#### FIRST REGULAR SESSION

[TRULY AGREED TO AND FINALLY PASSED]

CONFERENCE COMMITTEE SUBSTITUTE FOR

SENATE COMMITTEE SUBSTITUTE FOR

## **HOUSE BILL NO. 269**

### 95TH GENERAL ASSEMBLY

0862L.04T 2009

306.410, 430.082, and 700.320, to read as follows:

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#### AN ACT

To repeal sections 301.190, 301.218, 306.410, 430.082, and 700.320, RSMo, and to enact in lieu thereof five new sections relating to certificates of ownership, with penalty provisions.

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

Section A. Sections 301.190, 301.218, 306.410, 430.082, and 700.320, RSMo, are repealed and five new sections enacted in lieu thereof, to be known as sections 301.190, 301.218,

301.190. 1. No certificate of registration of any motor vehicle or trailer, or number plate therefor, shall be issued by the director of revenue unless the applicant therefor shall make application for and be granted a certificate of ownership of such motor vehicle or trailer, or shall present satisfactory evidence that such certificate has been previously issued to the applicant for such motor vehicle or trailer. Application shall be made within thirty days after the applicant 5 acquires the motor vehicle or trailer upon a blank form furnished by the director of revenue and shall contain the applicant's identification number, a full description of the motor vehicle or 8 trailer, the vehicle identification number, and the mileage registered on the odometer at the time of transfer of ownership, as required by section 407.536, RSMo, together with a statement of the 10 applicant's source of title and of any liens or encumbrances on the motor vehicle or trailer, provided that for good cause shown the director of revenue may extend the period of time for 11 12 making such application. When an owner wants to add or delete a name or names on an application for certificate of ownership of a motor vehicle or trailer that would cause it to 13 be inconsistent with the name or names listed on the notice of lien, the owner shall provide

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.

# the director with documentation evidencing the lienholder's authorization to add or delete a name or names on an application for certificate of ownership.

- 2. The director of revenue shall use reasonable diligence in ascertaining whether the facts stated in such application are true and shall, to the extent possible without substantially delaying processing of the application, review any odometer information pertaining to such motor vehicle that is accessible to the director of revenue. If satisfied that the applicant is the lawful owner of such motor vehicle or trailer, or otherwise entitled to have the same registered in his name, the director shall thereupon issue an appropriate certificate over his signature and sealed with the seal of his office, procured and used for such purpose. The certificate shall contain on its face a complete description, vehicle identification number, and other evidence of identification of the motor vehicle or trailer, as the director of revenue may deem necessary, together with the odometer information required to be put on the face of the certificate pursuant to section 407.536, RSMo, a statement of any liens or encumbrances which the application may show to be thereon, and, if ownership of the vehicle has been transferred, the name of the state issuing the transferor's title and whether the transferor's odometer mileage statement executed pursuant to section 407.536, RSMo, indicated that the true mileage is materially different from the number of miles shown on the odometer, or is unknown.
- 3. The director of revenue shall appropriately designate on the current and all subsequent issues of the certificate the words "Reconstructed Motor Vehicle", "Motor Change Vehicle", "Specially Constructed Motor Vehicle", or "Non-USA-Std Motor Vehicle", as defined in section 301.010. Effective July 1, 1990, on all original and all subsequent issues of the certificate for motor vehicles as referenced in subsections 2 and 3 of section 301.020, the director shall print on the face thereof the following designation: "Annual odometer updates may be available from the department of revenue.". On any duplicate certificate, the director of revenue shall reprint on the face thereof the most recent of either:
- (1) The mileage information included on the face of the immediately prior certificate and the date of purchase or issuance of the immediately prior certificate; or
- (2) Any other mileage information provided to the director of revenue, and the date the director obtained or recorded that information.
- 4. The certificate of ownership issued by the director of revenue shall be manufactured in a manner to prohibit as nearly as possible the ability to alter, counterfeit, duplicate, or forge such certificate without ready detection. In order to carry out the requirements of this subsection, the director of revenue may contract with a nonprofit scientific or educational institution specializing in the analysis of secure documents to determine the most effective methods of rendering Missouri certificates of ownership nonalterable or noncounterfeitable.

