Effective July 1,
44 1990, on all original and all subsequent issues of the certificate for motor vehicles
45 as referenced in subsections 2 and 3 of section 301.020, the director shall print
46 on the face thereof the following designation: "Annual odometer updates may be
47 available from the department of revenue.". On any duplicate certificate, the
48 director of revenue shall reprint on the face thereof the most recent of either:

49 (1) The mileage information included on the face of the immediately prior
50 certificate and the date of purchase or issuance of the immediately prior
51 certificate; or

52 (2) Any other mileage information provided to the director of revenue, and
53 the date the director obtained or recorded that information.

54 4. The certificate of ownership issued by the director of revenue shall be
55 manufactured in a manner to prohibit as nearly as possible the ability to alter,
56 counterfeit, duplicate, or forge such certificate without ready detection. In order
57 to carry out the requirements of this subsection, the director of revenue may
58 contract with a nonprofit scientific or educational institution specializing in the
59 analysis of secure documents to determine the most effective methods of
60 rendering Missouri certificates of ownership nonalterable or noncounterfeitable.

61 5. The fee for each original certificate so issued shall be eight dollars and
62 fifty cents, in addition to the fee for registration of such motor vehicle or trailer.
63 If application for the certificate is not made within thirty days after the vehicle
64 is acquired by the applicant, **or where the motor vehicle was acquired**

65 **under section 301.213 and the applicant fails to make application**
66 **within thirty days after receiving title from the dealer,** a delinquency
67 penalty fee of twenty-five dollars for the first thirty days of delinquency and
68 twenty-five dollars for each thirty days of delinquency thereafter, not to exceed
69 a total of two hundred dollars, but such penalty may be waived by the director for
70 a good cause shown. If the director of revenue learns that any person has failed
71 to obtain a certificate within thirty days after acquiring a motor vehicle or trailer,
72 **or where the motor vehicle was acquired under section 301.213 and the**
73 **applicant fails to make application within thirty days after receiving**
74 **title from the dealer,** or has sold a vehicle without obtaining a certificate, he
75 shall cancel the registration of all vehicles registered in the name of the person,
76 either as sole owner or as a co-owner, and shall notify the person that the
77 cancellation will remain in force until the person pays the delinquency penalty
78 fee provided in this section, together with all fees, charges and payments which
79 the person should have paid in connection with the certificate of ownership and
80 registration of the vehicle. The certificate shall be good for the life of the motor
81 vehicle or trailer so long as the same is owned or held by the original holder of
82 the certificate and shall not have to be renewed annually.

83 6. Any applicant for a certificate of ownership requesting the department
84 of revenue to process an application for a certificate of ownership in an
85 expeditious manner requiring special handling shall pay a fee of five dollars in
86 addition to the regular certificate of ownership fee.

87 7. It is unlawful for any person to operate in this state a motor vehicle or
88 trailer required to be registered under the provisions of the law unless a
89 certificate of ownership has been applied for as provided in this section.

90 8. Before an original Missouri certificate of ownership is issued, an
91 inspection of the vehicle and a verification of vehicle identification numbers shall
92 be made by the Missouri state highway patrol on vehicles for which there is a
93 current title issued by another state if a Missouri salvage certificate of title has
94 been issued for the same vehicle but no prior inspection and verification has been
95 made in this state, except that if such vehicle has been inspected in another state
96 by a law enforcement officer in a manner comparable to the inspection process in
97 this state and the vehicle identification numbers have been so verified, the
98 applicant shall not be liable for the twenty-five dollar inspection fee if such
99 applicant submits proof of inspection and vehicle identification number
100 verification to the director of revenue at the time of the application. The

101 applicant, who has such a title for a vehicle on which no prior inspection and
102 verification have been made, shall pay a fee of twenty-five dollars for such
103 verification and inspection, payable to the director of revenue at the time of the
104 request for the application, which shall be deposited in the state treasury to the
105 credit of the state highways and transportation department fund.

