

FIRST REGULAR SESSION

SENATE BILL NO. 465

93RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR VOGEL.

Read 1st time February 28, 2005, and ordered printed.

TERRY L. SPIELER, Secretary.

1901S.011

AN ACT

To repeal sections 301.215, 301.560, and 365.200, RSMo, and to enact in lieu thereof two new sections relating to motor vehicle dealers.

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

Section A. Sections 301.215, 301.560, and 365.200, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 301.215 and 301.560, to read as follows:

301.215. 1. When the holder of any indebtedness secured by a security agreement or other contract for security covering a motor vehicle or trailer repossesses the motor vehicle or trailer either by legal process or in accordance with the terms of a contract authorizing the repossession of the vehicle without legal process, the holder may obtain a certificate of ownership from the director of revenue upon presentation of (1) an application which shall be upon a blank form furnished by the director of revenue and shall contain a full description of the motor vehicle or trailer and the manufacturer's or other identifying number; (2) an affidavit of the holder that the debtor defaulted in payment of the debt, and that the holder repossessed the motor vehicle or trailer either by legal process or in accordance with the terms of the contract, and the specific address where the vehicle or trailer is held; and (3) the original or a conformed or photostatic copy of the original of the security agreement or other contract for security and the instrument or instruments evidencing the indebtedness secured by the security agreement or other contract for security. The director may by regulation prescribe for the inclusion in either or both the application or affidavit any other information that he from time to time deems necessary or advisable and may prescribe that the affidavit be part of the application.

2. Upon the holder's presentation of the papers and payment of a fee of ten dollars, the director of revenue, if he is satisfied with the genuineness of the papers, shall issue and

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

deliver to the holder a certificate of ownership which shall be in its usual form except it shall be clearly captioned "Repossessed Title"[; provided, however, that unless the application is accompanied by the written consent, acknowledged before an officer authorized to take acknowledgments, of the owners and other lienholders, if any, of the motor vehicle or trailer as shown by the last prior certificate of ownership, if any, issued on the motor vehicle or trailer, for the issuance of a repossessed title to the applicant, no such repossessed title may be issued by the director of revenue unless the director shall first give ten days' written notice by first class United States mail postage prepaid to each of the owners and other lienholders, if any, of the motor vehicle or trailer at each of their last mailing addresses as shown by the last prior certificate of ownership, if any, issued on the motor vehicle or trailer, that an application for a repossessed title has been made and the date the repossessed title will be issued, and the notice shall be accompanied by a copy, photostatic or otherwise, of each the application and affidavit]. The application for repossessed title may be withdrawn by the applicant at any time before the granting thereof. Each repossessed title so issued shall for all purposes be treated as an original certificate of ownership and shall supersede the outstanding certificate of ownership, if any, and duplicates thereof, if any, on the motor vehicle or trailer, all of which shall become null and void.

3. In any case where there is no certificate of ownership or duplicate thereof outstanding in the name of the debtor on the repossessed motor vehicle or trailer, the director of revenue shall issue a repossessed title to the holder and shall proceed to collect all unpaid fees, taxes, charges and penalties from the debtor as provided in section 301.190.

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. When the application is being made for licensure as a manufacturer, motor vehicle dealer, wholesale motor vehicle dealer, wholesale motor vehicle auction or a public motor vehicle auction, certification shall be performed 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; 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 department in a first class county, by an officer of such metropolitan police department. A bona fide established place of business for any new motor vehicle franchise dealer or used motor vehicle dealer shall include a permanent enclosed building or structure, either owned in fee or leased and actually occupied as a place of business by the applicant for the selling, bartering, trading or exchanging of motor vehicles or trailers and wherein the public may contact the owner or operator at any reasonable time, and wherein shall be kept and maintained the books, records, files and other matters required and necessary to conduct the business. The applicant's place of business shall contain a working telephone which shall be maintained during the entire registration year. In order to qualify as a bona fide established place of business for all applicants licensed pursuant to this section there shall be an exterior sign displayed carrying the name of the business set forth in letters at least six inches in height and clearly visible to the public and there shall be an area or lot which shall not be a public street on which one or more vehicles may be displayed, except when licensure is for a wholesale motor vehicle dealer, a lot and sign shall not be required. The sign shall contain the name of the dealership by which it is known to the public through advertising or otherwise, which need not be identical to the name appearing on the dealership's license so long as such name is registered as a fictitious name with the secretary of state, has been approved by its line-make manufacturer in writing in the case of a new motor vehicle franchise dealer and a copy of such fictitious name registration has been provided to the department. When licensure is for a boat dealer, a lot shall not be required. In the case of new motor vehicle franchise dealers, the bona fide established place of business shall include adequate facilities, tools and personnel necessary to properly service and repair motor vehicles and trailers under their franchisor's warranty;