- 5. The fee for each original certificate so issued shall be eight dollars and fifty cents, in addition to the fee for registration of such motor vehicle or trailer. If application for the certificate is not made within thirty days after the vehicle is acquired by the applicant, a delinquency penalty fee of twenty-five dollars for the first thirty days of delinquency and twenty-five dollars for each thirty days of delinquency thereafter, not to exceed a total of two hundred dollars, but such penalty may be waived by the director for a good cause shown. If the director of revenue learns that any person has failed to obtain a certificate within thirty days after acquiring a motor vehicle or trailer or has sold a vehicle without obtaining a certificate, he shall cancel the registration of all vehicles registered in the name of the person, either as sole owner or as a co-owner, and shall notify the person that the cancellation will remain in force until the person pays the delinquency penalty fee provided in this section, together with all fees, charges and payments which the person should have paid in connection with the certificate of ownership and registration of the vehicle. The certificate shall be good for the life of the motor vehicle or trailer so long as the same is owned or held by the original holder of the certificate and shall not have to be renewed annually.
- 6. Any applicant for a certificate of ownership requesting the department of revenue to process an application for a certificate of ownership in an expeditious manner requiring special handling shall pay a fee of five dollars in addition to the regular certificate of ownership fee.
- 7. It is unlawful for any person to operate in this state a motor vehicle or trailer required to be registered under the provisions of the law unless a certificate of ownership has been applied for as provided in this section.
- 8. Before an original Missouri certificate of ownership is issued, an inspection of the vehicle and a verification of vehicle identification numbers shall be made by the Missouri state highway patrol on vehicles for which there is a current title issued by another state if a Missouri salvage certificate of title has been issued for the same vehicle but no prior inspection and verification has been made in this state, except that if such vehicle has been inspected in another state by a law enforcement officer in a manner comparable to the inspection process in this state and the vehicle identification numbers have been so verified, the applicant shall not be liable for the twenty-five dollar inspection fee if such applicant submits proof of inspection and vehicle identification number verification to the director of revenue at the time of the application. The applicant, who has such a title for a vehicle on which no prior inspection and verification have been made, shall pay a fee of twenty-five dollars for such verification and inspection, payable to the director of revenue at the time of the request for the application, which shall be deposited in the state treasury to the credit of the state highways and transportation department fund.
- 9. Each application for an original Missouri certificate of ownership for a vehicle which is classified as a reconstructed motor vehicle, specially constructed motor vehicle, kit vehicle,

motor change vehicle, non-USA-std motor vehicle, or other vehicle as required by the director of revenue shall be accompanied by a vehicle examination certificate issued by the Missouri state highway patrol, or other law enforcement agency as authorized by the director of revenue. The vehicle examination shall include a verification of vehicle identification numbers and a determination of the classification of the vehicle. The owner of a vehicle which requires a vehicle examination certificate shall present the vehicle for examination and obtain a completed vehicle examination certificate prior to submitting an application for a certificate of ownership to the director of revenue. The fee for the vehicle examination application shall be twenty-five dollars and shall be collected by the director of revenue at the time of the request for the application and shall be deposited in the state treasury to the credit of the state highways and transportation department fund. If the vehicle is also to be registered in Missouri, the safety inspection required in chapter 307, RSMo, and the emissions inspection required under chapter 643, RSMo, shall be completed and the fees required by section 307.365, RSMo, and section 643.315, RSMo, shall be charged to the owner.

