

FIRST REGULAR SESSION

HOUSE BILL NO. 1002

98TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE BERRY.

2237H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 301.140, 301.190, and 407.581, RSMo, and to enact in lieu thereof three new sections relating to the 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Section A. Sections 301.140, 301.190, and 407.581, RSMo, are repealed and three new sections enacted in lieu thereof, to be known as sections 301.140, 301.190, and 301.213, to read as follows:

301.140. 1. Upon the transfer of ownership of any motor vehicle or trailer, the certificate of registration and the right to use the number plates shall expire and the number plates shall be removed by the owner at the time of the transfer of possession, and it shall be unlawful for any person other than the person to whom such number plates were originally issued to have the same in his or her possession whether in use or not, unless such possession is solely for charitable purposes; except that the buyer of a motor vehicle or trailer who trades in a motor vehicle or trailer may attach the license plates from the traded-in motor vehicle or trailer to the newly purchased motor vehicle or trailer. The operation of a motor vehicle with such transferred plates shall be lawful for no more than **[thirty] sixty** days. As used in this subsection, the term "trade-in motor vehicle or trailer" shall include any single motor vehicle or trailer sold by the buyer of the newly purchased vehicle or trailer, as long as the license plates for the trade-in motor vehicle or trailer are still valid.

2. In the case of a transfer of ownership the original owner may register another motor vehicle under the same number, upon the payment of a fee of two dollars, if the motor vehicle is of horsepower, gross weight or (in the case of a passenger-carrying commercial motor vehicle) seating capacity, not in excess of that originally registered. When such motor vehicle is of

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.

17 greater horsepower, gross weight or (in the case of a passenger-carrying commercial motor
18 vehicle) seating capacity, for which a greater fee is prescribed, **the** applicant shall pay a transfer
19 fee of two dollars and a pro rata portion for the difference in fees. When such vehicle is of less
20 horsepower, gross weight or (in case of a passenger-carrying commercial motor vehicle) seating
21 capacity, for which a lesser fee is prescribed, applicant shall not be entitled to a refund.

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

33 4. The director of the department of revenue shall have authority to produce or allow
34 others to produce a weather resistant, nontearing temporary permit authorizing the operation of
35 a motor vehicle or trailer by a buyer for not more than [~~thirty~~] **sixty** days from the date of
36 purchase. The temporary permit authorized under this section may be purchased by the
37 purchaser of a motor vehicle or trailer from the central office of the department of revenue or
38 from an authorized agent of the department of revenue upon proof of purchase of a motor vehicle
39 or trailer for which the buyer has no registration plate available for transfer and upon proof of
40 financial responsibility, or from a motor vehicle dealer upon purchase of a motor vehicle or
41 trailer for which the buyer has no registration plate available for transfer, or from a motor vehicle
42 dealer upon purchase of a motor vehicle or trailer for which the buyer has registered and is
43 awaiting receipt of registration plates. The director of the department of revenue or a producer
44 authorized by the director of the department of revenue may make temporary permits available
45 to registered dealers in this state, authorized agents of the department of revenue or the
46 department of revenue. The price paid by a motor vehicle dealer, an authorized agent of the
47 department of revenue or the department of revenue for a temporary permit shall not exceed five
48 dollars for each permit. The director of the department of revenue shall direct motor vehicle
49 dealers and authorized agents to obtain temporary permits from an authorized producer.
50 Amounts received by the director of the department of revenue for temporary permits shall
51 constitute state revenue; however, amounts received by an authorized producer other than the
52 director of the department of revenue shall not constitute state revenue and any amounts received

