

SECOND REGULAR SESSION

HOUSE BILL NO. 1715

96TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE RIDDLE.

5776L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 301.640, RSMo, and to enact in lieu thereof one new section relating to the release of a lien or encumbrance from a certificate of ownership, with penalty provisions.

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

Section A. Section 301.640, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 301.640, to read as follows:

301.640. 1. Within five business days after the satisfaction of any lien or encumbrance of a motor vehicle or trailer, the lienholder shall release the lien or encumbrance on the certificate or a separate document, and mail or deliver the certificate or a separate document to the owner or any person who delivers to the lienholder an authorization from the owner to receive the certificate or such documentation. The release on the certificate or separate document shall be notarized. Each perfected subordinate lienholder, if any, shall release such lien or encumbrance as provided in this section for the first lienholder. The owner may cause the certificate to be mailed or delivered to the director of revenue, who shall issue a new certificate of ownership upon application and payment of the required fee. A lien or encumbrance shall be satisfied for the purposes of this section when a lienholder receives payment in full in the form of certified funds, as defined in section 381.410, or when the lienholder receives payment in full electronically or by way of electronic funds transfer, whichever first occurs. **No fee may be charged to an owner or agent for the owner for the release of any lien or encumbrance. However, the lienholder may assess a fee not to exceed twenty-five dollars for providing a duplicate release, unless the lienholder failed to comply with its requirements under subsection 2 of this section. If the owner, or agent for the owner, requests an expedited release of any lien under this subsection, the lienholder may assess a fee not to exceed**

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.

18 **twenty-five dollars plus actual overnight carrier charges, if any, provided the fee shall not**
19 **be charged or it shall be refunded, if charged, if the expedited release is not shipped or sent**
20 **on the date promised by the lienholder, which shall not be later than one business day after**
21 **receipt of the request. However, if a duplicate release is requested to be expedited, then the**
22 **lienholder may not charge more than a total of twenty-five dollars for providing an**
23 **expedited duplicate release, plus the actual overnight carrier charges, if any.**

24 2. If the electronic certificate of ownership is in the possession of the director of revenue,
25 the lienholder shall notify the director within five business days after any release of a lien and
26 provide the director with the most current address of the owner or any person who delivers to the
27 lienholder an authorization from the owner to receive the certificate or such documentation. The
28 director shall note such release on the electronic certificate and if no other lien exists the director
29 shall mail or deliver the certificate free of any lien to the owner or any person who has delivered
30 to the lienholder an authorization from the owner to receive the certificate or such documentation
31 from the director.

32 3. If the purchase price of a motor vehicle or trailer did not exceed six thousand dollars
33 at the time of purchase, a lien or encumbrance which was not perfected by a motor vehicle
34 financing corporation whose net worth exceeds one hundred million dollars, or a depository
35 institution, shall be considered satisfied within six years from the date the lien or encumbrance
36 was originally perfected unless a new lien or encumbrance has been perfected as provided in
37 section 301.600. This subsection does not apply to motor vehicles or trailers for which the
38 certificate of ownership has recorded in the second lienholder portion the words "subject to
39 future advances".

40 4. Any lienholder who fails to timely comply with subsection 1 or 2 of this section shall
41 pay to the person or persons satisfying the lien or encumbrance liquidated damages up to a
42 maximum of two thousand five hundred dollars for each lien. Liquidated damages shall be five
43 hundred dollars if the lienholder does not comply within five business days after satisfaction of
44 the lien or encumbrance. Liquidated damages shall be one thousand dollars if the lienholder does
45 not comply within ten business days after satisfaction of the lien or encumbrance. Liquidated
46 damages shall be two thousand dollars if the lienholder does not comply within fifteen business
47 days after satisfaction of the lien or encumbrance. Liquidated damages shall be two thousand
48 five hundred dollars if the lienholder does not comply within twenty business days after
49 satisfaction of the lien or encumbrance. If delivery of the certificate or other lien release is made
50 by mail, the delivery date is the date of the postmark for purposes of this subsection. In
51 computing any period of time prescribed or allowed by this section, the day of the act or event
52 after which the designated period of time begins to run is not to be counted. However, the last
53 day of the period so computed is to be included, unless it is a Saturday, Sunday, or a legal

54 holiday, in which event the period runs until the end of the next day that is not a Saturday,
55 Sunday, or legal holiday.

56 5. Any person who knowingly and intentionally sends in a separate document releasing
57 a lien of another without authority to do so shall be guilty of a class C felony.

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