

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 40
103RD GENERAL ASSEMBLY

0234H.02C

JOSEPH ENGLER, Chief Clerk

AN ACT

To repeal section 301.227, RSMo, and to enact in lieu thereof one new section relating to inoperable motor vehicles.

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

Section A. Section 301.227, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 301.227, to read as follows:

301.227. 1. Whenever a vehicle is sold for salvage, dismantling or rebuilding, the purchaser shall forward to the director of revenue within ten days the certificate of ownership or salvage certificate of title and the proper application and fee of eight dollars and fifty cents, and the director shall issue a negotiable salvage certificate of title to the purchaser of the salvaged vehicle. On vehicles purchased during a year that is no more than six years after the manufacturer's model year designation for such vehicle, it shall be mandatory that the purchaser apply for a salvage title. On vehicles purchased during a year that is more than six years after the manufacturer's model year designation for such vehicle, then application for a salvage title shall be optional on the part of the purchaser. Whenever a vehicle is sold for destruction and a salvage certificate of title, junking certificate, or certificate of ownership exists, the seller, if licensed under sections 301.217 to 301.221, shall forward the certificate to the director of revenue within ten days, with the notation of the date sold for destruction and the name of the purchaser clearly shown on the face of the certificate.

2. Whenever a vehicle is classified as junk, as defined in section 301.010, the purchaser may forward to the director of revenue a properly completed application for a junking certificate as well as the salvage certificate of title or certificate of ownership and the director shall issue a negotiable junking certificate to the purchaser of the vehicle. The director may also issue a junking certificate to a possessor of a vehicle manufactured twenty-

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.

19 six years or more prior to the current model year who has a bill of sale for said vehicle but
20 does not possess a certificate of ownership, provided no claim of theft has been made on the
21 vehicle and the highway patrol has by letter stated the vehicle is not listed as stolen after
22 checking the registration number through its nationwide computer system. Such junking
23 certificate may be granted within thirty days of the submission of a request. A junking
24 certificate shall authorize the holder to possess, transport, or, by assignment, transfer
25 ownership in such parts, scrap, or junk.

26 3. For any vehicle issued a junking certificate or such similar document or
27 classification pursuant to the laws of another state, regardless of whether such designation has
28 been subsequently changed by law in any other state, the department shall only issue a
29 junking certificate, and a salvage certificate of title or original certificate of ownership shall
30 not thereafter be issued for such vehicle. Notwithstanding the provisions of this subsection, if
31 the vehicle has not previously been classified as a junk vehicle, the applicant making the
32 original junking certification application shall, within ninety days, be allowed to rescind his
33 application for a junking certificate by surrendering the junking certificate and apply for a
34 salvage certificate of title in his name. The seller of a vehicle for which a junking certificate
35 has been applied for or issued shall disclose such fact in writing to any prospective buyers
36 before sale of such vehicle; otherwise the sale shall be voidable at the option of the buyer.

37 4. No scrap metal operator shall acquire or purchase a motor vehicle or parts thereof
38 without, at the time of such acquisition, receiving the original certificate of ownership or
39 salvage certificate of title or junking certificate from the seller of the vehicle or parts, unless
40 the seller is a licensee under sections 301.219 to 301.221.

41 5. All titles and certificates required to be received by scrap metal operators from
42 nonlicensees shall be forwarded by the operator to the director of revenue within ten days of
43 the receipt of the vehicle or parts.

44 6. The scrap metal operator shall keep a record, for three years, of the seller's name
45 and address, the salvage business license number of the licensee, date of purchase, and any
46 vehicle or parts identification numbers open for inspection as provided in section 301.225.

47 7. Notwithstanding any other provision of this section, a motor vehicle dealer as
48 defined in section 301.550 and licensed under the provisions of sections 301.550 to 301.572
49 may negotiate one reassignment of a salvage certificate of title on the back thereof.

