

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 456
98TH GENERAL ASSEMBLY

1270H.04C

D. ADAM CRUMBLISS, Chief Clerk

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Section A. Sections 301.140, 301.190, 301.562, and 407.581, RSMo, are repealed and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

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

14 2. In the case of a transfer of ownership the original owner may register another motor
15 vehicle under the same number, upon the payment of a fee of two dollars, if the motor vehicle
16 is of horsepower, gross weight or (in the case of a passenger-carrying commercial motor vehicle)

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

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

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

34 4. The director of the department of revenue shall have authority to produce or allow
35 others to produce a weather resistant, nontearing temporary permit authorizing the operation of
36 a motor vehicle or trailer by a buyer for not more than thirty days, **or no more than ninety days**
37 **if issued by a dealer selling the motor vehicle under the provisions of section 301.213**, from
38 the date of purchase. The temporary permit authorized under this section may be purchased by
39 the purchaser of a motor vehicle or trailer from the central office of the department of revenue
40 or from an authorized agent of the department of revenue upon proof of purchase of a motor
41 vehicle or trailer for which the buyer has no registration plate available for transfer and upon
42 proof of financial responsibility, or from a motor vehicle dealer upon purchase of a motor vehicle
43 or trailer for which the buyer has no registration plate available for transfer, or from a motor
44 vehicle dealer upon purchase of a motor vehicle or trailer for which the buyer has registered and
45 is awaiting receipt of registration plates. The director of the department of revenue or a producer
46 authorized by the director of the department of revenue may make temporary permits available
47 to registered dealers in this state, authorized agents of the department of revenue or the
48 department of revenue. The price paid by a motor vehicle dealer, an authorized agent of the
49 department of revenue or the department of revenue for a temporary permit shall not exceed five
50 dollars for each permit. The director of the department of revenue shall direct motor vehicle
51 dealers and authorized agents to obtain temporary permits from an authorized producer.
52 Amounts received by the director of the department of revenue for temporary permits shall
53 constitute state revenue; however, amounts received by an authorized producer other than the

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

72 5. The permit shall be issued on a form prescribed by the director of the department of
73 revenue and issued only for the applicant's temporary operation of the motor vehicle or trailer
74 purchased to enable the applicant to temporarily operate the motor vehicle while proper title and
75 registration plates are being obtained, or while awaiting receipt of registration plates, and shall
76 be displayed on no other motor vehicle. Temporary permits issued pursuant to this section shall
77 not be transferable or renewable and shall not be valid upon issuance of proper registration plates
78 for the motor vehicle or trailer. The director of the department of revenue shall determine the
79 size, material, design, numbering configuration, construction, and color of the permit. The
80 director of the department of revenue, at his or her discretion, shall have the authority to reissue,
81 and thereby extend the use of, a temporary permit previously and legally issued for a motor
82 vehicle or trailer while proper title and registration are being obtained.

83 6. Every motor vehicle dealer that issues temporary permits shall keep, for inspection
84 by proper officers, an accurate record of each permit issued by recording the permit number, the
85 motor vehicle dealer's number, buyer's name and address, the motor vehicle's year, make, and
86 manufacturer's vehicle identification number, and the permit's date of issuance and expiration
87 date. Upon the issuance of a temporary permit by either the central office of the department of
88 revenue, a motor vehicle dealer or an authorized agent of the department of revenue, the director
89 of the department of revenue shall make the information associated with the issued temporary
90 permit immediately available to the law enforcement community of the state of Missouri.

91 7. Upon the transfer of ownership of any currently registered motor vehicle wherein the
92 owner cannot transfer the license plates due to a change of motor vehicle category, the owner
93 may surrender the license plates issued to the motor vehicle and receive credit for any unused
94 portion of the original registration fee against the registration fee of another motor vehicle. Such
95 credit shall be granted based upon the date the license plates are surrendered. No refunds shall
96 be made on the unused portion of any license plates surrendered for such credit.