53 by motor vehicle dealers or authorized agents for temporary permits purchased from a producer
54 other than the director of the department of revenue shall not constitute state revenue. In no
55 event shall revenues from the general revenue fund or any other state fund be utilized to
56 compensate motor vehicle dealers or other producers for their role in producing temporary
57 permits as authorized under this section. Amounts that do not constitute state revenue under this
58 section shall also not constitute fees for registration or certificates of title to be collected by the
59 director of the department of revenue under section 301.190. No motor vehicle dealer,
60 authorized agent or the department of revenue shall charge more than five dollars for each permit
61 issued. The permit shall be valid for a period of [thirty] **sixty** days from the date of purchase of
62 a motor vehicle or trailer, or from the date of sale of the motor vehicle or trailer by a motor
63 vehicle dealer for which the purchaser obtains a permit as set out above. No permit shall be
64 issued for a vehicle under this section unless the buyer shows proof of financial responsibility.
65 Each temporary permit issued shall be securely fastened to the back or rear of the motor vehicle
66 in a manner and place on the motor vehicle consistent with registration plates so that all parts and
67 qualities of the temporary permit thereof shall be plainly and clearly visible, reasonably clean and
68 are not impaired in any way.

69 5. The permit shall be issued on a form prescribed by the director of the department of
70 revenue and issued only for the applicant's temporary operation of the motor vehicle or trailer
71 purchased to enable the applicant to temporarily operate the motor vehicle while proper title and
72 registration plates are being obtained, or while awaiting receipt of registration plates, and shall
73 be displayed on no other motor vehicle. Temporary permits issued pursuant to this section shall
74 not be transferable or renewable and shall not be valid upon issuance of proper registration plates
75 for the motor vehicle or trailer. The director of the department of revenue shall determine the
76 size, material, design, numbering configuration, construction, and color of the permit. The
77 director of the department of revenue, at his or her discretion, shall have the authority to reissue,
78 and thereby extend the use of, a temporary permit previously and legally issued for a motor
79 vehicle or trailer while proper title and registration are being obtained.

80 6. Every motor vehicle dealer that issues temporary permits shall keep, for inspection
81 by proper officers, an accurate record of each permit issued by recording the permit number, the
82 motor vehicle dealer's number, buyer's name and address, the motor vehicle's year, make, and
83 manufacturer's vehicle identification number, and the permit's date of issuance and expiration
84 date. Upon the issuance of a temporary permit by either the central office of the department of
85 revenue, a motor vehicle dealer or an authorized agent of the department of revenue, the director
86 of the department of revenue shall make the information associated with the issued temporary
87 permit immediately available to the law enforcement community of the state of Missouri.

88 7. Upon the transfer of ownership of any currently registered motor vehicle wherein the
89 owner cannot transfer the license plates due to a change of motor vehicle category, the owner
90 may surrender the license plates issued to the motor vehicle and receive credit for any unused
91 portion of the original registration fee against the registration fee of another motor vehicle. Such
92 credit shall be granted based upon the date the license plates are surrendered. No refunds shall
93 be made on the unused portion of any license plates surrendered for such credit.

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

95 9. An additional temporary license plate produced in a manner and of materials
96 determined by the director to be the most cost-effective means of production with a configuration
97 that matches an existing or newly issued plate may be purchased by a motor vehicle owner to be
98 placed in the interior of the vehicle's rear window such that the driver's view out of the rear
99 window is not obstructed and the plate configuration is clearly visible from the outside of the
100 vehicle to serve as the visible plate when a bicycle rack or other item obstructs the view of the
101 actual plate. Such temporary plate is only authorized for use when the matching actual plate is
102 affixed to the vehicle in the manner prescribed in subsection 5 of section 301.130. The fee
103 charged for the temporary plate shall be equal to the fee charged for a temporary permit issued
104 under subsection 4 of this section. Replacement temporary plates authorized in this subsection
105 may be issued as needed upon the payment of a fee equal to the fee charged for a temporary
106 permit under subsection 4 of this section. The newly produced third plate may only be used on
107 the vehicle with the matching plate, and the additional plate shall be clearly recognizable as a
108 third plate and only used for the purpose specified in this subsection.