50 8. Notwithstanding the provisions of subsection 1 of this section, an insurance
51 company which settles a claim for a stolen vehicle may apply for and shall be issued a
52 negotiable salvage certificate of title without the payment of any fee upon proper application
53 within thirty days after settlement of the claim for such stolen vehicle. However, if the
54 insurance company upon recovery of a stolen vehicle determines that the stolen vehicle has
55 not sustained damage to the extent that the vehicle would have otherwise been declared a

56 salvage vehicle pursuant to section 301.010, then the insurance company may have the
57 vehicle inspected by the Missouri state highway patrol, or other law enforcement agency
58 authorized by the director of revenue, in accordance with the inspection provisions of
59 subsection 9 of section 301.190. Upon receipt of title application, applicable fee, the
60 completed inspection, and the return of any previously issued negotiable salvage certificate,
61 the director shall issue an original title with no salvage or prior salvage designation. Upon the
62 issuance of an original title the director shall remove any indication of the negotiable salvage
63 title previously issued to the insurance company from the department's electronic records.

64 9. Notwithstanding subsection 4 of this section or any other provision of the law to
65 the contrary, if a motor vehicle is inoperable and is at least ~~ten~~ **twenty** model years old, **or, if**
66 **in the possession of an insurer pursuant to a total loss settlement or entity selling**
67 **vehicles at insurance salvage auctions, at least ten model years old,** or the parts are from a
68 motor vehicle that is inoperable and is at least ~~ten~~ **twenty** model years old, **or, if in the**
69 **possession of an insurer pursuant to a total loss settlement or entity selling vehicles at**
70 **insurance salvage auctions, at least ten model years old,** a scrap metal operator may
71 purchase or acquire such motor vehicle or parts without receiving the original certificate of
72 ownership, salvage certificate of title, or junking certificate from the seller of the vehicle or
73 parts, provided the scrap metal operator verifies with the department of revenue, via the
74 department's online record access, that the motor vehicle is not subject to any recorded
75 security interest or lien and the scrap metal operator complies with the requirements of this
76 subsection. In lieu of forwarding certificates of title or ownership for such motor vehicles as
77 required by subsection 5 of this section, the scrap metal operator shall forward a copy of the
78 seller's state identification card along with a bill of sale to the department of revenue. The bill
79 of sale form shall be designed by the director and such form shall include, but not be limited
80 to, a certification that the motor vehicle is at least ~~ten~~ **twenty** model years old, **or, if in the**
81 **possession of an insurer pursuant to a total loss settlement or entity selling vehicles at**
82 **insurance salvage auctions, at least ten model years old,** is inoperable, is not subject to any
83 recorded security interest or lien, and a certification by the seller that the seller has the legal
84 authority to sell or otherwise transfer the seller's interest in the motor vehicle or parts. Upon
85 receipt of the information required by this subsection, the department of revenue shall cancel
86 any certificate of title or ownership and registration for the motor vehicle. If the motor
87 vehicle is inoperable and at least twenty model years old, then the scrap metal operator shall
88 not be required to verify with the department of revenue whether the motor vehicle is subject
89 to any recorded security interests or liens. As used in this subsection, the term "inoperable"
90 means a motor vehicle that is in a rusted, wrecked, discarded, worn out, extensively damaged,
91 dismantled, and mechanically inoperative condition and the vehicle's highest and best use is
92 for scrap purposes. The director of the department of revenue is directed to promulgate rules

93 and regulations to implement and administer the provisions of this section, including but not
94 limited to, the development of a uniform bill of sale. Any rule or portion of a rule, as that
95 term is defined in section 536.010, that is created under the authority delegated in this section
96 shall become effective only if it complies with and is subject to all of the provisions of
97 chapter 536 and, if applicable, section 536.028. This section and chapter 536 are
98 nonseverable and if any of the powers vested with the general assembly pursuant to chapter
99 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently
100 held unconstitutional, then the grant of rulemaking authority and any rule proposed or
101 adopted after August 28, 2012, shall be invalid and void.

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