

SECOND REGULAR SESSION

SENATE BILL NO. 597

97TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOLSMAN.

Pre-filed December 3, 2013, and ordered printed.

TERRY L. SPIELER, Secretary.

4258S.011

AN ACT

To repeal section 301.227, RSMo, and to enact in lieu thereof one new section relating to the duty of scrap metal operators to obtain certificates of title for certain 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Section A. Section 301.227, RSMo, is repealed and one new section
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

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

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 provision of
72 the law to the contrary, if a motor vehicle is inoperable and is at least ten model
73 years old, or the parts are from a motor vehicle that is inoperable and is at least
74 ten model years old, a scrap metal operator may purchase or acquire such motor
75 vehicle or parts without receiving the original certificate of title, salvage
76 certificate of title, or junking certificate from the seller of the vehicle or parts,
77 provided the scrap metal operator verifies with the department of revenue, via
78 the department's online record access, that the motor vehicle is not subject to any
79 recorded security interest or lien and the scrap metal operator complies with the
80 requirements of this subsection. In lieu of forwarding certificates of titles for
81 such motor vehicles as required by subsection 5 of this section, the scrap metal
82 operator shall forward a copy of the seller's state identification along with a bill
83 of sale to the department of revenue. The bill of sale form shall be designed by
84 the director and such form shall include, but not be limited to, a certification that
85 the motor vehicle is at least ten model years old, is inoperable, is not subject to
86 any recorded security interest or lien, and a certification by the seller that the
87 seller has the legal authority to sell or otherwise transfer the seller's interest in
88 the motor vehicle or parts. Upon receipt of the information required by this
89 subsection, the department of revenue shall cancel any certificate of title and
90 registration for the motor vehicle. If the motor vehicle is inoperable and at least

91 twenty model years old, then the scrap metal operator shall not be required to
92 verify with the department of revenue whether the motor vehicle is subject to any
93 recorded security interests or liens. As used in this subsection, the term
94 "inoperable" means a motor vehicle that is in a rusted, wrecked, discarded, worn
95 out, extensively damaged, dismantled, and mechanically inoperative condition
96 and the vehicle's highest and best use is for scrap purposes. The director of the
97 department of revenue is directed to promulgate rules and regulations to
98 implement and administer the provisions of this section, including but not limited
99 to, the development of a uniform bill of sale. Any rule or portion of a rule, as that
100 term is defined in section 536.010, that is created under the authority delegated
101 in this section shall become effective only if it complies with and is subject to all
102 of the provisions of chapter 536 and, if applicable, section 536.028. This section
103 and chapter 536 are nonseverable and if any of the powers vested with the
104 general assembly pursuant to chapter 536 to review, to delay the effective date,
105 or to disapprove and annul a rule are subsequently held unconstitutional, then
106 the grant of rulemaking authority and any rule proposed or adopted after August
107 28, 2012, shall be invalid and void.]

Bill ✓

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