

FIRST REGULAR SESSION
[TRULY AGREED TO AND FINALLY PASSED]
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 456

98TH GENERAL ASSEMBLY

2015

1270H.04T

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
2 repealed and five new sections enacted in lieu thereof, to be known as sections
3 301.140, 301.190, 301.213, 301.562, and 301.644, to read as follows:

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

EXPLANATION--Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

16 2. In the case of a transfer of ownership the original owner may register
17 another motor vehicle under the same number, upon the payment of a fee of two
18 dollars, if the motor vehicle is of horsepower, gross weight or (in the case of a
19 passenger-carrying commercial motor vehicle) seating capacity, not in excess of that
20 originally registered. When such motor vehicle is of greater horsepower, gross weight
21 or (in the case of a passenger-carrying commercial motor vehicle) seating capacity,
22 for which a greater fee is prescribed, applicant shall pay a transfer fee of two dollars
23 and a pro rata portion for the difference in fees. When such vehicle is of less
24 horsepower, gross weight or (in case of a passenger-carrying commercial motor
25 vehicle) seating capacity, for which a lesser fee is prescribed, applicant shall not be
26 entitled to a refund.

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

39 4. The director of the department of revenue shall have authority to produce
40 or allow others to produce a weather resistant, nontearing temporary permit
41 authorizing the operation of a motor vehicle or trailer by a buyer for not more than
42 thirty days, **or no more than ninety days if issued by a dealer selling the**
43 **motor vehicle under the provisions of section 301.213**, from the date of
44 purchase. The temporary permit authorized under this section may be purchased by
45 the purchaser of a motor vehicle or trailer from the central office of the department
46 of revenue or from an authorized agent of the department of revenue upon proof of
47 purchase of a motor vehicle or trailer for which the buyer has no registration plate
48 available for transfer and upon proof of financial responsibility, or from a motor
49 vehicle dealer upon purchase of a motor vehicle or trailer for which the buyer has
50 no registration plate available for transfer, or from a motor vehicle dealer upon
51 purchase of a motor vehicle or trailer for which the buyer has registered and is

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

83 5. The permit shall be issued on a form prescribed by the director of the
84 department of revenue and issued only for the applicant's temporary operation of the
85 motor vehicle or trailer purchased to enable the applicant to temporarily operate the
86 motor vehicle while proper title and registration plates are being obtained, or while
87 awaiting receipt of registration plates, and shall be displayed on no other motor

88 vehicle. Temporary permits issued pursuant to this section shall not be transferable
89 or renewable and shall not be valid upon issuance of proper registration plates for
90 the motor vehicle or trailer. The director of the department of revenue shall
91 determine the size, material, design, numbering configuration, construction, and color
92 of the permit. The director of the department of revenue, at his or her discretion,
93 shall have the authority to reissue, and thereby extend the use of, a temporary
94 permit previously and legally issued for a motor vehicle or trailer while proper title
95 and registration are being obtained.

96 6. Every motor vehicle dealer that issues temporary permits shall keep, for
97 inspection by proper officers, an accurate record of each permit issued by recording
98 the permit number, the motor vehicle dealer's number, buyer's name and address,
99 the motor vehicle's year, make, and manufacturer's vehicle identification number,
100 and the permit's date of issuance and expiration date. Upon the issuance of a
101 temporary permit by either the central office of the department of revenue, a motor
102 vehicle dealer or an authorized agent of the department of revenue, the director of
103 the department of revenue shall make the information associated with the issued
104 temporary permit immediately available to the law enforcement community of the
105 state of Missouri.

106 7. Upon the transfer of ownership of any currently registered motor vehicle
107 wherein the owner cannot transfer the license plates due to a change of motor
108 vehicle category, the owner may surrender the license plates issued to the motor
109 vehicle and receive credit for any unused portion of the original registration fee
110 against the registration fee of another motor vehicle. Such credit shall be granted
111 based upon the date the license plates are surrendered. No refunds shall be made
112 on the unused portion of any license plates surrendered for such credit.

113 8. The provisions of subsections 4, 5, and 6 of this section shall expire July
114 1, 2019.

