

FIRST REGULAR SESSION

SENATE BILL NO. 505

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR BROWN.

Read 1st time February 28, 2019, and ordered printed.

ADRIANE D. CROUSE, Secretary.

2165S.02I

AN ACT

To repeal sections 144.070 and 301.032, RSMo, and to enact in lieu thereof two new sections relating to motor vehicles.

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

Section A. Sections 144.070 and 301.032, RSMo, are repealed and two new
2 sections enacted in lieu thereof, to be known as sections 144.070 and 301.032, to
3 read as follows:

144.070. 1. At the time the owner of any new or used motor vehicle,
2 trailer, boat, or outboard motor which was acquired in a transaction subject to
3 sales tax under the Missouri sales tax law makes application to the director of
4 revenue for an official certificate of title and the registration of the motor vehicle,
5 trailer, boat, or outboard motor as otherwise provided by law, the owner shall
6 present to the director of revenue evidence satisfactory to the director of revenue
7 showing the purchase price exclusive of any charge incident to the extension of
8 credit paid by or charged to the applicant in the acquisition of the motor vehicle,
9 trailer, boat, or outboard motor, or that no sales tax was incurred in its
10 acquisition, and if sales tax was incurred in its acquisition, the applicant shall
11 pay or cause to be paid to the director of revenue the sales tax provided by the
12 Missouri sales tax law in addition to the registration fees now or hereafter
13 required according to law, and the director of revenue shall not issue a certificate
14 of title for any new or used motor vehicle, trailer, boat, or outboard motor subject
15 to sales tax as provided in the Missouri sales tax law until the tax levied for the
16 sale of the same under sections 144.010 to 144.510 has been paid as provided in
17 this section or is registered under the provisions of subsection 5 of this section.

18 2. As used in subsection 1 of this section, the term "purchase price" shall

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

19 mean the total amount of the contract price agreed upon between the seller and
20 the applicant in the acquisition of the motor vehicle, trailer, boat, or outboard
21 motor, regardless of the medium of payment therefor.

22 3. In the event that the purchase price is unknown or undisclosed, or that
23 the evidence thereof is not satisfactory to the director of revenue, the same shall
24 be fixed by appraisalment by the director.

25 4. The director of the department of revenue shall endorse upon the
26 official certificate of title issued by the director upon such application an entry
27 showing that such sales tax has been paid or that the motor vehicle, trailer, boat,
28 or outboard motor represented by such certificate is exempt from sales tax and
29 state the ground for such exemption.

30 5. Any person, company, or corporation engaged in the business of renting
31 or leasing motor vehicles, trailers, boats, or outboard motors, which are to be used
32 exclusively for rental or lease purposes, and not for resale, may apply to the
33 director of revenue for authority to operate as a leasing **or rental** company **and**
34 **pay an annual fee of two hundred fifty dollars for such authority.** Any
35 company approved by the director of revenue may pay the tax due on any motor
36 vehicle, trailer, boat, or outboard motor as required in section 144.020 at the time
37 of registration thereof or in lieu thereof may pay a sales tax as provided in
38 sections 144.010, 144.020, 144.070 and 144.440. A sales tax shall be charged to
39 and paid by a leasing company which does not exercise the option of paying in
40 accordance with section 144.020, on the amount charged for each rental or lease
41 agreement while the motor vehicle, trailer, boat, or outboard motor is domiciled
42 in this state. Any motor vehicle, trailer, boat, or outboard motor which is leased
43 as the result of a contract executed in this state shall be presumed to be
44 domiciled in this state.