- 10. When an application is made for an original Missouri certificate of ownership for a motor vehicle previously registered or titled in a state other than Missouri or as required by section 301.020, it shall be accompanied by a current inspection form certified by a duly authorized official inspection station as described in chapter 307, RSMo. The completed form shall certify that the manufacturer's identification number for the vehicle has been inspected, that it is correctly displayed on the vehicle and shall certify the reading shown on the odometer at the time of inspection. The inspection station shall collect the same fee as authorized in section 307.365, RSMo, for making the inspection, and the fee shall be deposited in the same manner as provided in section 307.365, RSMo. If the vehicle is also to be registered in Missouri, the safety inspection required in chapter 307, RSMo, and the emissions inspection required under chapter 643, RSMo, shall be completed and only the fees required by section 307.365, RSMo, and section 643.315, RSMo, shall be charged to the owner. This section shall not apply to vehicles being transferred on a manufacturer's statement of origin.
- 11. Motor vehicles brought into this state in a wrecked or damaged condition or after being towed as an abandoned vehicle pursuant to another state's abandoned motor vehicle procedures shall, in lieu of the inspection required by subsection 10 of this section, be inspected by the Missouri state highway patrol in accordance with subsection 9 of this section. If the inspection reveals the vehicle to be in a salvage or junk condition, the director shall so indicate on any Missouri certificate of ownership issued for such vehicle. Any salvage designation shall be carried forward on all subsequently issued certificates of title for the motor vehicle.
- 12. When an application is made for an original Missouri certificate of ownership for a motor vehicle previously registered or titled in a state other than Missouri, and the certificate of

- ownership has been appropriately designated by the issuing state as a reconstructed motor vehicle, motor change vehicle, specially constructed motor vehicle, or prior salvage vehicle, the director of revenue shall appropriately designate on the current Missouri and all subsequent issues of the certificate of ownership the name of the issuing state and such prior designation. The absence of any prior designation shall not relieve a transferor of the duty to exercise due diligence with regard to such certificate of ownership prior to the transfer of a certificate. If a transferor exercises any due diligence with regard to a certificate of ownership, the legal transfer of a certificate of ownership without any designation that is subsequently discovered to have or should have had a designation shall be a transfer free and clear of any liabilities of the transferor associated with the missing designation.
  - 13. When an application is made for an original Missouri certificate of ownership for a motor vehicle previously registered or titled in a state other than Missouri, and the certificate of ownership has been appropriately designated by the issuing state as non-USA-std motor vehicle, the director of revenue shall appropriately designate on the current Missouri and all subsequent issues of the certificate of ownership the words "Non-USA-Std Motor Vehicle".
  - 14. The director of revenue and the superintendent of the Missouri state highway patrol shall make and enforce rules for the administration of the inspections required by this section.
  - 15. Each application for an original Missouri certificate of ownership for a vehicle which is classified as a reconstructed motor vehicle, manufactured forty or more years prior to the current model year, and which has a value of three thousand dollars or less shall be accompanied by:
  - (1) A proper affidavit submitted by the owner explaining how the motor vehicle or trailer was acquired and, if applicable, the reasons a valid certificate of ownership cannot be furnished;
  - (2) Photocopies of receipts, bills of sale establishing ownership, or titles, and the source of all major component parts used to rebuild the vehicle;
  - (3) A fee of one hundred fifty dollars in addition to the fees described in subsection 5 of this section. Such fee shall be deposited in the state treasury to the credit of the state highways and transportation department fund; and
  - (4) An inspection certificate, other than a motor vehicle examination certificate required under subsection 9 of this section, completed and issued by the Missouri state highway patrol, or other law enforcement agency as authorized by the director of revenue. The inspection performed by the highway patrol or other authorized local law enforcement agency shall include a check for stolen vehicles. The department of revenue shall issue the owner a certificate of ownership designated with the words "Reconstructed Motor Vehicle" and deliver such certificate of ownership in accordance with the provisions of this chapter. Notwithstanding subsection 9

of this section, no owner of a reconstructed motor vehicle described in this subsection shall be required to obtain a vehicle examination certificate issued by the Missouri state highway patrol.