115 9. An additional temporary license plate produced in a manner and of
116 materials determined by the director to be the most cost-effective means of production
117 with a configuration that matches an existing or newly issued plate may be
118 purchased by a motor vehicle owner to be placed in the interior of the vehicle's rear
119 window such that the driver's view out of the rear window is not obstructed and the
120 plate configuration is clearly visible from the outside of the vehicle to serve as the
121 visible plate when a bicycle rack or other item obstructs the view of the actual
122 plate. Such temporary plate is only authorized for use when the matching actual
123 plate is affixed to the vehicle in the manner prescribed in subsection 5 of section

124 301.130. The fee charged for the temporary plate shall be equal to the fee charged
125 for a temporary permit issued under subsection 4 of this section. Replacement
126 temporary plates authorized in this subsection may be issued as needed upon the
127 payment of a fee equal to the fee charged for a temporary permit under subsection
128 4 of this section. The newly produced third plate may only be used on the vehicle
129 with the matching plate, and the additional plate shall be clearly recognizable as a
130 third plate and only used for the purpose specified in this subsection.

131 10. Notwithstanding the provisions of section [301.127] **301.217**, the director
132 may issue a temporary permit to an individual who possesses a salvage motor vehicle
133 which requires an inspection under subsection 9 of section 301.190. The operation
134 of a salvage motor vehicle for which the permit has been issued shall be limited to
135 the most direct route from the residence, maintenance, or storage facility of the
136 individual in possession of such motor vehicle to the nearest authorized inspection
137 facility and return to the originating location. Notwithstanding any other
138 requirements for the issuance of a temporary permit under this section, an individual
139 obtaining a temporary permit for the purpose of operating a motor vehicle to and
140 from an examination facility as prescribed in this subsection shall also purchase the
141 required motor vehicle examination form which is required to be completed for an
142 examination under subsection 9 of section 301.190 and provide satisfactory evidence
143 that such vehicle has passed a motor vehicle safety inspection for such vehicle as
144 required in section 307.350.

145 11. The director of the department of revenue may promulgate all necessary
146 rules and regulations for the administration of this section. Any rule or portion of
147 a rule, as that term is defined in section 536.010, that is created under the authority
148 delegated in this section shall become effective only if it complies with and is subject
149 to all of the provisions of chapter 536 and, if applicable, section 536.028. This section
150 and chapter 536 are nonseverable and if any of the powers vested with the general
151 assembly pursuant to chapter 536 to review, to delay the effective date, or to
152 disapprove and annul a rule are subsequently held unconstitutional, then the grant
153 of rulemaking authority and any rule proposed or adopted after August 28, 2012,
154 shall be invalid and void.

155 12. The repeal and reenactment of this section shall become effective on the
156 date the department of revenue or a producer authorized by the director of the
157 department of revenue begins producing temporary permits described in subsection
158 4 of such section, or on July 1, 2013, whichever occurs first. If the director of
159 revenue or a producer authorized by the director of the department of revenue

160 begins producing temporary permits prior to July 1, 2013, the director of the
161 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
2 number plate therefor, shall be issued by the director of revenue unless the applicant
3 therefor shall make application for and be granted a certificate of ownership of such
4 motor vehicle or trailer, or shall present satisfactory evidence that such certificate has
5 been previously issued to the applicant for such motor vehicle or trailer. Application
6 shall be made within thirty days after the applicant acquires the motor vehicle or
7 trailer, **unless the motor vehicle was acquired under section 301.213 in which**
8 **case the applicant shall make application within thirty days after receiving**
9 **title from the dealer,** upon a blank form furnished by the director of revenue and
10 shall contain the applicant's identification number, a full description of the motor
11 vehicle or trailer, the vehicle identification number, and the mileage registered on the
12 odometer at the time of transfer of ownership, as required by section 407.536,
13 together with a statement of the applicant's source of title and of any liens or
14 encumbrances on the motor vehicle or trailer, provided that for good cause shown the
15 director of revenue may extend the period of time for making such
16 application. When an owner wants to add or delete a name or names on an
17 application for certificate of ownership of a motor vehicle or trailer that would cause
18 it to be inconsistent with the name or names listed on the notice of lien, the owner
19 shall provide the director with documentation evidencing the lienholder's
20 authorization to add or delete a name or names on an application for certificate of
21 ownership.