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

98 9. An additional temporary license plate produced in a manner and of materials
99 determined by the director to be the most cost-effective means of production with a configuration
100 that matches an existing or newly issued plate may be purchased by a motor vehicle owner to be
101 placed in the interior of the vehicle's rear window such that the driver's view out of the rear
102 window is not obstructed and the plate configuration is clearly visible from the outside of the
103 vehicle to serve as the visible plate when a bicycle rack or other item obstructs the view of the
104 actual plate. Such temporary plate is only authorized for use when the matching actual plate is
105 affixed to the vehicle in the manner prescribed in subsection 5 of section 301.130. The fee
106 charged for the temporary plate shall be equal to the fee charged for a temporary permit issued
107 under subsection 4 of this section. Replacement temporary plates authorized in this subsection
108 may be issued as needed upon the payment of a fee equal to the fee charged for a temporary
109 permit under subsection 4 of this section. The newly produced third plate may only be used on
110 the vehicle with the matching plate, and the additional plate shall be clearly recognizable as a
111 third plate and only used for the purpose specified in this subsection.

112 10. Notwithstanding the provisions of section 301.127, the director may issue a
113 temporary permit to an individual who possesses a salvage motor vehicle which requires an
114 inspection under subsection 9 of section 301.190. The operation of a salvage motor vehicle for
115 which the permit has been issued shall be limited to the most direct route from the residence,
116 maintenance, or storage facility of the individual in possession of such motor vehicle to the
117 nearest authorized inspection facility and return to the originating location. Notwithstanding any
118 other requirements for the issuance of a temporary permit under this section, an individual
119 obtaining a temporary permit for the purpose of operating a motor vehicle to and from an
120 examination facility as prescribed in this subsection shall also purchase the required motor
121 vehicle examination form which is required to be completed for an examination under subsection
122 9 of section 301.190 and provide satisfactory evidence that such vehicle has passed a motor
123 vehicle safety inspection for such vehicle as required in section 307.350.

124 11. The director of the department of revenue may promulgate all necessary rules and
125 regulations for the administration of this section. Any rule or portion of a rule, as that term is
126 defined in section 536.010, that is created under the authority delegated in this section shall
127 become effective only if it complies with and is subject to all of the provisions of chapter 536

128 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of
129 the powers vested with the general assembly pursuant to chapter 536 to review, to delay the
130 effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the
131 grant of rulemaking authority and any rule proposed or adopted after August 28, 2012, shall be
132 invalid and void.

133 12. The repeal and reenactment of this section shall become effective on the date the
134 department of revenue or a producer authorized by the director of the department of revenue
135 begins producing temporary permits described in subsection 4 of such section, or on July 1,
136 2013, whichever occurs first. If the director of revenue or a producer authorized by the director
137 of the department of revenue begins producing temporary permits prior to July 1, 2013, the
138 director 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, or number plate
2 therefor, shall be issued by the director of revenue unless the applicant therefor shall make
3 application for and be granted a certificate of ownership of such motor vehicle or trailer, or shall
4 present satisfactory evidence that such certificate has been previously issued to the applicant for
5 such motor vehicle or trailer. Application shall be made within thirty days after the applicant
6 acquires the motor vehicle or trailer, **unless the motor vehicle was acquired under section**
7 **301.213 in which case the applicant shall make application within thirty days after**
8 **receiving title from the dealer**, upon a blank form furnished by the director of revenue and shall
9 contain the applicant's identification number, a full description of the motor vehicle or trailer,
10 the vehicle identification number, and the mileage registered on the odometer at the time of
11 transfer of ownership, as required by section 407.536, together with a statement of the applicant's
12 source of title and of any liens or encumbrances on the motor vehicle or trailer, provided that for
13 good cause shown the director of revenue may extend the period of time for making such
14 application. When an owner wants to add or delete a name or names on an application for
15 certificate of ownership of a motor vehicle or trailer that would cause it to be inconsistent with
16 the name or names listed on the notice of lien, the owner shall provide the director with
17 documentation evidencing the lienholder's authorization to add or delete a name or names on an
18 application for certificate of ownership.

19 2. The director of revenue shall use reasonable diligence in ascertaining whether the facts
20 stated in such application are true and shall, to the extent possible without substantially delaying
21 processing of the application, review any odometer information pertaining to such motor vehicle
22 that is accessible to the director of revenue. If satisfied that the applicant is the lawful owner of
23 such motor vehicle or trailer, or otherwise entitled to have the same registered in his name, the
24 director shall thereupon issue an appropriate certificate over his signature and sealed with the
25 seal of his office, procured and used for such purpose. The certificate shall contain on its face
26 a complete description, vehicle identification number, and other evidence of identification of the

27 motor vehicle or trailer, as the director of revenue may deem necessary, together with the
28 odometer information required to be put on the face of the certificate pursuant to section
29 407.536, a statement of any liens or encumbrances which the application may show to be
30 thereon, and, if ownership of the vehicle has been transferred, the name of the state issuing the
31 transferor's title and whether the transferor's odometer mileage statement executed pursuant to
32 section 407.536 indicated that the true mileage is materially different from the number of miles
33 shown on the odometer, or is unknown.