106 9. Each application for an original Missouri certificate of ownership for
107 a vehicle which is classified as a reconstructed motor vehicle, specially
108 constructed motor vehicle, kit vehicle, motor change vehicle, non-USA-std motor
109 vehicle, or other vehicle as required by the director of revenue shall be
110 accompanied by a vehicle examination certificate issued by the Missouri state
111 highway patrol, or other law enforcement agency as authorized by the director of
112 revenue. The vehicle examination shall include a verification of vehicle
113 identification numbers and a determination of the classification of the
114 vehicle. The owner of a vehicle which requires a vehicle examination certificate
115 shall present the vehicle for examination and obtain a completed vehicle
116 examination certificate prior to submitting an application for a certificate of
117 ownership to the director of revenue. Notwithstanding any provision of the law
118 to the contrary, an owner presenting a motor vehicle which has been issued a
119 salvage title and which is ten years of age or older to a vehicle examination
120 described in this subsection in order to obtain a certificate of ownership with the
121 designation prior salvage motor vehicle shall not be required to repair or restore
122 the vehicle to its original appearance in order to pass or complete the vehicle
123 examination. The fee for the vehicle examination application shall be twenty-five
124 dollars and shall be collected by the director of revenue at the time of the request
125 for the application and shall be deposited in the state treasury to the credit of the
126 state highways and transportation department fund. If the vehicle is also to be
127 registered in Missouri, the safety inspection required in chapter 307 and the
128 emissions inspection required under chapter 643 shall be completed and the fees
129 required by section 307.365 and section 643.315 shall be charged to the owner.

130 10. When an application is made for an original Missouri certificate of
131 ownership for a motor vehicle previously registered or titled in a state other than
132 Missouri or as required by section 301.020, it shall be accompanied by a current
133 inspection form certified by a duly authorized official inspection station as
134 described in chapter 307. The completed form shall certify that the
135 manufacturer's identification number for the vehicle has been inspected, that it
136 is correctly displayed on the vehicle and shall certify the reading shown on the

137 odometer at the time of inspection. The inspection station shall collect the same
138 fee as authorized in section 307.365 for making the inspection, and the fee shall
139 be deposited in the same manner as provided in section 307.365. If the vehicle
140 is also to be registered in Missouri, the safety inspection required in chapter 307
141 and the emissions inspection required under chapter 643 shall be completed and
142 only the fees required by section 307.365 and section 643.315 shall be charged to
143 the owner. This section shall not apply to vehicles being transferred on a
144 manufacturer's statement of origin.

145 11. Motor vehicles brought into this state in a wrecked or damaged
146 condition or after being towed as an abandoned vehicle pursuant to another
147 state's abandoned motor vehicle procedures shall, in lieu of the inspection
148 required by subsection 10 of this section, be inspected by the Missouri state
149 highway patrol in accordance with subsection 9 of this section. If the inspection
150 reveals the vehicle to be in a salvage or junk condition, the director shall so
151 indicate on any Missouri certificate of ownership issued for such vehicle. Any
152 salvage designation shall be carried forward on all subsequently issued
153 certificates of title for the motor vehicle.

154 12. When an application is made for an original Missouri certificate of
155 ownership for a motor vehicle previously registered or titled in a state other than
156 Missouri, and the certificate of ownership has been appropriately designated by
157 the issuing state as a reconstructed motor vehicle, motor change vehicle, specially
158 constructed motor vehicle, or prior salvage vehicle, the director of revenue shall
159 appropriately designate on the current Missouri and all subsequent issues of the
160 certificate of ownership the name of the issuing state and such prior
161 designation. The absence of any prior designation shall not relieve a transferor
162 of the duty to exercise due diligence with regard to such certificate of ownership
163 prior to the transfer of a certificate. If a transferor exercises any due diligence
164 with regard to a certificate of ownership, the legal transfer of a certificate of
165 ownership without any designation that is subsequently discovered to have or
166 should have had a designation shall be a transfer free and clear of any liabilities
167 of the transferor associated with the missing designation.

168 13. When an application is made for an original Missouri certificate of
169 ownership for a motor vehicle previously registered or titled in a state other than
170 Missouri, and the certificate of ownership has been appropriately designated by
171 the issuing state as non-USA-std motor vehicle, the director of revenue shall
172 appropriately designate on the current Missouri and all subsequent issues of the

173 certificate of ownership the words "Non-USA-Std Motor Vehicle".

174 14. The director of revenue and the superintendent of the Missouri state
175 highway patrol shall make and enforce rules for the administration of the
176 inspections required by this section.