22 2. The director of revenue shall use reasonable diligence in ascertaining
23 whether the facts stated in such application are true and shall, to the extent possible
24 without substantially delaying processing of the application, review any odometer
25 information pertaining to such motor vehicle that is accessible to the director of
26 revenue. If satisfied that the applicant is the lawful owner of such motor vehicle or
27 trailer, or otherwise entitled to have the same registered in his name, the director
28 shall thereupon issue an appropriate certificate over his signature and sealed with
29 the seal of his office, procured and used for such purpose. The certificate shall
30 contain on its face a complete description, vehicle identification number, and other
31 evidence of identification of the motor vehicle or trailer, as the director of revenue
32 may deem necessary, together with the odometer information required to be put on
33 the face of the certificate pursuant to section 407.536, a statement of any liens or
34 encumbrances which the application may show to be thereon, and, if ownership of

35 the vehicle has been transferred, the name of the state issuing the transferor's title
36 and whether the transferor's odometer mileage statement executed pursuant to
37 section 407.536 indicated that the true mileage is materially different from the
38 number of miles shown on the odometer, or is unknown.

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

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

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

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

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

71 **was acquired under section 301.213 and the applicant fails to make**
72 **application within thirty days after receiving title from the dealer,** or has
73 sold a vehicle without obtaining a certificate, he shall cancel the registration of all
74 vehicles registered in the name of the person, either as sole owner or as a co-owner,
75 and shall notify the person that the cancellation will remain in force until the person
76 pays the delinquency penalty fee provided in this section, together with all fees,
77 charges and payments which the person should have paid in connection with the
78 certificate of ownership and registration of the vehicle. The certificate shall be good
79 for the life of the motor vehicle or trailer so long as the same is owned or held by the
80 original holder of the certificate and shall not have to be renewed annually.

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

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

88 8. Before an original Missouri certificate of ownership is issued, an inspection
89 of the vehicle and a verification of vehicle identification numbers shall be made by
90 the Missouri state highway patrol on vehicles for which there is a current title issued
91 by another state if a Missouri salvage certificate of title has been issued for the same
92 vehicle but no prior inspection and verification has been made in this state, except
93 that if such vehicle has been inspected in another state by a law enforcement officer
94 in a manner comparable to the inspection process in this state and the vehicle
95 identification numbers have been so verified, the applicant shall not be liable for the
96 twenty-five dollar inspection fee if such applicant submits proof of inspection and
97 vehicle identification number verification to the director of revenue at the time of the
98 application. The applicant, who has such a title for a vehicle on which no prior
99 inspection and verification have been made, shall pay a fee of twenty-five dollars for
100 such verification and inspection, payable to the director of revenue at the time of the
101 request for the application, which shall be deposited in the state treasury to the credit
102 of the state highways and transportation department fund.

103 9. Each application for an original Missouri certificate of ownership for a
104 vehicle which is classified as a reconstructed motor vehicle, specially constructed
105 motor vehicle, kit vehicle, motor change vehicle, non-USA-std motor vehicle, or other
106 vehicle as required by the director of revenue shall be accompanied by a vehicle

107 examination certificate issued by the Missouri state highway patrol, or other law
108 enforcement agency as authorized by the director of revenue. The vehicle
109 examination shall include a verification of vehicle identification numbers and a
110 determination of the classification of the vehicle. The owner of a vehicle which
111 requires a vehicle examination certificate shall present the vehicle for examination
112 and obtain a completed vehicle examination certificate prior to submitting an
113 application for a certificate of ownership to the director of revenue. Notwithstanding
114 any provision of the law to the contrary, an owner presenting a motor vehicle which
115 has been issued a salvage title and which is ten years of age or older to a vehicle
116 examination described in this subsection in order to obtain a certificate of ownership
117 with the designation prior salvage motor vehicle shall not be required to repair or
118 restore the vehicle to its original appearance in order to pass or complete the vehicle
119 examination. The fee for the vehicle examination application shall be twenty-five
120 dollars and shall be collected by the director of revenue at the time of the request for
121 the application and shall be deposited in the state treasury to the credit of the state
122 highways and transportation department fund. If the vehicle is also to be registered
123 in Missouri, the safety inspection required in chapter 307 and the emissions
124 inspection required under chapter 643 shall be completed and the fees required by
125 section 307.365 and section 643.315 shall be charged to the owner.

