

HCS SS SCS SB 707 -- VEHICLE SALES

SPONSOR: Schatz (Engler)

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Transportation by a vote of 8 to 0. Voted "Do Pass" by the Standing Committee on Rules- Administrative Oversight by a vote of 10 to 1.

This bill changes certain vehicle sales laws. In its main provisions, the bill:

- (1) Raises the bond requirement for motor vehicle dealers from \$25,000 to \$50,000 (Sections 301.213 and 301.560, RSMo);
- (2) Requires motor vehicle dealers to submit regular business hours, a phone number, and electronic mail address and maintain a working phone and electronic mail address for use by the Department of Revenue and the general public (Sections 301.559 and 301.560);
- (3) Modifies dealer license plate classifications and provides procedure for reissue of certificates and plates when dealerships are transferred (Sections 301.550, 301.553, 301.557, 301.560, and 301.580);
- (4) Allows discretion to suspend a dealer license instead of making such action mandatory for certain violations (Section 301.562);
- (5) Enacts new regulations for holding "off premise events" involving the sale of specified vehicles by license holders at areas away from their normal place of business. The criteria for holding these off premise events is specified in the bill (Section 301.566);
- (6) Sets limits on the issuance of dealer plates for new and used dealers based on annual sales. Currently, six sales per year are required for dealer status and the issuance of one dealer plate, this bill changes that requirement to eight sales per year and adds a fee of \$10 for the first plate and \$10.50 for each subsequent plate upon application for a license, and allows a dealer to apply for a third plate beginning at 15 sales per year (Section 301.560);
- (7) Requires a dealer license plate to be made with fully reflective material with a common color scheme and design that is clearly visible at night (Section 301.560); and
- (8) Allows use of motor vehicle inspections obtained by dealers prior to sale for registration and transfer if the inspection is

obtained within 60 days of the sale and the application for transfer or registration is made within 90 days of the inspection date (Section 307.350).

This bill is similar to HB 2122 (2018).

PROPONENTS: Supporters say that the bill will prevent fraud involving dealer plates and the loss of tax revenue. It will ensure fair competition in local markets by regulating tent sale practices.

Testifying for the bill were Senator Schatz and the Missouri Auto Dealers Association.

OPPONENTS: There was no opposition voiced to the committee.