109 10. Notwithstanding the provisions of section [301.127] **301.217**, the director may issue
110 a temporary permit to an individual who possesses a salvage motor vehicle which requires an
111 inspection under subsection 9 of section 301.190. The operation of a salvage motor vehicle for
112 which the permit has been issued shall be limited to the most direct route from the residence,
113 maintenance, or storage facility of the individual in possession of such motor vehicle to the
114 nearest authorized inspection facility and return to the originating location. Notwithstanding any
115 other requirements for the issuance of a temporary permit under this section, an individual
116 obtaining a temporary permit for the purpose of operating a motor vehicle to and from an
117 examination facility as prescribed in this subsection shall also purchase the required motor
118 vehicle examination form which is required to be completed for an examination under subsection
119 9 of section 301.190 and provide satisfactory evidence that such vehicle has passed a motor
120 vehicle safety inspection for such vehicle as required in section 307.350.

121 11. The director of the department of revenue may promulgate all necessary rules and
122 regulations for the administration of this section. Any rule or portion of a rule, as that term is
123 defined in section 536.010, that is created under the authority delegated in this section shall

124 become effective only if it complies with and is subject to all of the provisions of chapter 536
125 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of
126 the powers vested with the general assembly pursuant to chapter 536 to review, to delay the
127 effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the
128 grant of rulemaking authority and any rule proposed or adopted after August 28, 2012, shall be
129 invalid and void.

130 12. The repeal and reenactment of this section shall become effective on the date the
131 department of revenue or a producer authorized by the director of the department of revenue
132 begins producing temporary permits described in subsection 4 of such section, or on July 1,
133 2013, whichever occurs first. If the director of revenue or a producer authorized by the director
134 of the department of revenue begins producing temporary permits prior to July 1, 2013, the
135 director of the 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 number plate
2 therefor, shall be issued by the director of revenue unless the applicant therefor shall make
3 application for and be granted a certificate of ownership of such motor vehicle or trailer, or shall
4 present satisfactory evidence that such certificate has been previously issued to the applicant for
5 such motor vehicle or trailer. Application shall be made within thirty days after the applicant
6 acquires the motor vehicle or trailer, **unless the motor vehicle was acquired under section**
7 **301.213 in which case the applicant shall make application within thirty days after**
8 **receiving title from the dealer**, upon a blank form furnished by the director of revenue and shall
9 contain the applicant's identification number, a full description of the motor vehicle or trailer,
10 the vehicle identification number, and the mileage registered on the odometer at the time of
11 transfer of ownership, as required by section 407.536, together with a statement of the applicant's
12 source of title and of any liens or encumbrances on the motor vehicle or trailer, provided that for
13 good cause shown the director of revenue may extend the period of time for making such
14 application. When an owner wants to add or delete a name or names on an application for
15 certificate of ownership of a motor vehicle or trailer that would cause it to be inconsistent with
16 the name or names listed on the notice of lien, the owner shall provide the director with
17 documentation evidencing the lienholder's authorization to add or delete a name or names on an
18 application for certificate of ownership.

19 2. The director of revenue shall use reasonable diligence in ascertaining whether the facts
20 stated in such application are true and shall, to the extent possible without substantially delaying
21 processing of the application, review any odometer information pertaining to such motor vehicle
22 that is accessible to the director of revenue. If satisfied that the applicant is the lawful owner of
23 such motor vehicle or trailer, or otherwise entitled to have the same registered in his name, the
24 director shall thereupon issue an appropriate certificate over his signature and sealed with the

25 seal of his office, procured and used for such purpose. The certificate shall contain on its face
26 a complete description, vehicle identification number, and other evidence of identification of the
27 motor vehicle or trailer, as the director of revenue may deem necessary, together with the
28 odometer information required to be put on the face of the certificate pursuant to section
29 407.536, a statement of any liens or encumbrances which the application may show to be
30 thereon, and, if ownership of the vehicle has been transferred, the name of the state issuing the
31 transferor's title and whether the transferor's odometer mileage statement executed pursuant to
32 section 407.536 indicated that the true mileage is materially different from the number of miles
33 shown on the odometer, or is unknown.