126 10. When an application is made for an original Missouri certificate of
127 ownership for a motor vehicle previously registered or titled in a state other than
128 Missouri or as required by section 301.020, it shall be accompanied by a current
129 inspection form certified by a duly authorized official inspection station as described
130 in chapter 307. The completed form shall certify that the manufacturer's
131 identification number for the vehicle has been inspected, that it is correctly displayed
132 on the vehicle and shall certify the reading shown on the odometer at the time of
133 inspection. The inspection station shall collect the same fee as authorized in section
134 307.365 for making the inspection, and the fee shall be deposited in the same
135 manner as provided in section 307.365. If the vehicle is also to be registered in
136 Missouri, the safety inspection required in chapter 307 and the emissions inspection
137 required under chapter 643 shall be completed and only the fees required by section
138 307.365 and section 643.315 shall be charged to the owner. This section shall not
139 apply to vehicles being transferred on a manufacturer's statement of origin.

140 11. Motor vehicles brought into this state in a wrecked or damaged condition
141 or after being towed as an abandoned vehicle pursuant to another state's abandoned
142 motor vehicle procedures shall, in lieu of the inspection required by subsection 10 of

143 this section, be inspected by the Missouri state highway patrol in accordance with
144 subsection 9 of this section. If the inspection reveals the vehicle to be in a salvage
145 or junk condition, the director shall so indicate on any Missouri certificate of
146 ownership issued for such vehicle. Any salvage designation shall be carried forward
147 on all subsequently issued certificates of title for the motor vehicle.

148 12. When an application is made for an original Missouri certificate of
149 ownership for a motor vehicle previously registered or titled in a state other than
150 Missouri, and the certificate of ownership has been appropriately designated by the
151 issuing state as a reconstructed motor vehicle, motor change vehicle, specially
152 constructed motor vehicle, or prior salvage vehicle, the director of revenue shall
153 appropriately designate on the current Missouri and all subsequent issues of the
154 certificate of ownership the name of the issuing state and such prior
155 designation. The absence of any prior designation shall not relieve a transferor of
156 the duty to exercise due diligence with regard to such certificate of ownership prior
157 to the transfer of a certificate. If a transferor exercises any due diligence with regard
158 to a certificate of ownership, the legal transfer of a certificate of ownership without
159 any designation that is subsequently discovered to have or should have had a
160 designation shall be a transfer free and clear of any liabilities of the transferor
161 associated with the missing designation.

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

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

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

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

178 (2) Photocopies of receipts, bills of sale establishing ownership, or titles, and

179 the source of all major component parts used to rebuild the vehicle;

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

183 (4) An inspection certificate, other than a motor vehicle examination
184 certificate required under subsection 9 of this section, completed and issued by the
185 Missouri state highway patrol, or other law enforcement agency as authorized by the
186 director of revenue. The inspection performed by the highway patrol or other
187 authorized local law enforcement agency shall include a check for stolen
188 vehicles. The department of revenue shall issue the owner a certificate of ownership
189 designated with the words "Reconstructed Motor Vehicle" and deliver such certificate
190 of ownership in accordance with the provisions of this chapter. Notwithstanding
191 subsection 9 of this section, no owner of a reconstructed motor vehicle described in
192 this subsection shall be required to obtain a vehicle examination certificate issued by
193 the Missouri state highway patrol.

**301.213. 1. Notwithstanding the provisions of sections 301.200 and
2 301.210, any person licensed as a motor vehicle dealer under sections
3 301.550 to 301.580 that has provided to the director of revenue a surety bond
4 or irrevocable letter of credit in an amount not less than one hundred
5 thousand dollars in a form which complies with the requirements of section
6 301.560 and in lieu of the twenty-five thousand dollar bond otherwise
7 required for licensure as a motor vehicle dealer, shall be authorized to
8 purchase or accept in trade any motor vehicle for which there has been
9 issued a certificate of ownership, and to receive such vehicle subject to any
10 existing liens thereon created and perfected under sections 301.600 to
11 301.660 provided the licensed dealer receives the following:**

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

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

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

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

22 final, subject to any existing liens created and perfected under sections
23 301.600 to 301.660. Once the prior owner of the motor vehicle has
24 physically delivered the motor vehicle to the licensed dealer, the prior
25 owners' insurable interest in such vehicle shall cease to exist.