45 6. **Every applicant to be a lease or rental company shall furnish**
46 **with the application a corporate surety bond or irrevocable letter of**
47 **credit, as defined in section 400.5-102, issued by any state or federal**
48 **financial institution in the penal sum of one hundred thousand dollars,**
49 **on a form approved by the department. The bond or irrevocable letter**
50 **of credit shall be conditioned upon the lease or rental company**
51 **complying with the provisions of any statutes applicable to lease or**
52 **rental companies, and the bond shall be an indemnity for any loss**
53 **sustained by reason of the acts of the person bonded when such acts**
54 **constitute grounds for the suspension or revocation of the lease or**

55 rental license. The bond shall be executed in the name of the state of
56 Missouri for the benefit of all aggrieved parties or the irrevocable
57 letter of credit shall name the state of Missouri as the beneficiary;
58 except that, the aggregate liability of the surety or financial institution
59 to the aggrieved parties shall, in no event, exceed the amount of the
60 bond or irrevocable letter of credit. The proceeds of the bond or
61 irrevocable letter of credit shall be paid upon receipt by the
62 department of a final judgment from a Missouri court of competent
63 jurisdiction against the principal and in favor of an aggrieved party.

64 7. Any corporation may have one or more of its divisions separately apply
65 to the director of revenue for authorization to operate as a leasing company,
66 provided that the corporation:

67 (1) Has filed a written consent with the director authorizing any of its
68 divisions to apply for such authority;

69 (2) Is authorized to do business in Missouri;

70 (3) Has agreed to treat any sale of a motor vehicle, trailer, boat, or
71 outboard motor from one of its divisions to another of its divisions as a sale at
72 retail;

73 (4) Has registered under the fictitious name provisions of sections 417.200
74 to 417.230 each of its divisions doing business in Missouri as a leasing company;
75 and

76 (5) Operates each of its divisions on a basis separate from each of its other
77 divisions. However, when the transfer of a motor vehicle, trailer, boat or
78 outboard motor occurs within a corporation which holds a license to operate as
79 a motor vehicle or boat dealer pursuant to sections 301.550 to 301.573 the
80 provisions in subdivision (3) of this subsection shall not apply.

81 [7.] 8. If the owner of any motor vehicle, trailer, boat, or outboard motor
82 desires to charge and collect sales tax as provided in this section, the owner shall
83 make application to the director of revenue for a permit to operate as a motor
84 vehicle, trailer, boat, or outboard motor leasing company. The director of revenue
85 shall promulgate rules and regulations determining the qualifications of such a
86 company, and the method of collection and reporting of sales tax charged and
87 collected. Such regulations shall apply only to owners of motor vehicles, trailers,
88 boats, or outboard motors, electing to qualify as motor vehicle, trailer, boat, or
89 outboard motor leasing companies under the provisions of subsection 5 of this
90 section, and no motor vehicle renting or leasing, trailer renting or leasing, or boat

91 or outboard motor renting or leasing company can come under sections 144.010,
92 144.020, 144.070 and 144.440 unless all motor vehicles, trailers, boats, and
93 outboard motors held for renting and leasing are included.

94 **9. Any person, company, or corporation engaged in the business**
95 **of renting or leasing three thousand five hundred or more motor**
96 **vehicles which are to be used exclusively for rental or leasing purposes**
97 **and not for resale, and that has applied to the director of revenue for**
98 **authority to operate as a leasing company may also operate as a**
99 **registered fleet owner as prescribed in section 301.032.**

100 [8.] **10.** Beginning July 1, 2010, any motor vehicle dealer licensed under
101 section 301.560 engaged in the business of selling motor vehicles or trailers may
102 apply to the director of revenue for authority to collect and remit the sales tax
103 required under this section on all motor vehicles sold by the motor vehicle dealer.
104 A motor vehicle dealer receiving authority to collect and remit the tax is subject
105 to all provisions under sections 144.010 to 144.525. Any motor vehicle dealer
106 authorized to collect and remit sales taxes on motor vehicles under this
107 subsection shall be entitled to deduct and retain an amount equal to two percent
108 of the motor vehicle sales tax pursuant to section 144.140. Any amount of the tax
109 collected under this subsection that is retained by a motor vehicle dealer
110 pursuant to section 144.140 shall not constitute state revenue. In no event shall
111 revenues from the general revenue fund or any other state fund be utilized to
112 compensate motor vehicle dealers for their role in collecting and remitting sales
113 taxes on motor vehicles. In the event this subsection or any portion thereof is
114 held to violate Article IV, Section 30(b) of the Missouri Constitution, no motor
115 vehicle dealer shall be authorized to collect and remit sales taxes on motor
116 vehicles under this section. No motor vehicle dealer shall seek compensation
117 from the state of Missouri or its agencies if a court of competent jurisdiction
118 declares that the retention of two percent of the motor vehicle sales tax is
119 unconstitutional and orders the return of such revenues.

