

FIRST REGULAR SESSION

HOUSE BILL NO. 926

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE SHAWAN.

1994H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal section 301.560, RSMo, and to enact in lieu thereof one new section relating to dealer license plates.

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

Section A. Section 301.560, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 301.560, to read as follows:

301.560. 1. In addition to the application forms prescribed by the department, each applicant shall submit the following to the department:

(1) Every application other than a renewal application for a motor vehicle franchise dealer shall include a certification that the applicant has a bona fide established place of business. Such application shall include an annual certification that the applicant has a bona fide established place of business for the first three years and only for every other year thereafter. The certification shall be performed by a uniformed member of the Missouri state highway patrol or authorized or designated employee stationed in the troop area in which the applicant's place of business is located; except that in counties of the first classification, certification may be performed by an officer of a metropolitan police department when the applicant's established place of business of distributing or selling motor vehicles or trailers is in the metropolitan area where the certifying metropolitan police officer is employed. When the application is being made for licensure as a boat manufacturer or boat dealer, certification shall be performed by a uniformed member of the Missouri state water patrol stationed in the district area in which the applicant's place of business is located or by a uniformed member of the Missouri state highway patrol stationed in the troop area in which the applicant's place of business is located or, if the applicant's place of business is located within the jurisdiction of a metropolitan police

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 department in a first class county, by an officer of such metropolitan police department. A bona
19 fide established place of business for any new motor vehicle franchise dealer, used motor vehicle
20 dealer, boat dealer, powersport dealer, wholesale motor vehicle dealer, trailer dealer, or
21 wholesale or public auction shall be a permanent enclosed building or structure, either owned
22 in fee or leased and actually occupied as a place of business by the applicant for the selling,
23 bartering, trading, servicing, or exchanging of motor vehicles, boats, personal watercraft, or
24 trailers and wherein the public may contact the owner or operator at any reasonable time, and
25 wherein shall be kept and maintained the books, records, files and other matters required and
26 necessary to conduct the business. The applicant shall maintain a working telephone number
27 during the entire registration year which will allow the public, the department, and law
28 enforcement to contact the applicant during regular business hours. The applicant shall also
29 maintain an email address during the entire registration year which may be used for official
30 correspondence with the department. In order to qualify as a bona fide established place of
31 business for all applicants licensed pursuant to this section there shall be an exterior sign
32 displayed carrying the name of the business set forth in letters at least six inches in height and
33 clearly visible to the public and there shall be an area or lot which shall not be a public street on
34 which multiple vehicles, boats, personal watercraft, or trailers may be displayed. The sign shall
35 contain the name of the dealership by which it is known to the public through advertising or
36 otherwise, which need not be identical to the name appearing on the dealership's license so long
37 as such name is registered as a fictitious name with the secretary of state, has been approved by
38 its line-make manufacturer in writing in the case of a new motor vehicle franchise dealer and a
39 copy of such fictitious name registration has been provided to the department. Dealers who sell
40 only emergency vehicles as defined in section 301.550 are exempt from maintaining a bona fide
41 place of business, including the related law enforcement certification requirements, and from
42 meeting the minimum yearly sales;

43 (2) The initial application for licensure shall include a photograph, not to exceed eight
44 inches by ten inches but no less than five inches by seven inches, showing the business building,
45 lot, and sign. A new motor vehicle franchise dealer applicant who has purchased a currently
46 licensed new motor vehicle franchised dealership shall be allowed to submit a photograph of the
47 existing dealership building, lot and sign but shall be required to submit a new photograph upon
48 the installation of the new dealership sign as required by sections 301.550 to 301.580.
49 Applicants shall not be required to submit a photograph annually unless the business has moved
50 from its previously licensed location, or unless the name of the business or address has changed,
51 or unless the class of business has changed;

52 (3) Every applicant as a new motor vehicle franchise dealer, a used motor vehicle dealer,
53 a powersport dealer, a wholesale motor vehicle dealer, trailer dealer, or boat dealer shall furnish