- 301.218. 1. No person shall, except as an incident to the sale, repair, rebuilding or servicing of vehicles by a licensed franchised motor vehicle dealer carry on or conduct the following business unless licensed to do so by the department of revenue under sections 301.217 to 301.229:
- 5 (1) Selling used parts of or used accessories for vehicles as a used parts dealer, as defined 6 in section 301.010;
  - (2) Salvaging, wrecking or dismantling vehicles for resale of the parts thereof as a salvage dealer or dismantler, as defined in section 301.010;
- 9 (3) Rebuilding and repairing four or more wrecked or dismantled vehicles in a calendar 10 year as a rebuilder or body shop, as defined in section 301.010;
  - (4) Processing scrapped vehicles or vehicle parts as a mobile scrap processor, as defined in section 301.010.
  - 2. Sales at a salvage pool or a salvage disposal sale shall be open only to and made to persons actually engaged in and holding a current license under sections 301.217 to 301.221 and 301.550 to 301.573 or any person from another state or jurisdiction who is legally allowed in his or her state of domicile to purchase for resale, rebuild, dismantle, crush, or scrap either motor vehicles or salvage vehicles, and to persons who reside in a foreign country that are purchasing salvage vehicles for export outside of the United States. Operators of salvage pools or salvage disposal sales shall keep a record, for three years, of sales of salvage vehicles with the purchasers' name and address, and the year, make, and vehicle identification number for each vehicle. These records shall be open for inspection as provided in section 301.225. Such records shall be submitted to the department on a quarterly basis.
  - 3. The [seller of] **operator of a salvage pool or salvage disposal sale, or subsequent purchaser, who sells** a nonrepairable motor vehicle or a salvage motor vehicle to a person who is not a resident of the United States at a salvage pool or a salvage disposal sale shall:
  - (1) Stamp on the face of the title so as not to obscure any name, date, or mileage statement on the title the words "FOR EXPORT ONLY" in capital letters that are black; and
  - (2) Stamp in each unused reassignment space on the back of the title the words "FOR EXPORT ONLY" and print the number of the dealer's salvage vehicle license, name of the salvage pool, or the name of the governmental entity, as applicable. The words "FOR EXPORT ONLY" required under subdivisions (1) and (2) of this subsection shall be at least two inches wide and clearly legible. Copies of the stamped titles shall be forwarded to the department.
  - 4. The director of revenue shall issue a separate license for each kind of business described in subsection 1 of this section, to be entitled and designated as either "used parts

dealer"; "salvage dealer or dismantler"; "rebuilder or body shop"; or "mobile scrap processor" license.

306.410. **1.** If an owner creates a lien or encumbrance on an outboard motor, motorboat, vessel, or watercraft:

- (1) The owner shall immediately execute the application, either in the space provided therefor on the certificate of title or on a separate form the director of revenue prescribes, to name the lienholder on the certificate of title, showing the name and address of the lienholder and the date of his or her security agreement, and shall cause the certificate of title, the application and the required fee to be mailed or delivered to the director of revenue. Failure of the owner to do so is a class A misdemeanor;
- (2) The lienholder or an authorized agent licensed pursuant to sections 301.112 to 301.119, RSMo, shall deliver to the director of revenue a notice of lien as prescribed by the director accompanied by all other necessary documentation to perfect a lien pursuant to section 306.400;
- (3) To perfect a lien for a subordinate lienholder when a transfer of ownership occurs, the subordinate lienholder shall either mail or deliver, or cause to be mailed or delivered, a completed notice of lien to the department of revenue, accompanied by authorization from the first lienholder. The owner shall ensure the subordinate lienholder is recorded on the application for title at the time the application is made to the department of revenue. To perfect a lien for a subordinate lienholder when there is no transfer of ownership, the owner or lienholder in possession of the certificate shall either mail or deliver, or cause to be mailed or delivered, the owner's application for title, certificate, notice of lien, authorization from the first lienholder and title fee to the department of revenue. The delivery of the certificate and executing a notice of authorization to add a subordinate lien does not affect the rights of the first lienholder under the security agreement;
- (4) Upon receipt of the documents and fee required in subdivision (3) of this section, the director of revenue shall issue a new certificate of title containing the name and address of the new lienholder, and mail the certificate of title to the owner named in it or if a lienholder has elected to have the director of revenue retain possession of an electronic certificate of title, the lienholder shall either mail or deliver to the director a notice of authorization for the director to add a subordinate lienholder to the existing certificate as prescribed in section 306.405. Upon receipt of such authorization and a notice of lien from a subordinate lienholder, the director shall add the subordinate lienholder to the certificate of title being electronically retained by the director and provide confirmation of the addition to both lienholders.
- 2. When an owner wants to add or delete a name or names on an application for certificates of title of an outboard motor, motorboat, vessel, or watercraft that would cause

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it to be inconsistent with the name or names listed on the notice of lien, the owner shall provide the director with documentation evidencing the lienholder's authorization to add or delete a name or names on an application for certificate of title.

