

SECOND REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 633
96TH GENERAL ASSEMBLY

Reported from the Committee on Transportation, March 8, 2012, with recommendation that the Senate Committee Substitute do pass.

5036S.02C

TERRY L. SPIELER, Secretary.

AN ACT

To repeal section 301.227, RSMo, and to enact in lieu thereof one new section relating to scrap metal operators.

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Section A. Section 301.227, RSMo, is repealed and one new section
2 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
2 rebuilding, the purchaser shall forward to the director of revenue within ten days
3 the certificate of ownership or salvage certificate of title and the proper
4 application and fee of eight dollars and fifty cents, and the director shall issue a
5 negotiable salvage certificate of title to the purchaser of the salvaged vehicle. On
6 vehicles purchased during a year that is no more than six years after the
7 manufacturer's model year designation for such vehicle, it shall be mandatory
8 that the purchaser apply for a salvage title. On vehicles purchased during a year
9 that is more than six years after the manufacturer's model year designation for
10 such vehicle, then application for a salvage title shall be optional on the part of
11 the purchaser. Whenever a vehicle is sold for destruction and a salvage
12 certificate of title, junking certificate, or certificate of ownership exists, the seller,
13 if licensed under sections 301.217 to 301.221, shall forward the certificate to the
14 director of revenue within ten days, with the notation of the date sold for
15 destruction and the name of the purchaser clearly shown on the face of the
16 certificate.

17 2. Whenever a vehicle is classified as "junk", as defined in section 301.010,
18 the purchaser may forward to the director of revenue the salvage certificate of
19 title or certificate of ownership and the director shall issue a negotiable junking
20 certificate to the purchaser of the vehicle. The director may also issue a junking

21 certificate to a possessor of a vehicle manufactured twenty-six years or more prior
22 to the current model year who has a bill of sale for said vehicle but does not
23 possess a certificate of ownership, provided no claim of theft has been made on
24 the vehicle and the highway patrol has by letter stated the vehicle is not listed
25 as stolen after checking the registration number through its nationwide computer
26 system. Such certificate may be granted within thirty days of the submission of
27 a request.

28 3. Upon receipt of a properly completed application for a junking
29 certificate, the director of revenue shall issue to the applicant a junking
30 certificate which shall authorize the holder to possess, transport, or, by
31 assignment, transfer ownership in such parts, scrap or junk, and a certificate of
32 title shall not again be issued for such vehicle; except that, the initial purchaser
33 shall, within ninety days, be allowed to rescind his application for a junking
34 certificate by surrendering the junking certificate and apply for a salvage
35 certificate of title in his name. The seller of a vehicle for which a junking
36 certificate has been applied for or issued shall disclose such fact in writing to any
37 prospective buyers before sale of such vehicle; otherwise the sale shall be voidable
38 at the option of the buyer.

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

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

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

51 7. Notwithstanding any other provision of this section, a motor vehicle
52 dealer as defined in section 301.550 and licensed under the provisions of sections
53 301.550 to 301.572 may negotiate one reassignment of a salvage certificate of title
54 on the back thereof.

55 8. Notwithstanding the provisions of subsection 1 of this section, an
56 insurance company which settles a claim for a stolen vehicle may apply for and

57 shall be issued a negotiable salvage certificate of title without the payment of any
58 fee upon proper application within thirty days after settlement of the claim for
59 such stolen vehicle. However, if the insurance company upon recovery of a stolen
60 vehicle determines that the stolen vehicle has not sustained damage to the extent
61 that the vehicle would have otherwise been declared a salvage vehicle pursuant
62 to subdivision (51) of section 301.010, then the insurance company may have the
63 vehicle inspected by the Missouri state highway patrol, or other law enforcement
64 agency authorized by the director of revenue, in accordance with the inspection
65 provisions of subsection 9 of section 301.190. Upon receipt of title application,
66 applicable fee, the completed inspection, and the return of any previously issued
67 negotiable salvage certificate, the director shall issue an original title with no
68 salvage or prior salvage designation. Upon the issuance of an original title the
69 director shall remove any indication of the negotiable salvage title previously
70 issued to the insurance company from the department's electronic records.

71 **9. Notwithstanding subsection 4 of this section or any other**
72 **provision of the law to the contrary, if the motor vehicle is inoperable**
73 **and is at least ten model years old, or the parts are from a motor**
74 **vehicle that is inoperable and is at least ten model years old, the scrap**
75 **metal operator may purchase such motor vehicle or parts without**
76 **acquiring the original certificate of title, salvage certificate of title, or**
77 **junking certificate from the seller of the vehicle or parts, provided the**
78 **scrap metal operator verifies with the department of revenue that no**
79 **liens exist on such motor vehicle. In addition, the scrap metal operator**
80 **shall submit a copy of the seller's state identification along with a bill**
81 **of sale, designed by the director, certifying that the motor vehicle is at**
82 **least ten model years old, is inoperable, and that the seller has the legal**
83 **authority to sell or otherwise transfer the seller's interest in the motor**
84 **vehicle or parts. Upon receipt of the information required by this**
85 **subsection, the department of revenue shall cancel any certificate of**
86 **title and registration for the motor vehicle. If the motor vehicle is**
87 **inoperable and at least twenty model years old, then the scrap metal**
88 **operator shall not be required to verify the existence of liens with the**
89 **department of revenue. As used in this subsection, the term**
90 **"inoperable" means a motor vehicle that is in a rusted, wrecked,**
91 **discarded, worn out, extensively damaged, dismantled, and**
92 **mechanically inoperative condition. The director of the department of**

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

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Bill

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