

**HOUSE** \_\_\_\_\_ **AMENDMENT NO.** \_\_\_\_\_

**Offered By**

AMEND House Committee Substitute for Senate Committee Substitute for Senate Bill No. 726,  
Page 10, Section 287.745, Line 14, by inserting after all of said line the following:

“301.600. 1. Unless excepted by section 301.650, a lien or encumbrance on a motor vehicle or trailer, as defined by section 301.010, is not valid against subsequent transferees or lienholders of the motor vehicle or trailer who took without knowledge of the lien or encumbrance unless the lien or encumbrance is perfected as provided in sections 301.600 to 301.660.

2. Subject to the provisions of section 301.620, a lien or encumbrance on a motor vehicle or trailer is perfected by the delivery to the director of revenue of a notice of a lien in a format as prescribed by the director of revenue. The notice of lien is perfected as of the time of its creation if the delivery of such notice to the director of revenue is completed within thirty days thereafter, otherwise as of the time of the delivery. A notice of lien shall contain the name and address of the owner of the motor vehicle or trailer and the secured party, a description of the motor vehicle or trailer, including the vehicle identification number, and such other information as the department of revenue may prescribe. A notice of lien substantially complying with the requirements of this section is effective even though it contains minor errors which are not seriously misleading. Provided the lienholder submits complete and legible documents, the director of revenue shall mail confirmation or electronically confirm receipt of such notice of lien to the lienholder as soon as possible, but no later than fifteen business days after the filing of the notice of lien.

3. Notwithstanding the provisions of section 301.620, on a refinance by a different lender of a prior loan secured by a motor vehicle or trailer a lien is perfected by the delivery to the director of revenue of a notice of lien completed by the refinancing lender in a format prescribed by the director of revenue.

4. To perfect a subordinate lien, the notice of lien must be accompanied by the documents required to be delivered to the director pursuant to subdivision (3) of section 301.620.

5. Liens may secure future advances. The future advances may be evidenced by one or more notes or other documents evidencing indebtedness and shall not be required to be executed or delivered prior to the date of the future advance lien securing them. The fact that a lien may secure future advances shall be clearly stated on the security agreement and noted as "subject to future advances" on the notice of lien and noted on the certificate of ownership if the motor

1 vehicle or trailer is subject to only one notice of lien. To secure future advances when an existing  
2 lien on a motor vehicle or trailer does not secure future advances, the lienholder shall file a notice  
3 of lien reflecting the lien to secure future advances. A lien to secure future advances is perfected  
4 in the same time and manner as any other lien, except as follows: proof of the lien for future  
5 advances is maintained by the department of revenue; however, there shall be additional proof of  
6 such lien when the notice of lien reflects such lien for future advances, is receipted for by the  
7 department of revenue, and returned to the lienholder.

8 6. If a motor vehicle or trailer is subject to a lien or encumbrance when brought into this  
9 state, the validity and effect of the lien or encumbrance is determined by the law of the jurisdiction  
10 where the motor vehicle or trailer was when the lien or encumbrance attached, subject to the  
11 following:

12 (1) If the parties understood at the time the lien or encumbrance attached that the motor  
13 vehicle or trailer would be kept in this state and it was brought into this state within thirty days  
14 thereafter for purposes other than transportation through this state, the validity and effect of the  
15 lien or encumbrance in this state is determined by the law of this state;

16 (2) If the lien or encumbrance was perfected pursuant to the law of the jurisdiction where  
17 the motor vehicle or trailer was when the lien or encumbrance attached, the following rules apply:

18 (a) If the name of the lienholder is shown on an existing certificate of title or ownership  
19 issued by that jurisdiction, the lien or encumbrance continues perfected in this state;

20 (b) If the name of the lienholder is not shown on an existing certificate of title or  
21 ownership issued by that jurisdiction, the lien or encumbrance continues perfected in this state  
22 three months after a first certificate of ownership of the motor vehicle or trailer is issued in this  
23 state, and also thereafter if, within the three-month period, it is perfected in this state. The lien or  
24 encumbrance may also be perfected in this state after the expiration of the three-month period; in  
25 that case perfection dates from the time of perfection in this state;

26 (3) If the lien or encumbrance was not perfected pursuant to the law of the jurisdiction  
27 where the motor vehicle or trailer was when the lien or encumbrance attached, it may be perfected  
28 in this state; in that case perfection dates from the time of perfection in this state;

29 (4) A lien or encumbrance may be perfected pursuant to paragraph (b) of subdivision (2)  
30 or subdivision (3) of this subsection either as provided in subsection 2 or 4 of this section or by  
31 the lienholder delivering to the director of revenue a notice of lien or encumbrance in the form the  
32 director of revenue prescribes and the required fee.

33 7. By rules and regulations, the director of revenue shall establish a security procedure for  
34 the purpose of verifying that an electronic notice of lien or notice of satisfaction of a lien on a  
35 motor vehicle or trailer given as permitted in sections 301.600 to 301.640 is that of the lienholder,  
36 verifying that an electronic notice of confirmation of ownership and perfection of a lien given as

1 required in section 301.610 is that of the director of revenue, and detecting error in the  
2 transmission or the content of any such notice. A security procedure may require the use of  
3 algorithms or other codes, identifying words or numbers, encryption, callback procedures or  
4 similar security devices. Comparison of a signature on a communication with an authorized  
5 specimen signature shall not by itself be a security procedure.

6 306.400. 1. As used in sections 306.400 to 306.440, the terms motorboat, vessel, and  
7 watercraft shall have the same meanings given them in section 306.010, and the term outboard  
8 motor shall include outboard motors governed by section 306.530.