430.082. 1. Every person expending labor, services, skill or material upon any motor vehicle or trailer, as defined in chapter 301, RSMo, vessel, as defined in chapter 306, RSMo, outboard motor or aircraft at a written request of its owner, authorized agent of the owner, or person in lawful possession thereof, or who provides storage for a motor vehicle, trailer, outboard motor or vessel, at the written request of its owner, authorized agent of the owner, or person in lawful possession thereof, or at the written request of a peace officer in lieu of the owner or owner's agent, where such owner or agent is not available to request storage thereof, shall, where the maximum amount to be charged for labor, services, skill or material has been stated as part of the written request or the daily charge for storage has been stated as part of the 10 written request, have a lien upon the chattel beginning upon the date of commencement of the 11 expenditure of labor, services, skill, materials or storage for the actual value of all the expenditure of labor, services, skill, materials or storage until the possession of that chattel is 13 voluntarily relinquished to the owner, authorized agent, or one entitled to possession thereof. 14 The person furnishing labor, services, skill or material may retain the lien after surrendering 15 possession of the aircraft or part or equipment thereof by filing a statement in the office of the 16 county recorder of the county where the owner of the aircraft or part or equipment thereof 17 resides, if known to the claimant, and in the office of the county recorder of the county where 18 the claimant performed the services. Such statement shall be filed within thirty days after 19 surrendering possession of the aircraft or part or equipment thereof and shall state the claimant's 20 name and address, the items on account, the name of the owner and a description of the property, 21 and shall not bind a bona fide purchaser unless the lien has also been filed with the Federal 22 Aviation Administration Aircraft Registry.

- 2. If the chattel is not redeemed within [three months] **forty-five days** of the completion of the requested labor, services, skill or material, the lienholder may apply to the director of revenue for a certificate of ownership or certificate of title.
- 3. If the charges are for storage or the service of towing the motor vehicle, trailer, outboard motor or vessel, and the chattel has not been redeemed [three months] within forty-five days after the charges for storage commenced, the lienholder shall notify by certified mail, postage prepaid, the owner and any lienholders of record other than the person making the notification, at the person's last known address that application for a lien title will be made unless the owner or lienholder within [forty-five] thirty days makes satisfactory arrangements with the person holding the chattel for payment of storage or service towing charges, if any, or makes satisfactory arrangements with the lienholder for paying such charges or for continued storage

of the chattel if desired. [Forty-five] **Thirty** days after the notification has been mailed and the chattel is unredeemed, **or the notice has been returned marked "not fowardable" or "addressee unknown"**, and no satisfactory arrangement has been made with the lienholder for payment or continued storage, the lienholder may apply to the director of revenue for a certificate of ownership or certificate of title as provided in this section.

- 4. The application shall be accompanied by:
- (1) The original or a conformed or photostatic copy of the written request of the owner or the owner's agent or of a peace officer with the maximum amount to be charged stated therein;
- (2) An affidavit [of the] from the lienholder that written notice was provided to all owners and lienholders of the applicants' intent to apply for a certificate of ownership and the owner has defaulted on payment of labor, services, skill or material and that payment is [three months] forty-five days past due, or that owner has defaulted on payment or has failed to make satisfactory arrangements for continued storage of the chattel for [forty-five] thirty days since notification of intent to make application for a certificate of ownership or certificate of title. The affidavit shall be accompanied by a copy of the thirty-day notice given by certified mail to any owner and person holding a valid security interest and a copy of the certified mail receipt indicating that the owner and lienholder of record was sent a notice as required in this section:
- (3) A statement of the actual value of the expenditure of labor, services, skill or material, or the amount of storage due on the date of application for a certificate of ownership or certificate of title, and the amount which is unpaid; and
  - (4) A fee of ten dollars.
- 5. If the director is satisfied with the genuineness of the application, **proof of lienholder notification in the form of a certified mail receipt,** and supporting documents, [the director shall notify by certified mail, postage prepaid, the owner and any lienholders of record, other than the applicant, at their last known address that application has been made for a lien title on the chattel.
- 6. Thirty days after notification of the owner and lienholders,] **and** if no lienholder or the owner has redeemed the chattel or no satisfactory arrangement has been made concerning payment or continuation of storage [and the application has not been withdrawn], and if no owner or lienholder has informed the director that the owner or lienholder demands a hearing [and enforcement of the lien] as provided in [section 430.160] **this section**, the director shall issue, in the same manner as a repossessed title is issued, a certificate of ownership or certificate of title to the applicant which shall clearly be captioned "Lien Title".
- [7.] **6.** Upon receipt of a lien title, the holder shall within ten days begin proceedings to sell the chattel as prescribed in section 430.100.