54 with the application a corporate surety bond or an irrevocable letter of credit as defined in section
55 400.5-102, issued by any state or federal financial institution in the penal sum of fifty thousand
56 dollars on a form approved by the department. The bond or irrevocable letter of credit shall be
57 conditioned upon the dealer complying with the provisions of the statutes applicable to new
58 motor vehicle franchise dealers, used motor vehicle dealers, powersport dealers, wholesale motor
59 vehicle dealers, trailer dealers, and boat dealers, and the bond shall be an indemnity for any loss
60 sustained by reason of the acts of the person bonded when such acts constitute grounds for the
61 suspension or revocation of the dealer's license. The bond shall be executed in the name of the
62 state of Missouri for the benefit of all aggrieved parties or the irrevocable letter of credit shall
63 name the state of Missouri as the beneficiary; except, that the aggregate liability of the surety or
64 financial institution to the aggrieved parties shall, in no event, exceed the amount of the bond or
65 irrevocable letter of credit. The proceeds of the bond or irrevocable letter of credit shall be paid
66 upon receipt by the department of a final judgment from a Missouri court of competent
67 jurisdiction against the principal and in favor of an aggrieved party. Additionally, every
68 applicant as a new motor vehicle franchise dealer, a used motor vehicle dealer, a powersport
69 dealer, a wholesale motor vehicle dealer, or boat dealer shall furnish with the application a copy
70 of a current dealer garage policy bearing the policy number and name of the insurer and the
71 insured;

72 (4) Payment of all necessary license fees as established by the department. In
73 establishing the amount of the annual license fees, the department shall, as near as possible,
74 produce sufficient total income to offset operational expenses of the department relating to the
75 administration of sections 301.550 to 301.580. All fees payable pursuant to the provisions of
76 sections 301.550 to 301.580, other than those fees collected for the issuance of dealer plates or
77 certificates of number collected pursuant to subsection 6 of this section, shall be collected by the
78 department for deposit in the state treasury to the credit of the "Motor Vehicle Commission
79 Fund", which is hereby created. The motor vehicle commission fund shall be administered by
80 the Missouri department of revenue. The provisions of section 33.080 to the contrary
81 notwithstanding, money in such fund shall not be transferred and placed to the credit of the
82 general revenue fund until the amount in the motor vehicle commission fund at the end of the
83 biennium exceeds two times the amount of the appropriation from such fund for the preceding
84 fiscal year or, if the department requires permit renewal less frequently than yearly, then three
85 times the appropriation from such fund for the preceding fiscal year. The amount, if any, in the
86 fund which shall lapse is that amount in the fund which exceeds the multiple of the appropriation
87 from such fund for the preceding fiscal year.

88 2. In the event a new vehicle manufacturer, boat manufacturer, motor vehicle dealer,
89 wholesale motor vehicle dealer, boat dealer, powersport dealer, wholesale motor vehicle auction,

90 trailer dealer, or a public motor vehicle auction submits an application for a license for a new
91 business and the applicant has complied with all the provisions of this section, the department
92 shall make a decision to grant or deny the license to the applicant within eight working hours
93 after receipt of the dealer's application, notwithstanding any rule of the department.

94 3. Except as otherwise provided in subsection 6 of this section, upon the initial issuance
95 of a license by the department, the department shall assign a distinctive dealer license number
96 or certificate of number to the applicant and the department shall issue one number plate or
97 certificate bearing the distinctive dealer license number or certificate of number and two
98 additional number plates or certificates of number within eight working hours after presentment
99 of the application and payment by the applicant of a fee of fifty dollars for the first plate or
100 certificate and ten dollars and fifty cents for each additional plate or certificate. Upon renewal,
101 the department shall issue the distinctive dealer license number or certificate of number as
102 quickly as possible. The issuance of such distinctive dealer license number or certificate of
103 number shall be in lieu of registering each motor vehicle, trailer, vessel or vessel trailer dealt
104 with by a boat dealer, boat manufacturer, manufacturer, public motor vehicle auction, wholesale
105 motor vehicle dealer, wholesale motor vehicle auction or new or used motor vehicle dealer. The
106 license plates described in this section shall be made with fully reflective material with a
107 common color scheme and design, shall be clearly visible at night, and shall be aesthetically
108 attractive, as prescribed by section 301.130.