34 3. The director of revenue shall appropriately designate on the current and all subsequent
35 issues of the certificate the words "Reconstructed Motor Vehicle", "Motor Change Vehicle",
36 "Specially Constructed Motor Vehicle", or "Non-USA-Std Motor Vehicle", as defined in section
37 301.010. Effective July 1, 1990, on all original and all subsequent issues of the certificate for
38 motor vehicles as referenced in subsections 2 and 3 of section 301.020, the director shall print
39 on the face thereof the following designation: "Annual odometer updates may be available from
40 the department of revenue.". On any duplicate certificate, the director of revenue shall reprint
41 on the face thereof the most recent of either:

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

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

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

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

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

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

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

76 8. Before an original Missouri certificate of ownership is issued, an inspection of the
77 vehicle and a verification of vehicle identification numbers shall be made by the Missouri state
78 highway patrol on vehicles for which there is a current title issued by another state if a Missouri
79 salvage certificate of title has been issued for the same vehicle but no prior inspection and
80 verification has been made in this state, except that if such vehicle has been inspected in another
81 state by a law enforcement officer in a manner comparable to the inspection process in this state
82 and the vehicle identification numbers have been so verified, the applicant shall not be liable for
83 the twenty-five dollar inspection fee if such applicant submits proof of inspection and vehicle
84 identification number verification to the director of revenue at the time of the application. The
85 applicant, who has such a title for a vehicle on which no prior inspection and verification have
86 been made, shall pay a fee of twenty-five dollars for such verification and inspection, payable
87 to the director of revenue at the time of the request for the application, which shall be deposited
88 in the state treasury to the credit of the state highways and transportation department fund.

89 9. Each application for an original Missouri certificate of ownership for a vehicle which
90 is classified as a reconstructed motor vehicle, specially constructed motor vehicle, kit vehicle,
91 motor change vehicle, non-USA-std motor vehicle, or other vehicle as required by the director
92 of revenue shall be accompanied by a vehicle examination certificate issued by the Missouri state
93 highway patrol, or other law enforcement agency as authorized by the director of revenue. The
94 vehicle examination shall include a verification of vehicle identification numbers and a
95 determination of the classification of the vehicle. The owner of a vehicle which requires a
96 vehicle examination certificate shall present the vehicle for examination and obtain a completed

97 vehicle examination certificate prior to submitting an application for a certificate of ownership
98 to the director of revenue. Notwithstanding any provision of the law to the contrary, an owner
99 presenting a motor vehicle which has been issued a salvage title and which is ten years of age
100 or older to a vehicle examination described in this subsection in order to obtain a certificate of
101 ownership with the designation prior salvage motor vehicle shall not be required to repair or
102 restore the vehicle to its original appearance in order to pass or complete the vehicle
103 examination. The fee for the vehicle examination application shall be twenty-five dollars and
104 shall be collected by the director of revenue at the time of the request for the application and
105 shall be deposited in the state treasury to the credit of the state highways and transportation
106 department fund. If the vehicle is also to be registered in Missouri, the safety inspection required
107 in chapter 307 and the emissions inspection required under chapter 643 shall be completed and
108 the fees required by section 307.365 and section 643.315 shall be charged to the owner.

109 10. When an application is made for an original Missouri certificate of ownership for a
110 motor vehicle previously registered or titled in a state other than Missouri or as required by
111 section 301.020, it shall be accompanied by a current inspection form certified by a duly
112 authorized official inspection station as described in chapter 307. The completed form shall
113 certify that the manufacturer's identification number for the vehicle has been inspected, that it
114 is correctly displayed on the vehicle and shall certify the reading shown on the odometer at the
115 time of inspection. The inspection station shall collect the same fee as authorized in section
116 307.365 for making the inspection, and the fee shall be deposited in the same manner as provided
117 in section 307.365. If the vehicle is also to be registered in Missouri, the safety inspection
118 required in chapter 307 and the emissions inspection required under chapter 643 shall be
119 completed and only the fees required by section 307.365 and section 643.315 shall be charged
120 to the owner. This section shall not apply to vehicles being transferred on a manufacturer's
121 statement of origin.