301.032. 1. Notwithstanding the provisions of sections 301.030 and
2 301.035 to the contrary, the director of revenue shall establish a system of
3 registration of all fleet vehicles owned or purchased by a fleet owner registered
4 pursuant to this section. The director of revenue shall prescribe the forms for
5 such fleet registration and the forms and procedures for the registration updates
6 prescribed in this section. Any owner of ten or more motor vehicles which must
7 be registered in accordance with this chapter may register as a fleet owner. All

8 registered fleet owners may, at their option, register all motor vehicles included
9 in the fleet on a calendar year or biennial basis pursuant to this section in lieu
10 of the registration periods provided in sections 301.030, 301.035, and
11 301.147. The director shall issue an identification number to each registered
12 owner of fleet vehicles.

13 2. All fleet vehicles included in the fleet of a registered fleet owner shall
14 be registered during April of the corresponding year or on a prorated basis as
15 provided in subsection 3 of this section. Fees of all vehicles in the fleet to be
16 registered on a calendar year basis or on a biennial basis shall be payable not
17 later than the last day of April of the corresponding year, with two years' fees due
18 for biennially-registered vehicles. Notwithstanding the provisions of section
19 307.355, an application for registration of a fleet vehicle must be accompanied by
20 a certificate of inspection and approval issued no more than one hundred twenty
21 days prior to the date of application. The fees for vehicles added to the fleet
22 which must be licensed at the time of registration shall be payable at the time of
23 registration, except that when such vehicle is licensed between July first and
24 September thirtieth the fee shall be three-fourths the annual fee, when licensed
25 between October first and December thirty-first the fee shall be one-half the
26 annual fee and when licensed on or after January first the fee shall be one-fourth
27 the annual fee. When biennial registration is sought for vehicles added to a fleet,
28 an additional year's annual fee will be added to the partial year's prorated fee.

29 3. At any time during the calendar year in which an owner of a fleet
30 purchases or otherwise acquires a vehicle which is to be added to the fleet or
31 transfers plates to a fleet vehicle, the owner shall present to the director of
32 revenue the identification number as a fleet number and may register the vehicle
33 for the partial year as provided in subsection 2 of this section. The fleet owner
34 shall also be charged a transfer fee of two dollars for each vehicle so transferred
35 pursuant to this subsection.

36 4. Except as specifically provided in this subsection, all fleet vehicles
37 registered pursuant to this section shall be issued a special license plate which
38 shall have the words "Fleet Vehicle" in place of the words "Show-Me State" in the
39 manner prescribed by the advisory committee established in section
40 301.129. Alternatively, for a one-time additional five dollar per-vehicle fee
41 beyond the regular registration fee, a fleet owner of at least fifty fleet vehicles
42 may apply for fleet license plates bearing a company name or logo, the size and
43 design thereof subject to approval by the director. All fleet license plates shall

44 be made with fully reflective material with a common color scheme and design,
45 shall be clearly visible at night, and shall be aesthetically attractive, as
46 prescribed by section 301.130. Fleet vehicles shall be issued multiyear license
47 plates as provided in this section which shall not require issuance of a renewal
48 tab. Upon payment of appropriate registration fees, the director of revenue shall
49 issue a registration certificate or other suitable evidence of payment of the annual
50 or biennial fee, and such evidence of payment shall be carried at all times in the
51 vehicle for which it is issued. [The director of revenue shall promulgate rules and
52 regulations establishing the procedure for application and issuance of fleet vehicle
53 license plates.]