9 2. Unless excepted by section 306.425, a lien or encumbrance on an outboard motor,  
10 motorboat, vessel, or watercraft shall not be valid against subsequent transferees or lienholders of  
11 the outboard motor, motorboat, vessel or watercraft, who took without knowledge of the lien or  
12 encumbrance unless the lien or encumbrance is perfected as provided in sections 306.400 to  
13 306.430.

14 3. A lien or encumbrance on an outboard motor, motorboat, vessel or watercraft is  
15 perfected by the delivery to the director of revenue of a notice of lien in a format as prescribed by  
16 the director. Such lien or encumbrance shall be perfected as of the time of its creation if the  
17 delivery of the items required in this subsection to the director of revenue is completed within  
18 thirty days thereafter, otherwise such lien or encumbrance shall be perfected as of the time of the  
19 delivery. A notice of lien shall contain the name and address of the owner of the outboard motor,  
20 motorboat, vessel or watercraft and the secured party, a description of the outboard motor,  
21 motorboat, vessel or watercraft motor, including any identification number, and such other  
22 information as the department of revenue may prescribe. A notice of lien substantially complying  
23 with the requirements of this section is effective even though it contains minor errors which are  
24 not seriously misleading. Provided the lienholder submits complete and legible documents, the  
25 director of revenue shall mail confirmation or electronically confirm receipt of each notice of lien  
26 to the lienholder as soon as possible, but no later than fifteen business days after the filing of the  
27 notice of lien.

28 4. Notwithstanding the provisions of section 306.410, on a refinance by a different lender  
29 of a prior loan secured by an outboard motor, motorboat, vessel or watercraft, a lien is perfected  
30 by the delivery to the director of revenue of a notice of lien completed by the refinancing lender in  
31 a format prescribed by the director of revenue.

32 5. Liens may secure future advances. The future advances may be evidenced by one or  
33 more notes or other documents evidencing indebtedness and shall not be required to be executed  
34 or delivered prior to the date of the future advance lien securing them. The fact that a lien may  
35 secure future advances shall be clearly stated on the security agreement and noted as "subject to  
36 future advances" in the second lienholder's portion of the notice of lien. To secure future

1 advances when an existing lien on an outboard motor, motorboat, vessel or watercraft does not  
2 secure future advances, the lienholder shall file a notice of lien reflecting the lien to secure future  
3 advances. A lien to secure future advances is perfected in the same time and manner as any other  
4 lien, except as follows. Proof of the lien for future advances is maintained by the department of  
5 revenue; however, there shall be additional proof of such lien when the notice of lien reflects such  
6 lien for future advances, is receipted for by the department of revenue, and returned to the  
7 lienholder.

8 6. Whether an outboard motor, motorboat, vessel, or watercraft is subject to a lien or  
9 encumbrance shall be determined by the laws of the jurisdiction where the outboard motor,  
10 motorboat, vessel, or watercraft was when the lien or encumbrance attached, subject to the  
11 following:

12 (1) If the parties understood at the time the lien or encumbrances attached that the  
13 outboard motor, motorboat, vessel, or watercraft would be kept in this state and it is brought into  
14 this state within thirty days thereafter for purposes other than transportation through this state, the  
15 validity and effect of the lien or encumbrance in this state shall be determined by the laws of this  
16 state;

17 (2) If the lien or encumbrance was perfected pursuant to the laws of the jurisdiction where  
18 the outboard motor, motorboat, vessel, or watercraft was when the lien or encumbrance attached,  
19 the following rules apply:

20 (a) If the name of the lienholder is shown on an existing certificate of title or ownership  
21 issued by that jurisdiction, his or her lien or encumbrance continues perfected in this state;

22 (b) If the name of the lienholder is not shown on an existing certificate of title or  
23 ownership issued by the jurisdiction, the lien or encumbrance continues perfected in this state for  
24 three months after the first certificate of title of the outboard motor, motorboat, vessel, or  
25 watercraft is issued in this state, and also thereafter if, within the three-month period, it is  
26 perfected in this state. The lien or encumbrance may also be perfected in this state after the  
27 expiration of the three-month period, in which case perfection dates from the time of perfection in  
28 this state;

29 (3) If the lien or encumbrance was not perfected pursuant to the laws of the jurisdiction  
30 where the outboard motor, motorboat, vessel, or watercraft was when the lien or encumbrance  
31 attached, it may be perfected in this state, in which case perfection dates from the time of  
32 perfection in this state;

33 (4) A lien or encumbrance may be perfected pursuant to paragraph (b) of subdivision (2)  
34 or subdivision (3) of this subsection in the same manner as provided in subsection 3 of this  
35 section.

36 7. The director of revenue shall by rules and regulations establish a security procedure to

1 verify that an electronic notice or lien or notice of satisfaction of a lien on an outboard motor,  
2 motorboat, vessel or watercraft given pursuant to sections 306.400 to 306.440 is that of the  
3 lienholder, to verify that an electronic notice of confirmation of ownership and perfection of a lien  
4 given pursuant to section 306.410 is that of the director of revenue and to detect error in the  
5 transmission or the content of any such notice. Such a security procedure may require the use of  
6 algorithms or other codes, identifying words or numbers, encryption, callback procedures or  
7 similar security devices. Comparison of a signature on a communication with an authorized  
8 specimen signature shall not by itself constitute a security procedure.”; and  
9

10 Further amend said bill by amending the title, enacting clause, and intersectional references  
11 accordingly.