122 11. Motor vehicles brought into this state in a wrecked or damaged condition or after
123 being towed as an abandoned vehicle pursuant to another state's abandoned motor vehicle
124 procedures shall, in lieu of the inspection required by subsection 10 of this section, be inspected
125 by the Missouri state highway patrol in accordance with subsection 9 of this section. If the
126 inspection reveals the vehicle to be in a salvage or junk condition, the director shall so indicate
127 on any Missouri certificate of ownership issued for such vehicle. Any salvage designation shall
128 be carried forward on all subsequently issued certificates of title for the motor vehicle.

129 12. When an application is made for an original Missouri certificate of ownership for a
130 motor vehicle previously registered or titled in a state other than Missouri, and the certificate of
131 ownership has been appropriately designated by the issuing state as a reconstructed motor
132 vehicle, motor change vehicle, specially constructed motor vehicle, or prior salvage vehicle, the

133 director of revenue shall appropriately designate on the current Missouri and all subsequent
134 issues of the certificate of ownership the name of the issuing state and such prior designation.
135 The absence of any prior designation shall not relieve a transferor of the duty to exercise due
136 diligence with regard to such certificate of ownership prior to the transfer of a certificate. If a
137 transferor exercises any due diligence with regard to a certificate of ownership, the legal transfer
138 of a certificate of ownership without any designation that is subsequently discovered to have or
139 should have had a designation shall be a transfer free and clear of any liabilities of the transferor
140 associated with the missing designation.

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

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

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

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

154 (2) Photocopies of receipts, bills of sale establishing ownership, or titles, and the source
155 of all major component parts used to rebuild the vehicle;

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

159 (4) An inspection certificate, other than a motor vehicle examination certificate required
160 under subsection 9 of this section, completed and issued by the Missouri state highway patrol,
161 or other law enforcement agency as authorized by the director of revenue. The inspection
162 performed by the highway patrol or other authorized local law enforcement agency shall include
163 a check for stolen vehicles. The department of revenue shall issue the owner a certificate of
164 ownership designated with the words "Reconstructed Motor Vehicle" and deliver such certificate
165 of ownership in accordance with the provisions of this chapter. Notwithstanding subsection 9
166 of this section, no owner of a reconstructed motor vehicle described in this subsection shall be
167 required to obtain a vehicle examination certificate issued by the Missouri state highway patrol.

301.213. 1. Notwithstanding the provisions of sections 301.200 and 301.210, any
2 person licensed as a motor vehicle dealer under sections 301.550 to 301.573 who has
3 provided to the director of revenue a surety bond or irrevocable letter of credit in an
4 amount not less than one hundred thousand dollars in a form which complies with the
5 requirements of section 301.560 and in lieu of the twenty-five thousand dollar bond
6 otherwise required for licensure as a motor vehicle dealer, shall be authorized to purchase
7 or accept in trade any motor vehicle for which there has been issued a certificate of
8 ownership, and to receive such vehicle subject to any existing liens thereon created and
9 perfected under sections 301.600 to 301.660 provided the licensed dealer receives the
10 following:

11 (1) A signed written contract between the licensed dealer and the owner of the
12 vehicle;

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

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

17 2. If the dealer complies with the requirements of subsection 1 of this section, the
18 sale or trade of the vehicle to the dealer shall be considered final, subject to any existing
19 liens created and perfected under sections 301.600 to 301.660. Once the prior owner of the
20 motor vehicle has physically delivered the motor vehicle to the licensed dealer, the prior
21 owners' insurable interest in such vehicle shall cease to exist.