109 4. Notwithstanding any other provision of the law to the contrary, the department shall
110 assign the following distinctive dealer license numbers to:

111 New motor vehicle franchise dealers D-0 through D-999
112 New powersport dealers D-1000 through D-1999
113 Used motor vehicle and used powersport dealers D-2000 through D-9999
114 Wholesale motor vehicle dealers W-0 through W-1999
115 Wholesale motor vehicle auctions WA-0 through WA-999
116 New and used trailer dealers T-0 through T-9999
117 Motor vehicle, trailer, and boat manufacturers DM-0 through DM-999
118 Public motor vehicle auctions A-0 through A-1999
119 Boat dealers M-0 through M-9999
120 New and used recreational motor vehicle dealers RV-0 through RV-999

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122 For purposes of this subsection, qualified transactions shall include the purchase of salvage titled
123 vehicles by a licensed salvage dealer. A used motor vehicle dealer who also holds a salvage
124 dealer's license shall be allowed one additional plate or certificate number per fifty-unit qualified
125 transactions annually. In order for salvage dealers to obtain number plates or certificates under

this section, dealers shall submit to the department of revenue on August first of each year a statement certifying, under penalty of perjury, the dealer's number of purchases during the reporting period of July first of the immediately preceding year to June thirtieth of the present year. The provisions of this subsection shall become effective on the date the director of the department of revenue begins to reissue new license plates under section 301.130, or on December 1, 2008, whichever occurs first. If the director of revenue begins reissuing new license plates under the authority granted under section 301.130 prior to December 1, 2008, the director of the department of revenue shall notify the revisor of statutes of such fact.

5. Upon the sale of a currently licensed motor vehicle dealership the department shall, upon request, authorize the new approved dealer applicant to retain the selling dealer's license number and shall cause the new dealer's records to indicate such transfer. If the new approved dealer applicant elects not to retain the selling dealer's license number, the department shall issue the new dealer applicant a new dealer's license number and an equal number of plates or certificates as the department had issued to the selling dealer.

6. In the case of motor vehicle dealers, the department shall issue one number plate bearing the distinctive dealer license number and may issue one additional number plate to the applicant upon payment by the dealer of a fifty dollar fee for the number plate bearing the distinctive dealer license number and ten dollars and fifty cents for the additional number plate. The department may issue a third plate to the motor vehicle dealer upon completion of the dealer's fifteenth qualified transaction and payment of a fee of ten dollars and fifty cents. In the case of new motor vehicle manufacturers, powersport dealers, recreational motor vehicle dealers, and trailer dealers, the department shall issue one number plate bearing the distinctive dealer license number and may issue two additional number plates to the applicant upon payment by the manufacturer or dealer of a fifty dollar fee for the number plate bearing the distinctive dealer license number and ten dollars and fifty cents for each additional number plate. Boat dealers and boat manufacturers shall be entitled to one certificate of number bearing such number upon the payment of a fifty dollar fee. Additional number plates and as many additional certificates of number may be obtained upon payment of a fee of ten dollars and fifty cents for each additional plate or certificate. New motor vehicle manufacturers shall not be issued or possess more than three hundred forty-seven additional number plates or certificates of number annually. New and used motor vehicle dealers, powersport dealers, wholesale motor vehicle dealers, boat dealers, and trailer dealers are limited to one additional plate or certificate of number per ten-unit qualified transactions annually. New and used recreational motor vehicle dealers are limited to two additional plates or certificate of number per ten-unit qualified transactions annually for their first fifty transactions and one additional plate or certificate of number per ten-unit qualified transactions thereafter. An applicant seeking the issuance of an initial license shall indicate on

