

FIRST REGULAR SESSION

# SENATE BILL NO. 456

98TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR KEHOE.

Read 1st time February 18, 2015, and ordered printed.

ADRIANE D. CROUSE, Secretary.

1270S.02I

## AN ACT

To repeal sections 301.140, 301.190, and 407.581, RSMo, and to enact in lieu thereof three new sections relating to the 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Section A. Sections 301.140, 301.190, and 407.581, RSMo, are repealed  
2 and three new sections enacted in lieu thereof, to be known as sections 301.140,  
3 301.190, and 301.213, 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  
11 **[thirty] sixty** days. As used in this subsection, the term "trade-in motor vehicle  
12 or trailer" shall include any single motor vehicle or trailer sold by the buyer of  
13 the newly purchased vehicle or trailer, as long as the license plates for the  
14 trade-in motor vehicle or trailer are still valid.

15 2. In the case of a transfer of ownership the original owner may register  
16 another motor vehicle under the same number, upon the payment of a fee of two  
17 dollars, if the motor vehicle is of horsepower, gross weight or (in the case of a  
18 passenger-carrying commercial motor vehicle) seating capacity, not in excess of

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

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

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

39           4. The director of the department of revenue shall have authority to  
40 produce or allow others to produce a weather resistant, nontearing temporary  
41 permit authorizing the operation of a motor vehicle or trailer by a buyer for not  
42 more than [thirty] **sixty** days from the date of purchase. The temporary permit  
43 authorized under this section may be purchased by the purchaser of a motor  
44 vehicle or trailer from the central office of the department of revenue or from an  
45 authorized agent of the department of revenue upon proof of purchase of a motor  
46 vehicle or trailer for which the buyer has no registration plate available for  
47 transfer and upon proof of financial responsibility, or from a motor vehicle dealer  
48 upon purchase of a motor vehicle or trailer for which the buyer has no  
49 registration plate available for transfer, or from a motor vehicle dealer upon  
50 purchase of a motor vehicle or trailer for which the buyer has registered and is  
51 awaiting receipt of registration plates. The director of the department of revenue  
52 or a producer authorized by the director of the department of revenue may make  
53 temporary permits available to registered dealers in this state, authorized agents  
54 of the department of revenue or the department of revenue. The price paid by a

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

81         5. The permit shall be issued on a form prescribed by the director of the  
82 department of revenue and issued only for the applicant's temporary operation  
83 of the motor vehicle or trailer purchased to enable the applicant to temporarily  
84 operate the motor vehicle while proper title and registration plates are being  
85 obtained, or while awaiting receipt of registration plates, and shall be displayed  
86 on no other motor vehicle. Temporary permits issued pursuant to this section  
87 shall not be transferable or renewable and shall not be valid upon issuance of  
88 proper registration plates for the motor vehicle or trailer. The director of the  
89 department of revenue shall determine the size, material, design, numbering  
90 configuration, construction, and color of the permit. The director of the

91 department of revenue, at his or her discretion, shall have the authority to  
92 reissue, and thereby extend the use of, a temporary permit previously and legally  
93 issued for a motor vehicle or trailer while proper title and registration are being  
94 obtained.

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

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

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

115           9. An additional temporary license plate produced in a manner and of  
116 materials determined by the director to be the most cost-effective means of  
117 production with a configuration that matches an existing or newly issued plate  
118 may be purchased by a motor vehicle owner to be placed in the interior of the  
119 vehicle's rear window such that the driver's view out of the rear window is not  
120 obstructed and the plate configuration is clearly visible from the outside of the  
121 vehicle to serve as the visible plate when a bicycle rack or other item obstructs  
122 the view of the actual plate. Such temporary plate is only authorized for use  
123 when the matching actual plate is affixed to the vehicle in the manner prescribed  
124 in subsection 5 of section 301.130. The fee charged for the temporary plate shall  
125 be equal to the fee charged for a temporary permit issued under subsection 4 of  
126 this section. Replacement temporary plates authorized in this subsection may be

127 issued as needed upon the payment of a fee equal to the fee charged for a  
128 temporary permit under subsection 4 of this section. The newly produced third  
129 plate may only be used on the vehicle with the matching plate, and the additional  
130 plate shall be clearly recognizable as a third plate and only used for the purpose  
131 specified in this subsection.

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

147         11. The director of the department of revenue may promulgate all  
148 necessary rules and regulations for the administration of this section. Any rule  
149 or portion of a rule, as that term is defined in section 536.010, that is created  
150 under the authority delegated in this section shall become effective only if it  
151 complies with and is subject to all of the provisions of chapter 536 and, if  
152 applicable, section 536.028. This section and chapter 536 are nonseverable and  
153 if any of the powers vested with the general assembly pursuant to chapter 536 to  
154 review, to delay the effective date, or to disapprove and annul a rule are  
155 subsequently held unconstitutional, then the grant of rulemaking authority and  
156 any rule proposed or adopted after August 28, 2012, shall be invalid and void.