54 5. Notwithstanding the provisions of sections 307.350 to 307.390 to the
55 contrary, a fleet vehicle registered in Missouri is exempt from the requirements
56 of sections 307.350 to 307.390 if at the time of the annual fleet registration, such
57 fleet vehicle is situated outside the state of Missouri.

58 **6. Notwithstanding any other provisions of law to the contrary,**
59 **any person, company, or corporation engaged in the business of renting**
60 **or leasing three thousand five hundred or more motor vehicles which**
61 **are to be used exclusively for rental or leasing purposes and not for**
62 **resale, that has applied to the director of revenue for authority to**
63 **operate as a lease or rental company as prescribed in section 144.070**
64 **may operate as a registered fleet owner as prescribed in the provisions**
65 **of this subsection to subsection 10 of this section.**

66 **(1) The director of revenue may issue license plates after**
67 **presentment of an application, as designed by the director, and**
68 **payment of an annual fee of three thousand six hundred dollars for the**
69 **first one hundred plates and thirty-six dollars for each additional**
70 **plate. The payment and issuance of such plates shall be in lieu of**
71 **registering each motor vehicle with the director as otherwise provided**
72 **by law.**

73 **(2) Such motor vehicles within the fleet shall not be exempted**
74 **from the safety inspection and emissions inspection provisions as**
75 **prescribed in chapters 307 and 643, but notwithstanding the provisions**
76 **of section 307.355, such inspections shall not be required to be**
77 **presented to the director of revenue.**

78 **7. A recipient of a lease or rental company license issued by the**
79 **director of revenue as prescribed in section 144.070 operating as a**

80 registered fleet owner under this section shall register such fleet with
81 the director of revenue on an annual or biennial basis in lieu of the
82 individual motor vehicle registration periods as prescribed in sections
83 301.030, 301.035, and 301.147. If an applicant elects a biennial fleet
84 registration, the annual fleet license plate fees prescribed in
85 subdivision (1) of subsection 6 of this section shall be doubled. An
86 agent fee as prescribed in subdivision (1) of subsection 1 of section
87 136.055 shall apply to the issuance of fleet registrations issued under
88 subsections 6 to 10 of this section, and if a biennial fleet registration is
89 elected, the agent fee shall be collected in an amount equal to the fee
90 for two years.

91 8. Prior to the issuance of fleet license plates under subsections
92 6 to 10 of this section, the applicant shall provide proof of insurance as
93 required under section 303.024 or 303.026.

94 9. The authority of a recipient of a lease or rental company
95 license issued by the director of revenue as prescribed in section
96 144.070 to operate as a fleet owner as provided in this section shall
97 expire on January 1 of the licensure period.

98 10. A lease or rental company operating fleet license plates
99 issued under subsections 6 to 10 of this section shall make available,
100 upon request, to the director of revenue and all Missouri law
101 enforcement agencies any corresponding vehicle and registration
102 information that may be requested as prescribed by rule.

103 11. The director shall make all necessary rules and regulations
104 for the administration of this section and shall design all necessary
105 forms required by this section. Any rule or portion of a rule, as that
106 term is defined in section 536.010, that is created under the authority
107 delegated in this section shall become effective only if it complies with
108 and is subject to all the provisions of chapter 536, and, if applicable,
109 section 536.028. This section and chapter 536 are nonseverable and if
110 any of the powers vested with the general assembly under chapter 536
111 to review, to delay the effective date, or to disapprove and annul a rule
112 are subsequently held unconstitutional, then the grant of rulemaking
113 authority and any rule proposed or adopted after August 28, 2019, shall
114 be invalid and void.

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