34 3. The director of revenue shall appropriately designate on the current and all subsequent
35 issues of the certificate the words "Reconstructed Motor Vehicle", "Motor Change Vehicle",
36 "Specially Constructed Motor Vehicle", or "Non-USA-Std Motor Vehicle", as defined in section
37 301.010. Effective July 1, 1990, on all original and all subsequent issues of the certificate for
38 motor vehicles as referenced in subsections 2 and 3 of section 301.020, the director shall print
39 on the face thereof the following designation: "Annual odometer updates may be available from
40 the department of revenue.". On any duplicate certificate, the director of revenue shall reprint
41 on the face thereof the most recent of either:

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

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

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

52 5. The fee for each original certificate so issued shall be eight dollars and fifty cents, in
53 addition to the fee for registration of such motor vehicle or trailer. If application for the
54 certificate is not made within thirty days after the vehicle is acquired by the applicant, **or where**
55 **the motor vehicle was acquired under section 301.213 and the applicant fails to make**
56 **application within thirty days after receiving title from the dealer**, a delinquency penalty fee
57 of twenty-five dollars for the first thirty days of delinquency and twenty-five dollars for each
58 thirty days of delinquency thereafter, not to exceed a total of two hundred dollars, but such
59 penalty may be waived by the director for a good cause shown. If the director of revenue learns
60 that any person has failed to obtain a certificate within thirty days after acquiring a motor vehicle
61 or trailer, **or where the motor vehicle was acquired under section 301.213 and the applicant**
62 **fails to make application within thirty days after receiving title from the dealer**, or has sold

63 a vehicle without obtaining a certificate, he shall cancel the registration of all vehicles registered
64 in the name of the person, either as sole owner or as a co-owner, and shall notify the person that
65 the cancellation will remain in force until the person pays the delinquency penalty fee provided
66 in this section, together with all fees, charges and payments which the person should have paid
67 in connection with the certificate of ownership and registration of the vehicle. The certificate
68 shall be good for the life of the motor vehicle or trailer so long as the same is owned or held by
69 the original holder of the certificate and shall not have to be renewed annually.

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

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

76 8. Before an original Missouri certificate of ownership is issued, an inspection of the
77 vehicle and a verification of vehicle identification numbers shall be made by the Missouri state
78 highway patrol on vehicles for which there is a current title issued by another state if a Missouri
79 salvage certificate of title has been issued for the same vehicle but no prior inspection and
80 verification has been made in this state, except that if such vehicle has been inspected in another
81 state by a law enforcement officer in a manner comparable to the inspection process in this state
82 and the vehicle identification numbers have been so verified, the applicant shall not be liable for
83 the twenty-five dollar inspection fee if such applicant submits proof of inspection and vehicle
84 identification number verification to the director of revenue at the time of the application. The
85 applicant, who has such a title for a vehicle on which no prior inspection and verification have
86 been made, shall pay a fee of twenty-five dollars for such verification and inspection, payable
87 to the director of revenue at the time of the request for the application, which shall be deposited
88 in the state treasury to the credit of the state highways and transportation department fund.

89 9. Each application for an original Missouri certificate of ownership for a vehicle which
90 is classified as a reconstructed motor vehicle, specially constructed motor vehicle, kit vehicle,
91 motor change vehicle, non-USA-std motor vehicle, or other vehicle as required by the director
92 of revenue shall be accompanied by a vehicle examination certificate issued by the Missouri state
93 highway patrol, or other law enforcement agency as authorized by the director of revenue. The
94 vehicle examination shall include a verification of vehicle identification numbers and a
95 determination of the classification of the vehicle. The owner of a vehicle which requires a
96 vehicle examination certificate shall present the vehicle for examination and obtain a completed
97 vehicle examination certificate prior to submitting an application for a certificate of ownership
98 to the director of revenue. Notwithstanding any provision of the law to the contrary, an owner
99 presenting a motor vehicle which has been issued a salvage title and which is ten years of age