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[8.] **7.** The provisions of section 430.110 shall apply to the disposition of proceeds, and the lienholder shall also be entitled to any actual and necessary expenses incurred in obtaining the lien title, including, but not limited to, court costs and reasonable attorney's fees.

700.320. 1. The owner of any new or used manufactured home, as defined in section 700.010, shall make application to the director of revenue for an official certificate of title to such manufactured home in the manner prescribed by law for the acquisition of certificates of title to motor vehicles, and the rules promulgated pursuant thereto. All fees required by section 301.190, RSMo, for the titling of motor vehicles and all penalties provided by law for the failure to title motor vehicles shall apply to persons required to make application for an official certificate of title by this subsection. In case there is any duplication in serial numbers assigned any manufactured homes, or no serial number has been assigned by the manufacturer, the director shall assign the serial numbers for the manufactured homes involved.

- 2. At the time the owner of any new manufactured home, as defined in section 700.010, which was acquired in a transaction subject to sales tax under the Missouri sales tax law makes application to the director of revenue for an official certificate of title for such manufactured home, he shall present to the director of revenue evidence satisfactory to the director of revenue showing the purchase price exclusive of any charge incident to the extension of credit paid by or charged to the applicant in the acquisition of the manufactured home, or that no sales tax was incurred in its acquisition, and if sales tax was incurred in its acquisition, the applicant shall pay or cause to be paid to the director of revenue the sales tax provided by the Missouri sales tax law in addition to the registration fees now or hereafter required according to law, and the director of revenue shall not issue a certificate of title for any new manufactured home subject to sales tax as provided in the Missouri sales tax law until the tax levied for the sale of the same under sections 144.010 to 144.510, RSMo, has been paid as provided in this section. As used in this subsection, the term "purchase price" shall mean the total amount of the contract price agreed upon between the seller and the applicant in the acquisition of the new manufactured home regardless of the medium of payment therefor. In the event that the purchase price is unknown or undisclosed, or that the evidence thereof is not satisfactory to the director of revenue, the same shall be fixed by appraisement by the director. The director of the department of revenue shall endorse upon the official certificate of title issued by him upon such application an entry showing that such sales tax has been paid or that the manufactured home represented by the certificate is exempt from sales tax and state the ground for such exemption.
- 3. A certificate of title for a manufactured home issued in the names of two or more persons that does not show on the face of the certificate that the persons hold their interest in the manufactured home as tenants in common, on death of one of the named persons, may be transferred to the surviving owner or owners. On proof of death of one of the persons in whose

names the certificate was issued, surrender of the outstanding certificate of title, and on application and payment of the fee for an original certificate of title, the director of revenue shall issue a new certificate of title for the manufactured home to the surviving owner or owners; and the current valid certificate of number shall be so transferred.

- 4. A certificate of title for a manufactured home issued in the names of two or more persons that shows on its face that the persons hold their interest in the manufactured home as tenants in common, on death of one of the named persons, may be transferred by the director of revenue on application by the surviving owners and the personal representative or successors of the deceased owner. Upon being presented proof of death of one of the persons in whose names the certificate of title was issued, surrender of the outstanding certificate of title, and on application and payment of the fee for an original certificate of title, the director of revenue shall issue a new certificate of title for the manufactured home to the surviving owners and personal representative or successors of the deceased owner; and the current valid certificate of number shall be so transferred.
- 5. When an owner wants to add or delete a name or names on an application for certificate of title to a manufactured home that would cause it to be inconsistent with the name or names listed on the notice of lien, the owner shall provide the director with documentation evidencing the lienholder's authorization to add or delete a name or names on an application for certificate of title.

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Speaker of the House	
President Pro Tem of the Senate	
Governor	