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

34 (1) All outstanding liens created on the vehicle pursuant to sections
35 301.600 to 301.660 have been paid in full, and the dealer provides a copy of
36 proof or other evidence to the purchaser; and

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

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

45 (4) The dealer has signed an application for duplicate or replacement
46 title for the vehicle under subsection 4 of section 301.300 and provides a
47 copy of the application to the purchaser, along with a copy of the power
48 of attorney required by subsection 1 of this section, and the dealer has
49 prepared and delivered to the purchaser an application for title for the
50 vehicle in the purchaser's name; and

51 (5) The dealer and the purchaser have entered into a written
52 agreement for the subsequent assignment and delivery of such certificate
53 of ownership, on a form prescribed by the director of revenue, to take place
54 at a time, not to exceed sixty calendar days, after the time of delivery of the
55 motor vehicle to the purchaser. Such agreement shall require the
56 purchaser to provide to the dealer proof of financial responsibility in
57 accordance with chapter 303 and proof of comprehensive and collision

58 coverage on the motor vehicle. Such dealer shall maintain the original or
59 an electronic copy of the signed agreement and deliver a copy of the signed
60 agreement to the purchaser. Such dealer shall also complete and deliver
61 to the director of revenue such form as the director shall prescribe
62 demonstrating that the purchaser has purchased the vehicle without
63 contemporaneous delivery of the title.

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

83 4. Following a sale or other transaction in which a certificate of
84 ownership has not been assigned from the owner to the licensed dealer, the
85 dealer shall, within ten business days, apply for a duplicate or replacement
86 certificate of ownership. Upon receipt of a duplicate or replacement
87 certificate of ownership applied for under subsection 4 of section 301.300,
88 the dealer shall assign and deliver said certificate of ownership to the
89 purchaser of the vehicle within five business days. The dealer shall
90 maintain proof of the assignment and delivery of the certificate of
91 ownership to the purchaser. For purposes of this subsection, a dealer shall
92 be deemed to have delivered the certificate of ownership to the purchaser
93 upon either:

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

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

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

103 6. If a licensed dealer fails or is unable to comply with subsection 4
104 of this section, and the purchaser of the vehicle is thereby damaged, then
105 the dealer shall be liable to the purchaser of the vehicle for actual
106 damages, plus court costs and reasonable attorney fees. If the dealer
107 cannot be found by the purchaser after making reasonable attempts, or if
108 the dealer fails to assign and deliver the duplicate or replacement
109 certificate of ownership to the purchaser by the date agreed upon by the
110 dealer and the purchaser, as required by subsection 4 of this section, then
111 the purchaser may deliver to the director a copy of the contract for sale of
112 the vehicle, a copy of the application for duplicate title provided by the
113 dealer to the purchaser, a copy of the secure power of attorney allowing
114 the dealer to assign the duplicate title, and the proof or other evidence
115 obtained by the purchaser from the dealer under subsection 3 of this
116 section. Thereafter, the director shall mail by certified mail, return receipt
117 requested, a notice to the dealer at the last address given to the department
118 by that dealer. That notice shall inform the dealer that the director intends
119 to cancel any prior certificate of title which may have been issued to the
120 dealer on the vehicle and issue to the purchaser a certificate of title in the
121 name of the purchaser, subject to any liens incurred by the purchaser in
122 connection with the purchase of the vehicle, unless the dealer, within ten
123 business days from the date of the director's notice, files with the director
124 a written objection to the director taking such action. If the dealer does
125 file a timely, written objection with the director, then the director shall not
126 take any further action without an order from a court of competent
127 jurisdiction. However, if the dealer does not file a timely, written objection
128 with the director, then the director shall cancel the prior certificate of title
129 issued to the dealer on the vehicle and issue a certificate of tile to the

130 purchaser of the vehicle, subject to any liens incurred by the purchaser in
131 connection with the purchase of the vehicle and subject to the purchaser
132 satisfying all applicable taxes and fees associated with registering the
133 vehicle.