177 15. Each application for an original Missouri certificate of ownership for
178 a vehicle which is classified as a reconstructed motor vehicle, manufactured forty
179 or more years prior to the current model year, and which has a value of three
180 thousand dollars or less shall be accompanied by:

181 (1) A proper affidavit submitted by the owner explaining how the motor
182 vehicle or trailer was acquired and, if applicable, the reasons a valid certificate
183 of ownership cannot be furnished;

184 (2) Photocopies of receipts, bills of sale establishing ownership, or titles,
185 and the source of all major component parts used to rebuild the vehicle;

186 (3) A fee of one hundred fifty dollars in addition to the fees described in
187 subsection 5 of this section. Such fee shall be deposited in the state treasury to
188 the credit of the state highways and transportation department fund; and

189 (4) An inspection certificate, other than a motor vehicle examination
190 certificate required under subsection 9 of this section, completed and issued by
191 the Missouri state highway patrol, or other law enforcement agency as authorized
192 by the director of revenue. The inspection performed by the highway patrol or
193 other authorized local law enforcement agency shall include a check for stolen
194 vehicles. The department of revenue shall issue the owner a certificate of
195 ownership designated with the words "Reconstructed Motor Vehicle" and deliver
196 such certificate of ownership in accordance with the provisions of this
197 chapter. Notwithstanding subsection 9 of this section, no owner of a
198 reconstructed motor vehicle described in this subsection shall be required to
199 obtain a vehicle examination certificate issued by the Missouri state highway
200 patrol.

**301.213. 1. Notwithstanding the provisions of sections 301.200
2 and 301.210, any person licensed as a motor vehicle dealer under
3 sections 301.550 to 301.580 that has provided to the director of revenue
4 a surety bond or irrevocable letter of credit in an amount not less than
5 one hundred thousand dollars in a form which complies with the
6 requirements of section 301.560 and in lieu of the twenty-five thousand
7 dollar bond otherwise required for licensure as a motor vehicle dealer,
8 shall be authorized to purchase or accept in trade any motor vehicle for**

9 which there has been issued a certificate of ownership, and to receive
10 such vehicle subject to any existing liens thereon created and perfected
11 under sections 301.600 to 301.660 provided the licensed dealer receives
12 the following:

13 (1) A signed written contract between the licensed dealer and the
14 owner of the vehicle outlining the terms of the sale or acceptance in
15 trade of such motor vehicle without transfer of the certificate of
16 ownership; and

17 (2) Physical delivery of the vehicle to the licensed dealer; and

18 (3) A power of attorney from the owner to the licensed dealer, in
19 accordance with subsection 4 of section 301.300, authorizing the
20 licensed dealer to obtain a duplicate or replacement title in the owner's
21 name and sign any title assignments on the owner's behalf.

22 2. If the dealer complies with the requirements of subsection 1
23 of this section, the sale or trade of the vehicle to the dealer shall be
24 considered final, subject to any existing liens created and perfected
25 under sections 301.600 to 301.660. Once the prior owner of the motor
26 vehicle has physically delivered the motor vehicle to the licensed
27 dealer, the prior owners' insurable interest in such vehicle shall cease
28 to exist.

29 3. If a licensed dealer complies with the requirements of
30 subsection 1 of this section, and such dealer has provided to the
31 director of revenue a surety bond or irrevocable letter of credit in
32 amount not less than one hundred thousand dollars in a form which
33 complies with the requirements of section 301.560 and in lieu of the
34 twenty-five thousand dollar bond otherwise required for licensure as
35 a motor vehicle dealer, such dealer may sell such vehicle prior to
36 receiving and assigning to the purchaser the certificate of ownership,
37 provided such dealer complies with the following:

38 (1) All outstanding liens created on the vehicle pursuant to
39 sections 301.600 to 301.660 have been paid in full, and the dealer
40 provides a copy of proof or other evidence to the purchaser; and

41 (2) The dealer has obtained proof or other evidence from the
42 department of revenue confirming that no outstanding child support
43 liens exist upon the vehicle at the time of sale and provides a copy of
44 said proof or other evidence to the purchaser; and

45 (3) The dealer has obtained proof or other evidence from the

46 department of revenue confirming that all applicable state sales tax has
47 been satisfied on the sale of the vehicle to the previous owner and
48 provides a copy of said proof or other evidence to the purchaser; and

49 (4) The dealer has signed an application for duplicate or
50 replacement title for the vehicle under subsection 4 of section 301.300
51 and provides a copy of the application to the purchaser, along with a
52 copy of the power of attorney required by subsection 1 of this section,
53 and the dealer has prepared and delivered to the purchaser an
54 application for title for the vehicle in the purchaser's name; and

55 (5) The dealer and the purchaser have entered into a written
56 agreement for the subsequent assignment and delivery of such
57 certificate of ownership, on a form prescribed by the director of
58 revenue, to take place at a time, not to exceed sixty calendar days, after
59 the time of delivery of the motor vehicle to the purchaser. Such
60 agreement shall require the purchaser to provide to the dealer proof
61 of financial responsibility in accordance with chapter 303 and proof of
62 comprehensive and collision coverage on the motor vehicle. Such
63 dealer shall maintain the original or an electronic copy of the signed
64 agreement and deliver a copy of the signed agreement to the
65 purchaser. Such dealer shall also complete and deliver to the director
66 of revenue such form as the director shall prescribe demonstrating that
67 the purchaser has purchased the vehicle without contemporaneous
68 delivery of the title.

