

FIRST REGULAR SESSION

# SENATE BILL NO. 172

99TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR ROMINE.

Pre-filed December 1, 2016, and ordered printed.

ADRIANE D. CROUSE, Secretary.

0556S.011

## AN ACT

To repeal section 301.227, RSMo, and to enact in lieu thereof one new section relating to titling of motor vehicles issued a junking certificate.

*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Section A. Section 301.227, RSMo, is repealed and one new section  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 a properly completed  
19 application for a junking certificate as well as the salvage certificate of title or

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

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

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

45           4. No scrap metal operator shall acquire or purchase a motor vehicle or  
46 parts thereof without, at the time of such acquisition, receiving the original  
47 certificate of ownership or salvage certificate of title or junking certificate from  
48 the seller of the vehicle or parts, unless the seller is a licensee under sections  
49 301.219 to 301.221.

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

53           6. The scrap metal operator shall keep a record, for three years, of the  
54 seller's name and address, the salvage business license number of the licensee,  
55 date of purchase, and any vehicle or parts identification numbers open for

56 inspection as provided in section 301.225.

57           7. Notwithstanding any other provision of this section, a motor vehicle  
58 dealer as defined in section 301.550 and licensed under the provisions of sections  
59 301.550 to 301.572 may negotiate one reassignment of a salvage certificate of title  
60 on the back thereof.

61           8. Notwithstanding the provisions of subsection 1 of this section, an  
62 insurance company which settles a claim for a stolen vehicle may apply for and  
63 shall be issued a negotiable salvage certificate of title without the payment of any  
64 fee upon proper application within thirty days after settlement of the claim for  
65 such stolen vehicle. However, if the insurance company upon recovery of a stolen  
66 vehicle determines that the stolen vehicle has not sustained damage to the extent  
67 that the vehicle would have otherwise been declared a salvage vehicle pursuant  
68 to subdivision (51) of section 301.010, then the insurance company may have the  
69 vehicle inspected by the Missouri state highway patrol, or other law enforcement  
70 agency authorized by the director of revenue, in accordance with the inspection  
71 provisions of subsection 9 of section 301.190. Upon receipt of title application,  
72 applicable fee, the completed inspection, and the return of any previously issued  
73 negotiable salvage certificate, the director shall issue an original title with no  
74 salvage or prior salvage designation. Upon the issuance of an original title the  
75 director shall remove any indication of the negotiable salvage title previously  
76 issued to the insurance company from the department's electronic records.

77           9. Notwithstanding subsection 4 of this section or any other provision of  
78 the law to the contrary, if a motor vehicle is inoperable and is at least ten model  
79 years old, or the parts are from a motor vehicle that is inoperable and is at least  
80 ten model years old, a scrap metal operator may purchase or acquire such motor  
81 vehicle or parts without receiving the original certificate of ownership, salvage  
82 certificate of title, or junking certificate from the seller of the vehicle or parts,  
83 provided the scrap metal operator verifies with the department of revenue, via  
84 the department's online record access, that the motor vehicle is not subject to any  
85 recorded security interest or lien and the scrap metal operator complies with the  
86 requirements of this subsection. In lieu of forwarding certificates of title or  
87 ownership for such motor vehicles as required by subsection 5 of this section, the  
88 scrap metal operator shall forward a copy of the seller's state identification along  
89 with a bill of sale to the department of revenue. The bill of sale form shall be  
90 designed by the director and such form shall include, but not be limited to, a  
91 certification that the motor vehicle is at least ten model years old, is inoperable,

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

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