(2) If the application is for licensure as a manufacturer, boat manufacturer, new motor vehicle franchise dealer, used motor vehicle dealer, wholesale motor vehicle auction, boat dealer or a public motor vehicle auction, a photograph, not to exceed eight inches by ten inches, showing the business building and sign shall accompany the initial application. In the case of a manufacturer, new motor vehicle franchise dealer or used motor vehicle dealer, the photograph shall include the lot of the business. A new motor vehicle franchise dealer applicant who has purchased a currently licensed new motor vehicle franchised dealership shall be allowed to submit a photograph of the existing dealership building, lot and sign but shall be required to submit a new photograph upon the installation of the new dealership sign as required by sections 301.550 to 301.573. Applicants shall not be required to submit a photograph annually unless the business has moved from its previously licensed location, or unless the name of the business or address has changed, or unless the class of business has changed;

(3) If the application is for licensure as a wholesale motor vehicle dealer or as a boat dealer, the application shall contain the business address, not a post office box, and telephone

number of the place where the books, records, files and other matters required and necessary to conduct the business are located and where the same may be inspected during normal daytime business hours. Wholesale motor vehicle dealers and boat dealers shall file reports as required of new franchised motor vehicle dealers and used motor vehicle dealers;

(4) Every applicant as a new motor vehicle franchise dealer[, a] **or** used motor vehicle dealer[, a wholesale motor vehicle dealer, or boat dealer] shall furnish with the application a corporate surety bond or an irrevocable letter of credit as defined in section 400.5-103, RSMo, issued by any state or federal financial institution in the penal sum of [twenty-five] **seventy-five** thousand dollars on a form approved by the department. **Every applicant for a license other than as a new motor vehicle franchise dealer or used motor vehicle dealer shall furnish with the application such corporate surety bond or irrevocable letter of credit in the penal sum of twenty-five thousand dollars.** [The] Any bond or irrevocable letter of credit shall be conditioned upon the dealer complying with the provisions of the statutes applicable to new motor vehicle franchise dealers, used motor vehicle dealers, wholesale motor vehicle dealers and boat dealers, and the bond shall be an indemnity for any loss sustained by reason of the acts of the person bonded when such acts constitute grounds for the suspension or revocation of the dealer's license. The bond shall be executed in the name of the state of Missouri for the benefit of all aggrieved parties or the irrevocable letter of credit shall name the state of Missouri as the beneficiary; except, that the aggregate liability of the surety or financial institution to the aggrieved parties shall, in no event, exceed the amount of the bond or irrevocable letter of credit. The proceeds of the bond or irrevocable letter of credit shall be paid upon receipt by the department of a final judgment from a Missouri court of competent jurisdiction against the principal and in favor of an aggrieved party;

(5) Payment of all necessary license fees as established by the department. In establishing the amount of the annual license fees, the department shall, as near as possible, produce sufficient total income to offset operational expenses of the department relating to the administration of sections 301.550 to 301.573. All fees payable pursuant to the provisions of sections 301.550 to 301.573, other than those fees collected for the issuance of dealer plates or certificates of number collected pursuant to subsection 6 of this section, shall be collected by the department for deposit in the state treasury to the credit of the "Motor Vehicle Commission Fund", which is hereby created. The motor vehicle commission fund shall be administered by the Missouri department of revenue. The provisions of section 33.080, RSMo, to the contrary notwithstanding, money in such fund shall not be transferred and placed to the credit of the general revenue fund until the amount in the motor vehicle commission fund at the end of the biennium exceeds two times the amount of the appropriation from such fund for the preceding fiscal year or, if the department requires permit renewal less frequently than yearly, then three times the appropriation from such

fund for the preceding fiscal year. The amount, if any, in the fund which shall lapse is that amount in the fund which exceeds the multiple of the appropriation from such fund for the preceding fiscal year.