100 or older to a vehicle examination described in this subsection in order to obtain a certificate of
101 ownership with the designation prior salvage motor vehicle shall not be required to repair or
102 restore the vehicle to its original appearance in order to pass or complete the vehicle
103 examination. The fee for the vehicle examination application shall be twenty-five dollars and
104 shall be collected by the director of revenue at the time of the request for the application and
105 shall be deposited in the state treasury to the credit of the state highways and transportation
106 department fund. If the vehicle is also to be registered in Missouri, the safety inspection required
107 in chapter 307 and the emissions inspection required under chapter 643 shall be completed and
108 the fees required by section 307.365 and section 643.315 shall be charged to the owner.

109 10. When an application is made for an original Missouri certificate of ownership for a
110 motor vehicle previously registered or titled in a state other than Missouri or as required by
111 section 301.020, it shall be accompanied by a current inspection form certified by a duly
112 authorized official inspection station as described in chapter 307. The completed form shall
113 certify that the manufacturer's identification number for the vehicle has been inspected, that it
114 is correctly displayed on the vehicle and shall certify the reading shown on the odometer at the
115 time of inspection. The inspection station shall collect the same fee as authorized in section
116 307.365 for making the inspection, and the fee shall be deposited in the same manner as provided
117 in section 307.365. If the vehicle is also to be registered in Missouri, the safety inspection
118 required in chapter 307 and the emissions inspection required under chapter 643 shall be
119 completed and only the fees required by section 307.365 and section 643.315 shall be charged
120 to the owner. This section shall not apply to vehicles being transferred on a manufacturer's
121 statement of origin.

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

129 12. When an application is made for an original Missouri certificate of ownership for a
130 motor vehicle previously registered or titled in a state other than Missouri, and the certificate of
131 ownership has been appropriately designated by the issuing state as a reconstructed motor
132 vehicle, motor change vehicle, specially constructed motor vehicle, or prior salvage vehicle, the
133 director of revenue shall appropriately designate on the current Missouri and all subsequent
134 issues of the certificate of ownership the name of the issuing state and such prior designation.
135 The absence of any prior designation shall not relieve a transferor of the duty to exercise due
136 diligence with regard to such certificate of ownership prior to the transfer of a certificate. If a

137 transferor exercises any due diligence with regard to a certificate of ownership, the legal transfer
138 of a certificate of ownership without any designation that is subsequently discovered to have or
139 should have had a designation shall be a transfer free and clear of any liabilities of the transferor
140 associated with the missing designation.

141 13. When an application is made for an original Missouri certificate of ownership for a
142 motor vehicle previously registered or titled in a state other than Missouri, and the certificate of
143 ownership has been appropriately designated by the issuing state as non-USA-std motor vehicle,
144 the director of revenue shall appropriately designate on the current Missouri and all subsequent
145 issues of the certificate of ownership the words "Non-USA-Std Motor Vehicle".

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

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

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

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

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

159 (4) An inspection certificate, other than a motor vehicle examination certificate required
160 under subsection 9 of this section, completed and issued by the Missouri state highway patrol,
161 or other law enforcement agency as authorized by the director of revenue. The inspection
162 performed by the highway patrol or other authorized local law enforcement agency shall include
163 a check for stolen vehicles. The department of revenue shall issue the owner a certificate of
164 ownership designated with the words "Reconstructed Motor Vehicle" and deliver such certificate
165 of ownership in accordance with the provisions of this chapter. Notwithstanding subsection 9
166 of this section, no owner of a reconstructed motor vehicle described in this subsection shall be
167 required to obtain a vehicle examination certificate issued by the Missouri state highway patrol.