69 Notwithstanding any provision of law to the contrary, completion of the
70 requirements of this subsection shall constitute prima facie evidence
71 of an ownership interest vested in the purchaser of the vehicle for all
72 purposes other than for a subsequent transfer of ownership of the
73 vehicle by the purchaser, subject to the rights of any secured lienholder
74 of record; however, the purchaser may use the dealer-supplied copy of
75 the agreement to transfer his or her ownership of the vehicle to an
76 insurance company in situations where the vehicle has been declared
77 salvage or a total-loss by the insurance company as a result of a
78 settlement of a claim. Such insurance company may apply for a salvage
79 certificate of title or junking certificate pursuant to the provisions of
80 subsection 3 of section 301.193 in order to transfer its interest in such
81 vehicle. The purchaser may also use the dealer-supplied copy of the
82 agreement on the form prescribed by the director of revenue as proof

83 of ownership interest. Any lender or insurance company may rely upon
84 a copy of the signed written agreement on the form prescribed by the
85 director of revenue as proof of ownership interest. Any lien placed
86 upon a vehicle based upon such signed written agreement shall be valid
87 and enforceable, notwithstanding the absence of a certificate of
88 ownership.

89 4. Following a sale or other transaction in which a certificate of
90 ownership has not been assigned from the owner to the licensed dealer,
91 the dealer shall, within ten business days, apply for a duplicate or
92 replacement certificate of ownership. Upon receipt of a duplicate or
93 replacement certificate of ownership applied for under subsection 4 of
94 section 301.300, the dealer shall assign and deliver said certificate of
95 ownership to the purchaser of the vehicle within five business
96 days. The dealer shall maintain proof of the assignment and delivery
97 of the certificate of ownership to the purchaser. For purposes of this
98 subsection, a dealer shall be deemed to have delivered the certificate
99 of ownership to the purchaser upon either:

100 (1) Physical delivery of the certificate of ownership to any of the
101 purchasers identified in the contract with such dealer; or

102 (2) Mailing of the certificate, postage prepaid, return receipt
103 requested, to any of the purchasers at any of their addresses identified
104 in the contract with such dealer.

105 5. If a licensed dealer fails to comply with subsection 3 of this
106 section, and the purchaser of the vehicle is thereby damaged, then the
107 dealer shall be liable to the purchaser of the vehicle for actual
108 damages, plus court costs and reasonable attorney fees.

109 6. If a licensed dealer fails or is unable to comply with
110 subsection 4 of this section, and the purchaser of the vehicle is thereby
111 damaged, then the dealer shall be liable to the purchaser of the vehicle
112 for actual damages, plus court costs and reasonable attorney fees. If
113 the dealer cannot be found by the purchaser after making reasonable
114 attempts, or if the dealer fails to assign and deliver the duplicate or
115 replacement certificate of ownership to the purchaser by the date
116 agreed upon by the dealer and the purchaser, as required by subsection
117 4 of this section, then the purchaser may deliver to the director a copy
118 of the contract for sale of the vehicle, a copy of the application for
119 duplicate title provided by the dealer to the purchaser, a copy of the

120 secure power of attorney allowing the dealer to assign the duplicate
121 title, and the proof or other evidence obtained by the purchaser from
122 the dealer under subsection 3 of this section. Thereafter, the director
123 shall mail by certified mail, return receipt requested, a notice to the
124 dealer at the last address given to the department by that dealer. That
125 notice shall inform the dealer that the director intends to cancel any
126 prior certificate of title which may have been issued to the dealer on
127 the vehicle and issue to the purchaser a certificate of title in the name
128 of the purchaser, subject to any liens incurred by the purchaser in
129 connection with the purchase of the vehicle, unless the dealer, within
130 ten business days from the date of the director's notice, files with the
131 director a written objection to the director taking such action. If the
132 dealer does file a timely, written objection with the director, then the
133 director shall not take any further action without an order from a court
134 of competent jurisdiction. However, if the dealer does not file a timely,
135 written objection with the director, then the director shall cancel the
136 prior certificate of title issued to the dealer on the vehicle and issue a
137 certificate of tile to the purchaser of the vehicle, subject to any liens
138 incurred by the purchaser in connection with the purchase of the
139 vehicle and subject to the purchaser satisfying all applicable taxes and
140 fees associated with registering the vehicle.