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

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

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

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

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

151 10. The department of revenue may use a dealer's repeated or
152 intentional violation of this section as a cause to suspend, revoke, or refuse
153 to issue or renew any license required pursuant to sections 301.550 to
154 301.580, in addition to the causes set forth in section 301.562. The hearing
155 process shall be the same as that established in subsection 6 of section
156 301.562.

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

8 2. The department may cause a complaint to be filed with the administrative
9 hearing commission as provided by chapter 621 against any holder of any license

10 issued under sections 301.550 to [301.573] **301.580** for any one or any combination
11 of the following causes:

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

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

21 (3) The applicant or license holder has, within ten years prior to the date of
22 the application, been finally adjudicated and found guilty, or entered a plea of guilty
23 or nolo contendere, in a prosecution under the laws of any state or of the United
24 States, for any offense reasonably related to the qualifications, functions, or duties
25 of any business licensed under sections 301.550 to [301.573] **301.580**; for any
26 offense, an essential element of which is fraud, dishonesty, or an act of violence; or
27 for any offense involving moral turpitude, whether or not sentence is imposed;

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

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

32 (6) Violation of, or assisting or enabling any person to violate any provisions
33 of this chapter and chapters 143, 144, 306, 307, 407, 578, and 643 or of any lawful
34 rule or regulation adopted pursuant to this chapter and chapters 143, 144, 306, 307,
35 407, 578, and 643;

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

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

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

45 (10) The applicant or license holder is finally adjudged insane or incompetent

46 by a court of competent jurisdiction;

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

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

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

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

78 5. Notwithstanding the foregoing provisions of this section, the following
79 events or acts by the holder of any license issued under sections 301.550 to 301.580
80 are deemed to present a clear and present danger to the public welfare and shall be
81 considered cause for suspension or revocation of such license under the procedure set

82 forth in subsection 6 of this section, at the discretion of the director:

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

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

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

90 (4) Three or more occurrences of violations which have been established
91 following proceedings before the administrative hearing commission under subsection
92 3 of this section, or which have been established following proceedings before the
93 director under subsection 6 of this section, of this chapter and chapters 143, 144, 306,
94 307, 578, and 643 or of any lawful rule or regulation adopted under this chapter and
95 chapters 143, 144, 306, 307, 578, and 643, not previously set forth herein.

96 6. (1) Any license issued under sections 301.550 to 301.580 shall be
97 suspended or revoked, following an evidentiary hearing before the director or his or
98 her designated hearing officer, if affidavits or sworn testimony by an authorized
99 agent of the department alleges the occurrence of any of the events or acts described
100 in subsection 5 of this section.

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

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

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

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

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

115 (e) Shall inform the licensee that he or she has the right to attend the
116 hearing and present any evidence in his or her defense, including evidence to show
117 that the event or act which may result in suspension or revocation has been corrected

118 to the director's satisfaction, and that he or she may be represented by counsel at the
119 hearing.

120 (3) At any hearing before the director conducted under this subsection, the
121 director or his or her designated hearing officer shall consider all evidence relevant
122 to the issue of whether the license should be suspended or revoked due to the
123 occurrence of any of the acts set forth in subsection 5 herein. Within twenty
124 business days after such hearing, the director or his or her designated hearing officer
125 shall issue a written order, with findings of fact and conclusions of law, which either
126 grants or denies the issuance of an order of suspension or revocation. The
127 suspension or revocation shall be effective ten days after the date of the order. The
128 written order of the director or his or her hearing officer shall be the final decision
129 of the director and shall be subject to judicial review under the provisions of chapter
130 536.

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

134 **7. In lieu of acting under subsection 2 or subsection 6 of this section,**
135 **the department of revenue may enter into an agreement with the holder of**
136 **the license to ensure future compliance with sections 301.210, 301.213,**
137 **307.380, sections 301.217 to 301.229, and sections 301.550 to 301.580. Such**
138 **agreement may include an assessment fee not to exceed five hundred**
139 **dollars per violation or five thousand dollars in the aggregate unless**
140 **otherwise permitted by law, probation terms and conditions, and other**
141 **requirements as may be deemed appropriate by the department of revenue**
142 **and the holder of the license. Any fees collected by the department of**
143 **revenue under this subsection shall be deposited into the motor vehicle**
144 **commission fund created in section 301.560.**