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

7 or accept in trade any motor vehicle for which there has been issued a certificate of
8 ownership, and to receive such vehicle subject to any existing liens thereon created and
9 perfected under sections 301.600 to 301.660 provided the licensed dealer receives the
10 following:

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

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

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

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

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

30 (1) All outstanding liens created on the vehicle pursuant to sections 301.600 to
31 301.660 have been paid in full, and the dealer provides a copy of proof or other evidence
32 to the purchaser; and

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

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

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

43 section, and the dealer has prepared and delivered to the purchaser an application for title
44 for the vehicle in the purchaser's name; and

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

56 Notwithstanding any provision of law to the contrary, completion of the requirements of
57 this subsection shall constitute prima facie evidence of an ownership interest vested in the
58 purchaser of the vehicle for all purposes other than for a subsequent transfer of ownership
59 of the vehicle by the purchaser, subject to the rights of any secured lienholder of record;
60 however, the purchaser may use the dealer-supplied copy of the agreement to transfer his
61 or her ownership of the vehicle to an insurance company in situations where the vehicle has
62 been declared salvage or a total-loss by the insurance company as a result of a settlement
63 of a claim. Such insurance company may apply for a salvage certificate of title or junking
64 certificate pursuant to the provisions of subsection 3 of section 301.193 in order to transfer
65 its interest in such vehicle. The purchaser may also use the dealer-supplied copy of the
66 agreement on the form prescribed by the director of revenue as proof of ownership
67 interest. Any lender or insurance company may rely upon a copy of the signed written
68 agreement on the form prescribed by the director of revenue as proof of ownership
69 interest. Any lien placed upon a vehicle based upon such signed written agreement shall
70 be valid and enforceable, notwithstanding the absence of a certificate of ownership.

71 4. Following a sale or other transaction in which a certificate of ownership has not
72 been assigned from the owner to the licensed dealer, the dealer shall, within ten business
73 days, apply for a duplicate or replacement certificate of ownership. Upon receipt of a
74 duplicate or replacement certificate of ownership applied for under subsection 4 of section
75 301.300, the dealer shall assign and deliver said certificate of ownership to the purchaser
76 of the vehicle within five business days. The dealer shall maintain proof of the assignment
77 and delivery of the certificate of ownership to the purchaser. For purposes of this
78 subsection, a dealer shall be deemed to have delivered the certificate of ownership to the
79 purchaser upon either:

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

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

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

87 **6. If a licensed dealer fails or is unable to comply with subsection 4 of this section,**
88 **and the purchaser of the vehicle is thereby damaged, then the dealer shall be liable to the**
89 **purchaser of the vehicle for actual damages, plus court costs and reasonable attorney fees.**
90 **If the dealer cannot be found by the purchaser after making reasonable attempts, or if the**
91 **dealer fails to assign and deliver the duplicate or replacement certificate of ownership to**
92 **the purchaser by the date agreed upon by the dealer and the purchaser, as required by**
93 **subsection 4 of this section, then the purchaser may deliver to the director a copy of the**
94 **contract for sale of the vehicle, a copy of the application for duplicate title provided by the**
95 **dealer to the purchaser, a copy of the secure power of attorney allowing the dealer to assign**
96 **the duplicate title, and the proof or other evidence obtained by the purchaser from the**
97 **dealer under subsection 3 of this section. Thereafter, the director shall mail by certified**
98 **mail, return receipt requested, a notice to the dealer at the last address given to the**
99 **department by that dealer. That notice shall inform the dealer that the director intends**
100 **to cancel any prior certificate of title which may have been issued to the dealer on the**
101 **vehicle and issue to the purchaser a certificate of title in the name of the purchaser, subject**
102 **to any liens incurred by the purchaser in connection with the purchase of the vehicle,**
103 **unless the dealer, within ten business days from the date of the director's notice, files with**
104 **the director a written objection to the director taking such action. If the dealer does file**
105 **a timely, written objection with the director, then the director shall not take any further**
106 **action without an order from a court of competent jurisdiction. However, if the dealer**
107 **does not file a timely, written objection with the director, then the director shall cancel the**
108 **prior certificate of title issued to the dealer on the vehicle and issue a certificate of tile to**
109 **the purchaser of the vehicle, subject to any liens incurred by the purchaser in connection**
110 **with the purchase of the vehicle and subject to the purchaser satisfying all applicable taxes**
111 **and fees associated with registering the vehicle.**

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

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

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

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

123 **(2) The party from whom damages are sought has not satisfied the written demand**
124 **within thirty days after receipt of the written demand.**

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

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

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

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

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

18 (3) The applicant or license holder has, within ten years prior to the date of the
19 application, been finally adjudicated and found guilty, or entered a plea of guilty or nolo
20 contendere, in a prosecution under the laws of any state or of the United States, for any offense
21 reasonably related to the qualifications, functions, or duties of any business licensed under
22 sections 301.550 to [301.573] **301.580**; for any offense, an essential element of which is fraud,