157         12. The repeal and reenactment of this section shall become effective on  
158 the date the department of revenue or a producer authorized by the director of  
159 the department of revenue begins producing temporary permits described in  
160 subsection 4 of such section, or on July 1, 2013, whichever occurs first. If the  
161 director of revenue or a producer authorized by the director of the department of  
162 revenue begins producing temporary permits prior to July 1, 2013, the director

163 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 301.573, and such dealer has provided to the director  
4 of revenue a surety bond or irrevocable letter of credit in an amount  
5 not less than one hundred thousand dollars in a form which complies  
6 with the requirements of section 301.560 and in lieu of the twenty-five  
7 thousand dollar bond otherwise required for licensure as a motor  
8 vehicle dealer, shall be authorized to purchase or accept in trade any  
9 motor vehicle for which there has been issued a certificate of  
10 ownership, and to receive such vehicle subject to any existing liens  
11 thereon created and perfected under sections 301.600 to 301.660  
12 provided the licensed dealer receives the following:**

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

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

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

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

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

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

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

43           **(3) The dealer has obtained proof or other evidence from the**  
44 **department of revenue confirming that all applicable state sales tax has**  
45 **been satisfied on the sale of the vehicle to the previous owner and**  
46 **provides a copy of said proof or other evidence to the purchaser; and**

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

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

67 **Notwithstanding any provision of law to the contrary, completion of the**  
68 **requirements of this subsection shall constitute prima facie evidence**  
69 **of an ownership interest vested in the purchaser of the vehicle for all**  
70 **purposes other than for a subsequent transfer of ownership of the**  
71 **vehicle by the purchaser, subject to the rights of any secured lienholder**  
72 **of record. The purchaser may use the dealer-supplied copy of the**  
73 **agreement on the form prescribed by the director of revenue as proof**  
74 **of ownership interest. Any lender or insurance company may rely upon**  
75 **a copy of the signed written agreement on the form prescribed by the**  
76 **director of revenue as proof of ownership. Any lien placed upon a**  
77 **vehicle based upon such signed written agreement shall be valid and**  
78 **enforceable, notwithstanding the absence of a certificate of ownership.**

79           **4. Following a sale or other transaction in which a certificate of**  
80 **ownership has not been assigned from the owner to the licensed dealer,**  
81 **the dealer shall, within ten business days, apply for a duplicate or**  
82 **replacement certificate of ownership. Upon receipt of a duplicate or**  
83 **replacement certificate of ownership applied for under subsection 4 of**  
84 **section 301.300, the dealer shall assign and deliver said certificate of**  
85 **ownership to the purchaser of the vehicle within five business**  
86 **days. The dealer shall maintain proof of the assignment and delivery**  
87 **of the certificate of ownership to the purchaser. For purposes of this**  
88 **subsection, a dealer shall be deemed to have delivered the certificate**  
89 **of ownership to the purchaser upon either:**

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

92           **(2) Mailing of the certificate, postage prepaid, return receipt**  
93 **requested, to any of the purchasers at any of their addresses identified**  
94 **in the contract with such dealer.**

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

99           **6. If a licensed dealer fails or is unable to comply with**  
100 **subsection 4 of this section, and the purchaser of the vehicle is thereby**  
101 **damaged, then the dealer shall be liable to the purchaser of the vehicle**  
102 **for actual damages, plus court costs and reasonable attorney fees. If**  
103 **the dealer cannot be found by the purchaser after making reasonable**  
104 **attempts, or if the dealer fails to assign and deliver the duplicate or**  
105 **replacement certificate of ownership to the purchaser by the date**  
106 **agreed upon by the dealer and the purchaser, as required by subsection**  
107 **4 of this section, then the purchaser may deliver to the director a copy**  
108 **of the contract for sale of the vehicle, a copy of the application for**  
109 **duplicate title provided by the dealer to the purchaser, a copy of the**  
110 **secure power of attorney allowing the dealer to assign the duplicate**  
111 **title, and the proof or other evidence obtained by the purchaser from**  
112 **the dealer under subsection 3 of this section. Thereafter, the director**  
113 **shall mail by certified mail, return receipt requested, a notice to the**  
114 **dealer at the last address given to the department by that dealer. That**  
115 **notice shall inform the dealer that the director intends to cancel any**  
116 **prior certificate of title issued to the dealer on the vehicle and issue to**  
117 **the purchaser a certificate of title in the name of the purchaser, subject**  
118 **to any liens incurred by the purchaser in connection with the purchase**  
119 **of the vehicle, unless the dealer, within ten business days from the date**  
120 **of the director's notice, files with the director a written objection to the**  
121 **director taking such action. If the dealer does file a timely, written**  
122 **objection with the director, then the director shall not take any further**  
123 **action without an order from a court of competent**  
124 **jurisdiction. However, if the dealer does not file a timely, written**  
125 **objection with the director, then the director shall cancel the prior**  
126 **certificate of title issued to the dealer on the vehicle and issue a**

127 certificate of title to the purchaser of the vehicle, subject to any liens  
128 incurred by the purchaser in connection with the purchase of the  
129 vehicle and subject to the purchaser satisfying all applicable taxes and  
130 fees associated with registering the vehicle.

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

136       8. When a lienholder is damaged as a direct result of a licensed  
137 dealer's violation of this section, then the dealer shall be liable to the  
138 lienholder for actual damages, plus court costs and reasonable attorney  
139 fees.

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

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

146       (2) The party from whom damages are sought has not satisfied  
147 the written demand within thirty days after receipt of the written  
148 demand.

149       10. The department of revenue may use a dealer's repeated or  
150 intentional violation of this section as a cause to refuse to issue or  
151 renew any license required pursuant to sections 301.550 to 301.573, in  
152 addition to the causes set forth in section 301.562. The hearing process  
153 shall be the same as that established in subsection 6 of section 301.562.

          [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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