141 7. If a seller misrepresents to a dealer that the seller is the
142 owner of a vehicle and the dealer, the owner, any subsequent
143 purchaser, or any prior or subsequent lienholder is thereby damaged,
144 then the seller shall be liable to each such party for actual and punitive
145 damages, plus court costs and reasonable attorney fees.

146 8. When a lienholder is damaged as a result of a licensed dealer's
147 acts, errors, omissions, or violations of this section, then the dealer
148 shall be liable to the lienholder for actual damages, plus court costs
149 and reasonable attorney fees.

150 9. No court costs or attorney fees shall be awarded under this
151 section unless, prior to filing any such action, the following conditions
152 have been met:

153 (1) The aggrieved party seeking damages has delivered an
154 itemized written demand of the party's actual damages to the party
155 from whom damages are sought; and

156 (2) The party from whom damages are sought has not satisfied

157 **the written demand within thirty days after receipt of the written**
158 **demand.**

159 **10. The department of revenue may use a dealer's repeated or**
160 **intentional violation of this section as a cause to suspend, revoke, or**
161 **refuse to issue or renew any license required pursuant to sections**
162 **301.550 to 301.580, in addition to the causes set forth in section**
163 **301.562. The hearing process shall be the same as that established in**
164 **subsection 6 of section 301.562.**

301.562. 1. The department may refuse to issue or renew any license
2 required pursuant to sections 301.550 to [301.573] **301.580** for any one or any
3 combination of causes stated in subsection 2 of this section. The department
4 shall notify the applicant or licensee in writing at his or her last known address
5 of the reasons for the refusal to issue or renew the license and shall advise the
6 applicant or licensee of his or her right to file a complaint with the administrative
7 hearing commission as provided by chapter 621.

8 2. The department may cause a complaint to be filed with the
9 administrative hearing commission as provided by chapter 621 against any holder
10 of any license issued under sections 301.550 to [301.573] **301.580** for any one or
11 any combination of the following causes:

12 (1) The applicant or license holder was previously the holder of a license
13 issued under sections 301.550 to [301.573] **301.580**, which license was revoked
14 for cause and never reissued by the department, or which license was suspended
15 for cause and the terms of suspension have not been fulfilled;

16 (2) The applicant or license holder was previously a partner, stockholder,
17 director or officer controlling or managing a partnership or corporation whose
18 license issued under sections 301.550 to [301.573] **301.580** was revoked for cause
19 and never reissued or was suspended for cause and the terms of suspension have
20 not been fulfilled;

21 (3) The applicant or license holder has, within ten years prior to the date
22 of the application, been finally adjudicated and found guilty, or entered a plea of
23 guilty or nolo contendere, in a prosecution under the laws of any state or of the
24 United States, for any offense reasonably related to the qualifications, functions,
25 or duties of any business licensed under sections 301.550 to [301.573] **301.580**;
26 for any offense, an essential element of which is fraud, dishonesty, or an act of
27 violence; or for any offense involving moral turpitude, whether or not sentence is
28 imposed;

29 (4) Use of fraud, deception, misrepresentation, or bribery in securing any
30 license issued pursuant to sections 301.550 to [301.573] **301.580**;

31 (5) Obtaining or attempting to obtain any money, commission, fee, barter,
32 exchange, or other compensation by fraud, deception, or misrepresentation;

33 (6) Violation of, or assisting or enabling any person to violate any
34 provisions of this chapter and chapters 143, 144, 306, 307, 407, 578, and 643 or
35 of any lawful rule or regulation adopted pursuant to this chapter and chapters
36 143, 144, 306, 307, 407, 578, and 643;

37 (7) The applicant or license holder has filed an application for a license
38 which, as of its effective date, was incomplete in any material respect or
39 contained any statement which was, in light of the circumstances under which it
40 was made, false or misleading with respect to any material fact;

41 (8) The applicant or license holder has failed to pay the proper application
42 or license fee or other fees required pursuant to this chapter or chapter 306 or
43 fails to establish or maintain a bona fide place of business;

44 (9) Uses or permits the use of any special license or license plate assigned
45 to the license holder for any purpose other than those permitted by law;

46 (10) The applicant or license holder is finally adjudged insane or
47 incompetent by a court of competent jurisdiction;

48 (11) Use of any advertisement or solicitation which is false;

49 (12) Violations of sections 407.511 to 407.556, section 578.120, which
50 resulted in a conviction or finding of guilt or violation of any federal motor vehicle
51 laws which result in a conviction or finding of guilt.