301.644. 1. In cases where an insurance company has paid or is
2 paying a total loss claim on a motor vehicle or trailer, the registered owner
3 or owners of a motor vehicle or trailer may use an electronic signature in
4 a similar form as that prescribed in sections 432.200 to 432.295 on a limited
5 power of attorney, affidavit, or other documents to authorize the insurance
6 company to assign ownership of such motor vehicle or trailer. A power of
7 attorney, affidavit, or other similar document executed with an electronic
8 signature for the authority to execute the assignment of a certificate of
9 ownership by an insurance company under the authority of this section

10 shall not require notarization.

11 **2. The director of the department of revenue may promulgate rules**
12 **and regulations to implement and administer the provisions of this section.**
13 **Any rule or portion of a rule, as that term is defined in section 536.010, that**
14 **is created under the authority delegated in this section shall become**
15 **effective only if it complies with and is subject to all of the provisions of**
16 **chapter 536 and, if applicable, section 536.028. This section and chapter 536**
17 **are nonseverable and if any of the powers vested with the general assembly**
18 **under chapter 536 to review, to delay the effective date, or to disapprove**
19 **and annul a rule are subsequently held unconstitutional, then the grant**
20 **of rulemaking authority and any rule proposed or adopted after August 28,**
21 **2015, shall be invalid and void.**

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

8 (1) A signed written contract between the licensed dealer and
9 the owner 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,
12 in accordance with subsection 4 of section 301.300, authorizing the
13 licensed dealer to obtain a duplicate or replacement title in the owner's
14 name and sign any title assignments on the owner's behalf.

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

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

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

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

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

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

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

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

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

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

57 6. If a dealer fails to comply with subsection 4 of this section,
58 and the purchaser of the vehicle is thereby damaged, then the dealer
59 shall be liable to the purchaser of the vehicle for actual damages, plus
60 court costs and reasonable attorney fees. If the dealer cannot be

61 found by the purchaser after making reasonable attempts, and
62 thereby fails to assign and deliver the duplicate or replacement
63 certificate of title to the purchaser, as required by subsection 4 of this
64 section, then the purchaser may deliver to the director a copy of the
65 contract for sale of the vehicle, a copy of the application for duplicate
66 title provided by the dealer to the purchaser, a copy of the secure
67 power of attorney allowing the dealer to assign the duplicate title, and
68 the proof or other evidence obtained by the purchaser from the dealer
69 under subsection 3 of this section. Thereafter, the director shall mail
70 by certified mail, return receipt requested, a notice to the dealer at the
71 last address given to the department by that dealer. That notice shall
72 inform the dealer that the director intends to cancel any prior
73 certificate of title issued to the dealer on the vehicle and issue to the
74 purchaser a certificate of title in the name of the purchaser, subject
75 to any liens incurred by the purchaser in connection with the
76 purchase of the vehicle, unless the dealer, within ten business days
77 from the date of the director's notice, files with the director a written
78 objection to the director taking such action. If the dealer does file a
79 timely, written objection with the director, then the director shall not
80 take any further action without an order from a court of competent
81 jurisdiction. However, if the dealer does not file a timely, written
82 objection with the director, then the director shall cancel the prior
83 certificate of title issued to the dealer on the vehicle and issue a
84 certificate of title to the purchaser of the vehicle, subject to any liens
85 incurred by the purchaser in connection with the purchase of the
86 vehicle and subject to the purchaser satisfying all applicable taxes and
87 fees associated with registering the vehicle.

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

93 8. When a lienholder is damaged as a result of acts or
94 omissions by the dealer to the lienholder or any party covered by
95 subsections 5, 6, and 7 of this section, or by any combination of claims
96 under this subsection, then the dealer shall be liable to the lienholder

97 for actual damages, plus court costs and reasonable attorney fees.

98 9. No court costs or attorney fees shall be awarded under this

99 section unless, prior to filing any such action, the following conditions

100 have been met:

101 (1) The aggrieved party seeking damages has delivered an itemized

102 written demand of the party's actual damages to the party from whom

103 damages are sought; and

104 (2) The party from whom damages are sought has not

105 satisfied the written demand within thirty days after receipt of the

106 written demand.]

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