23 dishonesty, or an act of violence; or for any offense involving moral turpitude, whether or not
24 sentence is imposed;

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

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

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

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

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

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

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

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

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

47 3. Any such complaint shall be filed within one year of the date upon which the
48 department receives notice of an alleged violation of an applicable statute or regulation. After
49 the filing of such complaint, the proceedings shall, except for the matters set forth in subsection
50 5 of this section, be conducted in accordance with the provisions of chapter 621. Upon a finding
51 by the administrative hearing commission that the grounds, provided in subsection 2 of this
52 section, for disciplinary action are met, the department may, singly or in combination, refuse to
53 issue the person a license, issue a license for a period of less than two years, issue a private
54 reprimand, place the person on probation on such terms and conditions as the department deems
55 appropriate for a period of one day to five years, suspend the person's license from one day to
56 six days, or revoke the person's license for such period as the department deems appropriate. The
57 applicant or licensee shall have the right to appeal the decision of the administrative hearing
58 commission and department in the manner provided in chapter 536.

59 4. Upon the suspension or revocation of any person's license issued under sections
60 301.550 to [301.573] **301.580**, the department shall recall any distinctive number plates that were
61 issued to that licensee. If any licensee who has been suspended or revoked shall neglect or refuse
62 to surrender his or her license or distinctive number license plates issued under sections 301.550
63 to 301.580, the director shall direct any agent or employee of the department or any law
64 enforcement officer, to secure possession thereof and return such items to the director. For
65 purposes of this subsection, a "law enforcement officer" means any member of the highway
66 patrol, any sheriff or deputy sheriff, or any peace officer certified under chapter 590 acting in his
67 or her official capacity. Failure of the licensee to surrender his or her license or distinctive
68 number license plates upon demand by the director, any agent or employee of the department,
69 or any law enforcement officer shall be a class A misdemeanor.

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

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

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

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

82 (4) Three or more occurrences of violations which have been established following
83 proceedings before the administrative hearing commission under subsection 3 of this section, or
84 which have been established following proceedings before the director under subsection 6 of this
85 section, of this chapter and chapters 143, 144, 306, 307, 578, and 643 or of any lawful rule or
86 regulation adopted under this chapter and chapters 143, 144, 306, 307, 578, and 643, not
87 previously set forth herein.

88 6. (1) Any license issued under sections 301.550 to 301.580 shall be suspended or
89 revoked, following an evidentiary hearing before the director or his or her designated hearing
90 officer, if affidavits or sworn testimony by an authorized agent of the department alleges the
91 occurrence of any of the events or acts described in subsection 5 of this section.

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

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

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

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

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

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

108 (3) At any hearing before the director conducted under this subsection, the director or
109 his or her designated hearing officer shall consider all evidence relevant to the issue of whether
110 the license should be suspended or revoked due to the occurrence of any of the acts set forth in
111 subsection 5 herein. Within twenty business days after such hearing, the director or his or her
112 designated hearing officer shall issue a written order, with findings of fact and conclusions of
113 law, which either grants or denies the issuance of an order of suspension or revocation. The
114 suspension or revocation shall be effective ten days after the date of the order. The written order
115 of the director or his or her hearing officer shall be the final decision of the director and shall be
116 subject to judicial review under the provisions of chapter 536.

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

120 **7. In lieu of acting under subsection 2 or subsection 6 of this action, the department**
121 **of revenue may enter into an agreement with the holder of the license to ensure future**
122 **compliance with sections 301.210, 301.213, 307.380, sections 301.217 to 301.229, and**
123 **sections 301.550 to 301.580. Such agreement may include an assessment fee not to exceed**
124 **five hundred dollars per violation or five thousand dollars in the aggregate unless**
125 **otherwise permitted by law, probation terms and conditions, and other requirements as**
126 **may be deemed appropriate by the department of revenue and the holder of the license.**
127 **Any fees collected by the department of revenue under this subsection shall be deposited**
128 **into the motor vehicle commission fund created in section 301.560.**