52 3. Any such complaint shall be filed within one year of the date upon
53 which the department receives notice of an alleged violation of an applicable
54 statute or regulation. After the filing of such complaint, the proceedings shall,
55 except for the matters set forth in subsection 5 of this section, be conducted in
56 accordance with the provisions of chapter 621. Upon a finding by the
57 administrative hearing commission that the grounds, provided in subsection 2 of
58 this section, for disciplinary action are met, the department may, singly or in
59 combination, refuse to issue the person a license, issue a license for a period of
60 less than two years, issue a private reprimand, place the person on probation on
61 such terms and conditions as the department deems appropriate for a period of
62 one day to five years, suspend the person's license from one day to six days, or
63 revoke the person's license for such period as the department deems
64 appropriate. The applicant or licensee shall have the right to appeal the decision

65 of the administrative hearing commission and department in the manner
66 provided in chapter 536.

67 4. Upon the suspension or revocation of any person's license issued under
68 sections 301.550 to [301.573] **301.580**, the department shall recall any distinctive
69 number plates that were issued to that licensee. If any licensee who has been
70 suspended or revoked shall neglect or refuse to surrender his or her license or
71 distinctive number license plates issued under sections 301.550 to 301.580, the
72 director shall direct any agent or employee of the department or any law
73 enforcement officer, to secure possession thereof and return such items to the
74 director. For purposes of this subsection, a "law enforcement officer" means any
75 member of the highway patrol, any sheriff or deputy sheriff, or any peace officer
76 certified under chapter 590 acting in his or her official capacity. Failure of the
77 licensee to surrender his or her license or distinctive number license plates upon
78 demand by the director, any agent or employee of the department, or any law
79 enforcement officer shall be a class A misdemeanor.

80 5. Notwithstanding the foregoing provisions of this section, the following
81 events or acts by the holder of any license issued under sections 301.550 to
82 301.580 are deemed to present a clear and present danger to the public welfare
83 and shall be considered cause for suspension or revocation of such license under
84 the procedure set forth in subsection 6 of this section, at the discretion of the
85 director:

86 (1) The expiration or revocation of any corporate surety bond or
87 irrevocable letter of credit, as required by section 301.560, without submission of
88 a replacement bond or letter of credit which provides coverage for the entire
89 period of licensure;

90 (2) The failure to maintain a bona fide established place of business as
91 required by section 301.560;

92 (3) Criminal convictions as set forth in subdivision (3) of subsection 2 of
93 this section; or

94 (4) Three or more occurrences of violations which have been established
95 following proceedings before the administrative hearing commission under
96 subsection 3 of this section, or which have been established following proceedings
97 before the director under subsection 6 of this section, of this chapter and chapters
98 143, 144, 306, 307, 578, and 643 or of any lawful rule or regulation adopted under
99 this chapter and chapters 143, 144, 306, 307, 578, and 643, not previously set
100 forth herein.

101 6. (1) Any license issued under sections 301.550 to 301.580 shall be
102 suspended or revoked, following an evidentiary hearing before the director or his
103 or her designated hearing officer, if affidavits or sworn testimony by an
104 authorized agent of the department alleges the occurrence of any of the events or
105 acts described in subsection 5 of this section.

106 (2) For any license which the department believes may be subject to
107 suspension or revocation under this subsection, the director shall immediately
108 issue a notice of hearing to the licensee of record. The director's notice of
109 hearing:

110 (a) Shall be served upon the licensee personally or by first class mail to
111 the dealer's last known address, as registered with the director;

112 (b) Shall be based on affidavits or sworn testimony presented to the
113 director, and shall notify the licensee that such information presented therein
114 constitutes cause to suspend or revoke the licensee's license;

115 (c) Shall provide the licensee with a minimum of ten days' notice prior to
116 hearing;

117 (d) Shall specify the events or acts which may provide cause for
118 suspension or revocation of the license, and shall include with the notice a copy
119 of all affidavits, sworn testimony or other information presented to the director
120 which support discipline of the license; and

121 (e) Shall inform the licensee that he or she has the right to attend the
122 hearing and present any evidence in his or her defense, including evidence to
123 show that the event or act which may result in suspension or revocation has been
124 corrected to the director's satisfaction, and that he or she may be represented by
125 counsel at the hearing.

