

SECOND REGULAR SESSION

# SENATE BILL NO. 594

97TH GENERAL ASSEMBLY

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INTRODUCED BY SENATOR LIBLA.

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

TERRY L. SPIELER, Secretary.

4501S.011

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## 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.

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*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Section A. Section 301.227, RSMo, is repealed and one new section  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]  
73 **twenty** model years old, or the parts are from a motor vehicle that is inoperable  
74 and is at least [ten] **twenty** model years old, a scrap metal operator may  
75 purchase or acquire such motor vehicle or parts without receiving the original  
76 certificate of title, salvage certificate of title, or junking certificate from the seller  
77 of the vehicle or parts, [provided the scrap metal operator verifies with the  
78 department of revenue, via the department's online record access, that the motor  
79 vehicle is not subject to any recorded security interest or lien] and the scrap  
80 metal operator complies with the requirements of this subsection. In lieu of  
81 forwarding certificates of titles for such motor vehicles as required by subsection  
82 5 of this section, the scrap metal operator shall forward a copy of the seller's state  
83 identification along with a bill of sale to the department of revenue. The bill of  
84 sale form shall be designed by the director and such form shall include, but not  
85 be limited to, a certification that the motor vehicle is at least [ten] **twenty** model  
86 years old, is inoperable, [is not subject to any recorded security interest or lien,]  
87 and a certification by the seller that the seller has the legal authority to sell or  
88 otherwise transfer the seller's interest in the motor vehicle or parts. Upon receipt  
89 of the information required by this subsection, the department of revenue shall  
90 cancel any certificate of title and registration for the motor vehicle. [If the motor

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

Bill ✓

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