his or her initial application the applicant's proposed annual number of sales in order for the director to issue the appropriate number of additional plates or certificates of number. A motor vehicle dealer, trailer dealer, boat dealer, powersport dealer, recreational motor vehicle dealer, motor vehicle manufacturer, boat manufacturer, or wholesale motor vehicle dealer obtaining a distinctive dealer license plate or certificate of number or additional license plate or additional certificate of number, throughout the calendar year, shall be required to pay a fee for such license plates or certificates of number computed on the basis of one-twelfth of the full fee prescribed for the original and duplicate number plates or certificates of number for such dealers' licenses, multiplied by the number of months remaining in the licensing period for which the dealer or manufacturers shall be required to be licensed. In the event of a renewing dealer, the fee due at the time of renewal shall not be prorated. Wholesale and public auctions shall be issued a certificate of dealer registration in lieu of a dealer number plate. In order for dealers to obtain number plates or certificates under this section, dealers shall submit to the department of revenue on August first of each year a statement certifying, under penalty of perjury, the dealer's number of sales during the reporting period of July first of the immediately preceding year to June thirtieth of the present year.

7. The plates issued pursuant to subsection 3 or 6 of this section may be displayed on any motor vehicle owned by a new motor vehicle manufacturer. The plates issued pursuant to subsection 3 or 6 of this section may be displayed on any motor vehicle or trailer owned and held for resale by a motor vehicle dealer for use by a customer who is test driving the motor vehicle, **for use by a customer while the customer's vehicle is being serviced or repaired by the motor vehicle dealer**, for use and display purposes during, but not limited to, parades, private events, charitable events, or for use by an employee or officer, but shall not be displayed on any motor vehicle or trailer hired or loaned to others or upon any regularly used service or wrecker vehicle. Motor vehicle dealers may display their dealer plates on a tractor, truck or trailer to demonstrate a vehicle under a loaded condition. Trailer dealers may display their dealer license plates in like manner, except such plates may only be displayed on trailers owned and held for resale by the trailer dealer.

8. The certificates of number issued pursuant to subsection 3 or 6 of this section may be displayed on any vessel or vessel trailer owned and held for resale by a boat manufacturer or a boat dealer, and used by a customer who is test driving the vessel or vessel trailer, or is used by an employee or officer on a vessel or vessel trailer only, but shall not be displayed on any motor vehicle owned by a boat manufacturer, boat dealer, or trailer dealer, or vessel or vessel trailer hired or loaned to others or upon any regularly used service vessel or vessel trailer. Boat dealers and boat manufacturers may display their certificate of number on a vessel or vessel trailer when transporting a vessel or vessels to an exhibit or show.

198 9. If any law enforcement officer has probable cause to believe that any license plate or
199 certificate of number issued under subsection 3 or 6 of this section is being misused in violation
200 of subsection 7 or 8 of this section, the license plate or certificate of number may be seized and
201 surrendered to the department.

202 10. (1) Every application for the issuance of a used motor vehicle dealer's license shall
203 be accompanied by proof that the applicant, within the last twelve months, has completed an
204 educational seminar course approved by the department as prescribed by subdivision (2) of this
205 subsection. Wholesale and public auto auctions and applicants currently holding a new or used
206 license for a separate dealership shall be exempt from the requirements of this subsection. The
207 provisions of this subsection shall not apply to current new motor vehicle franchise dealers or
208 motor vehicle leasing agencies or applicants for a new motor vehicle franchise or a motor vehicle
209 leasing agency. The provisions of this subsection shall not apply to used motor vehicle dealers
210 who were licensed prior to August 28, 2006.

211 (2) The educational seminar shall include, but is not limited to, the dealer requirements
212 of sections 301.550 to 301.580, the rules promulgated to implement, enforce, and administer
213 sections 301.550 to 301.580, and any other rules and regulations promulgated by the department.

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