126 (3) At any hearing before the director conducted under this subsection, the
127 director or his or her designated hearing officer shall consider all evidence
128 relevant to the issue of whether the license should be suspended or revoked due
129 to the occurrence of any of the acts set forth in subsection 5 herein. Within
130 twenty business days after such hearing, the director or his or her designated
131 hearing officer shall issue a written order, with findings of fact and conclusions
132 of law, which either grants or denies the issuance of an order of suspension or
133 revocation. The suspension or revocation shall be effective ten days after the date
134 of the order. The written order of the director or his or her hearing officer shall
135 be the final decision of the director and shall be subject to judicial review under
136 the provisions of chapter 536.

137 (4) Notwithstanding the provisions of this chapter or chapter 610 or 621
138 to the contrary, the proceedings under this section shall be closed and no order
139 shall be made public until it is final, for purposes of appeal.

140 **7. In lieu of acting under subsection 2 or subsection 6 of this**
141 **section, the department of revenue may enter into an agreement with**
142 **the holder of the license to ensure future compliance with sections**
143 **301.210, 301.213, 307.380, sections 301.217 to 301.229, and sections**
144 **301.550 to 301.580. Such agreement may include an assessment fee not**
145 **to exceed five hundred dollars per violation or five thousand dollars in**
146 **the aggregate unless otherwise permitted by law, probation terms and**
147 **conditions, and other requirements as may be deemed appropriate by**
148 **the department of revenue and the holder of the license. Any fees**
149 **collected by the department of revenue under this subsection shall be**
150 **deposited into the motor vehicle commission fund created in section**
151 **301.560.**

301.644. 1. In cases where an insurance company has paid or is
2 paying a total loss claim on a motor vehicle or trailer, the registered
3 owner or owners of a motor vehicle or trailer may use an electronic
4 signature in a similar form as that prescribed in sections 432.200 to
5 432.295 on a limited power of attorney, affidavit, or other documents to
6 authorize the insurance company to assign ownership of such motor
7 vehicle or trailer. A power of attorney, affidavit, or other similar
8 document executed with an electronic signature for the authority to
9 execute the assignment of a certificate of ownership by an insurance
10 company under the authority of this section shall not require
11 notarization.

12 **2. The director of the department of revenue may promulgate**
13 **rules and regulations to implement and administer the provisions of**
14 **this section. Any rule or portion of a rule, as that term is defined in**
15 **section 536.010, that is created under the authority delegated in this**
16 **section shall become effective only if it complies with and is subject to**
17 **all of the provisions of chapter 536 and, if applicable, section 536.028.**
18 **This section and chapter 536 are nonseverable and if any of the powers**
19 **vested with the general assembly under chapter 536 to review, to delay**
20 **the effective date, or to disapprove and annul a rule are subsequently**
21 **held unconstitutional, then the grant of rulemaking authority and any**
22 **rule proposed or adopted after August 28, 2015, shall be invalid and**

23 **void.**

[407.581. 1. Notwithstanding the provisions of sections
2 301.200 and 301.210, any person licensed as a motor vehicle dealer
3 under sections 301.550 to 301.573 shall be authorized to purchase
4 or accept in trade any motor vehicle for which there has been
5 issued a certificate of title, and to receive such vehicle subject to
6 any existing liens thereon created and perfected under sections
7 301.600 to 301.660 provided the licensed dealer receives the
8 following:

9 (1) A signed written contract between the licensed dealer
10 and the owner of the vehicle; and

11 (2) Physical delivery of the vehicle to the licensed dealer;
12 and

13 (3) A power of attorney from the owner to the licensed
14 dealer, in accordance with subsection 4 of section 301.300,
15 authorizing the licensed dealer to obtain a duplicate or replacement
16 title in the owner's name and sign any title assignments on the
17 owner's behalf.

18 2. If the dealer complies with the requirements of
19 subsection 1 of this section, the sale or trade of the vehicle to the
20 dealer shall be considered final.

21 3. If a licensed dealer complies with the requirements of
22 subsection 1 of this section, the licensed dealer may sell such
23 vehicle prior to receiving and assigning to the purchaser the
24 certificate of title, provided such dealer complies with the following:

25 (1) All outstanding liens created on the vehicle pursuant to
26 sections 301.600 to 301.660 have been paid in full, and the dealer
27 provides a copy of proof or other evidence to the purchaser; and

28 (2) The dealer has obtained proof or other evidence from the
29 department of revenue confirming that no outstanding child
30 support liens exist upon the vehicle at the time of sale and provides
31 a copy of said proof or other evidence to the purchaser; and

32 (3) The dealer has obtained proof or other evidence from the
33 department of revenue confirming that all applicable state sales
34 tax has been satisfied on the sale of the vehicle to the previous
35 owner and provides a copy of said proof or other evidence to the

36 purchaser; and

37 (4) The dealer has signed and submitted an application for
38 duplicate or replacement title for the vehicle pursuant to
39 subsection 4 of section 301.300 and provides a copy of the
40 application to the purchaser, along with a copy of the power of
41 attorney required under subsection 1 of this section.

