

SECOND REGULAR SESSION

# HOUSE BILL NO. 1999

## 97TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE DUGGER.

6228H.011

D. ADAM CRUMBLISS, Chief Clerk

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### AN ACT

To repeal section 301.640, RSMo, and to enact in lieu thereof one new section relating to the electronic transmission of motor vehicle lien documents.

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*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Section A. Section 301.640, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 301.640, to read as follows: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, **through electronic means established by the director of the department of revenue**, release the lien or encumbrance on the certificate or a separate document, and [mail or deliver] **electronically transmit** 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, **and such notarization shall appear conspicuously on the electronic transmittal of each such certificate or document**. 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.

2. If the electronic certificate of ownership is in the possession of the director of revenue, the lienholder shall notify, **by electronic means established by the director of revenue**, the

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 director within five business days after any release of a lien and provide the director with the  
19 most current address of the owner or any person who delivers to the lienholder an authorization  
20 from the owner to receive the certificate or such documentation. The director shall note such  
21 release on the electronic certificate and if no other lien exists the director shall mail or deliver  
22 the certificate free of any lien to the owner or any person who has delivered to the lienholder an  
23 authorization from the owner to receive the certificate or such documentation from the director.

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

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

48         5. Any person who knowingly and intentionally [sends in] **electronically transmits or**  
49 **otherwise delivers** a separate document releasing a lien of another without authority to do so  
50 shall be guilty of a class C felony.

51         **6. The director of revenue shall adopt such rules and regulations as may be**  
52 **necessary to carry out the provisions of this section.**

53           7. Any rule or portion of a rule, as that term is defined in section 536.010, that is  
54 created under the authority delegated in this section shall become effective only if it  
55 complies with and is subject to all of the provisions of chapter 536 and, if applicable,  
56 section 536.028. This section and chapter 536 are nonseverable and if any of the powers  
57 vested with the general assembly under chapter 536 to review, to delay the effective date,  
58 or to disapprove and annul a rule are subsequently held unconstitutional, then the grant  
59 of rulemaking authority and any rule proposed or adopted after August 28, 2014, shall be  
60 invalid and void.

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