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

3. Upon the initial issuance of a license by the department, the department shall assign a distinctive dealer license number or certificate of number to the applicant and the department shall issue one number plate or certificate bearing the distinctive dealer license number or certificate of number within eight working hours after presentment of the application. Upon the renewal of a boat dealer, boat manufacturer, manufacturer, motor vehicle dealer, public motor vehicle auction, wholesale motor vehicle dealer or wholesale motor vehicle auction, the department shall issue the distinctive dealer license number or certificate of number as quickly as possible. **The department shall issue a separate distinctive dealer license number for each separate bona fide established place of business, regardless of whether such separate locations share common ownership.** The issuance of such distinctive dealer license number or certificate of number shall be in lieu of registering each motor vehicle, trailer, vessel or vessel trailer dealt with by a boat dealer, boat manufacturer, manufacturer, public motor vehicle auction, wholesale motor vehicle dealer, wholesale motor vehicle auction or motor vehicle dealer.

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

New motor vehicle franchise dealers	D-0 through D-999
New motor vehicle franchise and commercial motor vehicle dealers	D-1000 through D-1999
Used motor vehicle dealers	D-2000 through D-5399 and D-6000 through D-9999
Wholesale motor vehicle dealers	W-1000 through W-1999
Wholesale motor vehicle auctions	W-2000 through W-2999
Trailer dealers	T-0 through T-9999
Motor vehicle and trailer manufacturers	M-0 through M-9999
Motorcycle dealers	D-5400 through D-5999
Public motor vehicle auctions	A-1000 through A-1999
Boat dealers and boat manufacturers	B-0 through B-9999

5. Upon the sale of a currently licensed new motor vehicle franchise 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.

6. In the case of manufacturers and motor vehicle dealers, the department shall also issue one number plate bearing the distinctive dealer license number to the applicant upon payment by the manufacturer or dealer of a fifty dollar fee. Such license plates shall be made with fully reflective material with a common color scheme and design, shall be clearly visible at night, and shall be aesthetically attractive, as prescribed by section 301.130. Boat dealers and boat manufacturers shall be entitled to one certificate of number bearing such number upon the payment of a fifty dollar fee. As many additional number plates as may be desired by manufacturers and motor vehicle dealers and as many additional certificates of number as may be desired by boat dealers and boat manufacturers may be obtained upon payment of a fee of ten dollars and fifty cents for each additional plate or certificate. A motor vehicle dealer, boat dealer, manufacturer, boat manufacturer, public motor vehicle auction, wholesale motor vehicle dealer or wholesale motor vehicle auction obtaining a 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.

7. The plates issued pursuant to subsection 3 or 6 of this section may be displayed on any motor vehicle owned and held for resale by the motor vehicle dealer or manufacturer, and used by a customer who is test driving the motor vehicle, or is used 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.

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, but shall not be displayed on any vessel or vessel trailer hired or loaned to others or upon any regularly used service vessel or vessel trailer. Boat dealers and manufacturers may display their certificate of number on a vessel or vessel trailer which is being transported to an exhibit or show.

[365.200. 1. For any motor vehicle which is not subject to the Missouri motor vehicle time sales law as provided in sections 365.010 to 365.160, a

seller is permitted to include in the contractual time sale of a motor vehicle the outstanding balance of a prior loan or lease of a motor vehicle used as a trade-in. For the purposes of this section, a "time sale contract" is a contract evidencing an installment transaction entered into in this state pursuant to which the title to or a lien upon the motor vehicle which is the subject of the installment transaction is retained or taken by the seller from the buyer as security for the buyer's obligation. The term includes a security agreement or a contract for the bailment or leasing of the motor vehicle by which the bailee or lessee contracts to pay as compensation for its use a sum substantially equivalent to or in excess of its value and by which it is agreed that the bailee or lessee is bound to become, or has the option of becoming, the owner of a motor vehicle upon satisfying the contract. "Motor vehicle" is any new or used automobile, mobile home, motorcycle, truck, trailer, semitrailer, truck tractor or bus.

2. Any seller as provided in this section shall first qualify as a retail seller pursuant to sections 365.010 to 365.160.]

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