42 4. Following a sale or other transaction in which a
43 certificate of title has not been assigned from the owner to the
44 dealer, a licensed dealer shall, within five business days, apply for
45 a duplicate or replacement title. Upon receipt of a duplicate or
46 replacement title applied for pursuant to subsection 4 of section
47 301.300, the dealer shall assign and deliver said certificate of title
48 to the purchaser of the vehicle within five business days. The
49 dealer shall maintain proof of the assignment and delivery of the
50 certificate of title to the purchaser. For purposes of this
51 subsection, a dealer shall be deemed to have delivered the
52 certificate of title to the purchaser upon either:

53 (1) Physical delivery of the certificate of title to any of the
54 purchasers identified in the contract with the dealer; or

55 (2) Mailing of the certificate, postage prepaid, return receipt
56 requested, to any of the purchasers at any of their addresses
57 identified in the contract with the dealer.

58 5. If a dealer fails to comply with subsection 3 of this
59 section, and the purchaser of the vehicle is thereby damaged, then
60 the dealer shall be liable to the purchaser of the vehicle for actual
61 damages, plus court costs and reasonable attorney fees.

62 6. If a dealer fails to comply with subsection 4 of this
63 section, and the purchaser of the vehicle is thereby damaged, then
64 the dealer shall be liable to the purchaser of the vehicle for actual
65 damages, plus court costs and reasonable attorney fees. If the
66 dealer cannot be found by the purchaser after making reasonable
67 attempts, and thereby fails to assign and deliver the duplicate or
68 replacement certificate of title to the purchaser, as required by
69 subsection 4 of this section, then the purchaser may deliver to the
70 director a copy of the contract for sale of the vehicle, a copy of the
71 application for duplicate title provided by the dealer to the

72 purchaser, a copy of the secure power of attorney allowing the
73 dealer to assign the duplicate title, and the proof or other evidence
74 obtained by the purchaser from the dealer under subsection 3 of
75 this section. Thereafter, the director shall mail by certified mail,
76 return receipt requested, a notice to the dealer at the last address
77 given to the department by that dealer. That notice shall inform
78 the dealer that the director intends to cancel any prior certificate
79 of title issued to the dealer on the vehicle and issue to the
80 purchaser a certificate of title in the name of the purchaser, subject
81 to any liens incurred by the purchaser in connection with the
82 purchase of the vehicle, unless the dealer, within ten business days
83 from the date of the director's notice, files with the director a
84 written objection to the director taking such action. If the dealer
85 does file a timely, written objection with the director, then the
86 director shall not take any further action without an order from a
87 court of competent jurisdiction. However, if the dealer does not file
88 a timely, written objection with the director, then the director shall
89 cancel the prior certificate of title issued to the dealer on the
90 vehicle and issue a certificate of title to the purchaser of the
91 vehicle, subject to any liens incurred by the purchaser in
92 connection with the purchase of the vehicle and subject to the
93 purchaser satisfying all applicable taxes and fees associated with
94 registering the vehicle.

95 7. If a seller fraudulently misrepresents to a dealer that the
96 seller is the owner of a vehicle and the dealer or any subsequent
97 purchaser is thereby damaged, then the seller shall be liable to the
98 dealer and any subsequent purchaser for actual damages, plus
99 court costs and reasonable attorney fees.

100 8. When a lienholder is damaged as a result of acts or
101 omissions by the dealer to the lienholder or any party covered by
102 subsections 5, 6, and 7 of this section, or by any combination of
103 claims under this subsection, then the dealer shall be liable to the
104 lienholder for actual damages, plus court costs and reasonable
105 attorney fees.

106 9. No court costs or attorney fees shall be awarded under
107 this section unless, prior to filing any such action, the following

108 conditions have been met:

109 (1) The aggrieved party seeking damages has delivered an
110 itemized written demand of the party's actual damages to the party
111 from whom damages are sought; and

112 (2) The party from whom damages are sought has not
113 satisfied the written demand within thirty days after receipt of the
114 written demand.]

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Unofficial

Bill

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