129 **301.644. 1. In cases where an insurance company has paid or is paying a total loss claim**
130 **on a motor vehicle or trailer, the registered owner or owners of a motor vehicle or trailer**
131 **may use an electronic signature in a similar form as that prescribed in sections 432.200 to**

132 **432.295 on a limited power of attorney, affidavit, or other documents to authorize the**
133 **insurance company to assign ownership of such motor vehicle or trailer. A power of**
134 **attorney, affidavit, or other similar document executed with an electronic signature for the**
135 **authority to execute the assignment of a certificate of ownership by an insurance company**
136 **under the authority of this section shall not require notarization.**

137 **2. The director of the department of revenue may promulgate rules and regulations**
138 **to implement and administer the provisions of this section. Any rule or portion of a rule,**
139 **as that term is defined in section 536.010, that is created under the authority delegated in**
140 **this section shall become effective only if it complies with and is subject to all of the**
141 **provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536**
142 **are nonseverable and if any of the powers vested with the general assembly under chapter**
143 **536 to review, to delay the effective date, or to disapprove and annul a rule are**
144 **subsequently held unconstitutional, then the grant of rulemaking authority and any rule**
145 **proposed or adopted after August 28, 2015, shall be invalid and void.**

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

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

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

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

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

17 3. If a licensed dealer complies with the requirements of subsection 1 of
18 this section, the licensed dealer may sell such vehicle prior to receiving and
19 assigning to the purchaser the certificate of title, provided such dealer complies
20 with the following:

21 (1) All outstanding liens created on the vehicle pursuant to sections
22 301.600 to 301.660 have been paid in full, and the dealer provides a copy of
23 proof or other evidence to the purchaser; and

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

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

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

35 4. Following a sale or other transaction in which a certificate of title has
36 not been assigned from the owner to the dealer, a licensed dealer shall, within
37 five business days, apply for a duplicate or replacement title. Upon receipt of a
38 duplicate or replacement title applied for pursuant to subsection 4 of section
39 301.300, the dealer shall assign and deliver said certificate of title to the
40 purchaser of the vehicle within five business days. The dealer shall maintain
41 proof of the assignment and delivery of the certificate of title to the purchaser.
42 For purposes of this subsection, a dealer shall be deemed to have delivered the
43 certificate of title to the purchaser upon either:

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

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

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

53 6. If a dealer fails to comply with subsection 4 of this section, and the
54 purchaser of the vehicle is thereby damaged, then the dealer shall be liable to the
55 purchaser of the vehicle for actual damages, plus court costs and reasonable
56 attorney fees. If the dealer cannot be found by the purchaser after making
57 reasonable attempts, and thereby fails to assign and deliver the duplicate or
58 replacement certificate of title to the purchaser, as required by subsection 4 of this
59 section, then the purchaser may deliver to the director a copy of the contract for
60 sale of the vehicle, a copy of the application for duplicate title provided by the
61 dealer to the purchaser, a copy of the secure power of attorney allowing the dealer
62 to assign the duplicate title, and the proof or other evidence obtained by the
63 purchaser from the dealer under subsection 3 of this section. Thereafter, the
64 director shall mail by certified mail, return receipt requested, a notice to the
65 dealer at the last address given to the department by that dealer. That notice shall
66 inform the dealer that the director intends to cancel any prior certificate of title
67 issued to the dealer on the vehicle and issue to the purchaser a certificate of title
68 in the name of the purchaser, subject to any liens incurred by the purchaser in
69 connection with the purchase of the vehicle, unless the dealer, within ten business

70 days from the date of the director's notice, files with the director a written
71 objection to the director taking such action. If the dealer does file a timely,
72 written objection with the director, then the director shall not take any further
73 action without an order from a court of competent jurisdiction. However, if the
74 dealer does not file a timely, written objection with the director, then the director
75 shall cancel the prior certificate of title issued to the dealer on the vehicle and
76 issue a certificate of title to the purchaser of the vehicle, subject to any liens
77 incurred by the purchaser in connection with the purchase of the vehicle and
78 subject to the purchaser satisfying all applicable taxes and fees associated with
79 registering the vehicle.

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

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

89 9. No court costs or attorney fees shall be awarded under this section
90 unless, prior to filing any such action, the following conditions have been met:
91 (1) The aggrieved party seeking damages has delivered an itemized written
92 demand of the party's actual damages to the party from whom damages are
93 sought; and

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

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