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

29 (1) All outstanding liens created on the vehicle pursuant to sections 301.600 to
30 301.660 have been paid in full, and the dealer provides a copy of proof or other evidence
31 to the purchaser;

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

35 (3) The dealer has obtained proof or other evidence from the department of
36 revenue confirming that all applicable state sales tax has been satisfied on the sale of the

37 vehicle to the previous owner and provides a copy of said proof or other evidence to the
38 purchaser;

39 (4) The dealer has signed an application for duplicate or replacement title for the
40 vehicle under subsection 4 of section 301.300 and provides a copy of the application to the
41 purchaser, along with a copy of the power of attorney required by subsection 1 of this
42 section, and the dealer has prepared and delivered to the purchaser an application for title
43 for the vehicle in the purchaser's name; and

44 (5) The dealer and the purchaser have entered into a written agreement for the
45 subsequent assignment and delivery of such certificate of ownership, on a form prescribed
46 by the director of revenue, to take place at a time, not to exceed sixty calendar days, after
47 the time of delivery of the motor vehicle to the purchaser. Such agreement shall require
48 the purchaser to provide to the dealer proof of financial responsibility in accordance with
49 chapter 303 and proof of comprehensive and collision coverage on the motor vehicle. Such
50 dealer shall maintain the original or an electronic copy of the signed agreement and deliver
51 a copy of the signed agreement to the purchaser. Such dealer shall also complete and
52 deliver to the director of revenue such form as the director shall prescribe demonstrating
53 that the purchaser has purchased the vehicle without contemporaneous delivery of the title.

54

55 Notwithstanding any provision of law to the contrary, completion of the requirements of
56 this subsection shall constitute prima facie evidence of an ownership interest vested in the
57 purchaser of the vehicle for all purposes other than for a subsequent transfer of ownership
58 of the vehicle by the purchaser, subject to the rights of any secured lienholder of record.
59 The purchaser may use the dealer-supplied copy of the agreement on the form prescribed
60 by the director of revenue as proof of ownership interest. Any lender or insurance
61 company may rely upon a copy of the signed written agreement on the form prescribed by
62 the director of revenue as proof of ownership. Any lien placed upon a vehicle based upon
63 such signed written agreement shall be valid and enforceable, notwithstanding the absence
64 of a certificate of ownership.

65 4. Following a sale or other transaction in which a certificate of ownership has not
66 been assigned from the owner to the licensed dealer, the dealer shall, within ten business
67 days, apply for a duplicate or replacement certificate of ownership. Upon receipt of a
68 duplicate or replacement certificate of ownership applied for under subsection 4 of section
69 301.300, the dealer shall assign and deliver said certificate of ownership to the purchaser
70 of the vehicle within five business days. The dealer shall maintain proof of the assignment
71 and delivery of the certificate of ownership to the purchaser. For purposes of this

72 subsection, a dealer shall be deemed to have delivered the certificate of ownership to the
73 purchaser upon either:

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

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

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

81 6. If a licensed dealer fails or is unable to comply with subsection 4 of this section,
82 and the purchaser of the vehicle is thereby damaged, then the dealer shall be liable to the
83 purchaser of the vehicle for actual damages, plus court costs and reasonable attorney fees.
84 If the dealer cannot be found by the purchaser after making reasonable attempts, or if the
85 dealer fails to assign and deliver the duplicate or replacement certificate of ownership to
86 the purchaser by the date agreed upon by the dealer and the purchaser, as required by
87 subsection 4 of this section, then the purchaser may deliver to the director a copy of the
88 contract for sale of the vehicle, a copy of the application for duplicate title provided by the
89 dealer to the purchaser, a copy of the secure power of attorney allowing the dealer to assign
90 the duplicate title, and the proof or other evidence obtained by the purchaser from the
91 dealer under subsection 3 of this section. Thereafter, the director shall mail by certified
92 mail, return receipt requested, a notice to the dealer at the last address given to the
93 department by that dealer. That notice shall inform the dealer that the director intends
94 to cancel any prior certificate of title issued to the dealer on the vehicle and issue to the
95 purchaser a certificate of title in the name of the purchaser, subject to any liens incurred
96 by the purchaser in connection with the purchase of the vehicle, unless the dealer, within
97 ten business days from the date of the director's notice, files with the director a written
98 objection to the director taking such action. If the dealer does file a timely, written
99 objection with the director, then the director shall not take any further action without an
100 order from a court of competent jurisdiction. However, if the dealer does not file a timely,
101 written objection with the director, then the director shall cancel the prior certificate of
102 title issued to the dealer on the vehicle and issue a certificate of tile to the purchaser of the
103 vehicle, subject to any liens incurred by the purchaser in connection with the purchase of
104 the vehicle and subject to the purchaser satisfying all applicable taxes and fees associated
105 with registering the vehicle.

106 7. If a seller misrepresents to a dealer that the seller is the owner of a vehicle and
107 the dealer, the owner, any subsequent purchaser, or any prior or subsequent lienholder is

108 **thereby damaged, then the seller shall be liable to each such party for actual and punitive**
109 **damages, plus court costs and reasonable attorney fees.**

110 **8. When a lienholder is damaged as a direct result of a licensed dealer's violation**
111 **of this section, then the dealer shall be liable to the lienholder for actual damages, plus**
112 **court costs and reasonable attorney fees.**

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

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

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

119 **10. The department of revenue may use a dealer's repeated or intentional violation**
120 **of this section as a cause to refuse to issue or renew any license required pursuant to**
121 **sections 301.550 to 301.573, in addition to the causes set forth in section 301.562. The**
122 **hearing process shall be the same as that established in subsection 6 of section 301.562.**

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

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

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

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

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

24 (2) The dealer has obtained proof or other evidence from the department
of revenue confirming that no outstanding child support liens exist upon the

25 vehicle at the time of sale and provides a copy of said proof or other evidence to
26 the purchaser; and

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

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

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

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

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

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

53 6. If a dealer fails to comply with subsection 4 of this section, and the
54 purchaser of the vehicle is thereby damaged, then the dealer shall be liable to the
55 purchaser of the vehicle for actual damages, plus court costs and reasonable
56 attorney fees. If the dealer cannot be found by the purchaser after making
57 reasonable attempts, and thereby fails to assign and deliver the duplicate or
58 replacement certificate of title to the purchaser, as required by subsection 4 of this
59 section, then the purchaser may deliver to the director a copy of the contract for
60 sale of the vehicle, a copy of the application for duplicate title provided by the
61 dealer to the purchaser, a copy of the secure power of attorney allowing the dealer
62 to assign the duplicate title, and the proof or other evidence obtained by the
63 purchaser from the dealer under subsection 3 of this section. Thereafter, the
64 director shall mail by certified mail, return receipt requested, a notice to the
65 dealer at the last address given to the department by that dealer. That notice shall
66 inform the dealer that the director intends to cancel any prior certificate of title
67 issued to the dealer on the vehicle and issue to the purchaser a certificate of title

68 in the name of the purchaser, subject to any liens incurred by the purchaser in
69 connection with the purchase of the vehicle, unless the dealer, within ten business
70 days from the date of the director's notice, files with the director a written
71 objection to the director taking such action. If the dealer does file a timely,
72 written objection with the director, then the director shall not take any further
73 action without an order from a court of competent jurisdiction. However, if the
74 dealer does not file a timely, written objection with the director, then the director
75 shall cancel the prior certificate of title issued to the dealer on the vehicle and
76 issue a certificate of title to the purchaser of the vehicle, subject to any liens
77 incurred by the purchaser in connection with the purchase of the vehicle and
78 subject to the purchaser satisfying all applicable taxes and fees associated with
79 registering the vehicle.

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

84 8. When a lienholder is damaged as a result of acts or omissions by the
85 dealer to the lienholder or any party covered by subsections 5, 6, and 7 of this
86 section, or by any combination of claims under this subsection, then the dealer
87 shall be liable to the lienholder for actual damages, plus court costs and
88 reasonable attorney fees.

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

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

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

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