

SECOND REGULAR SESSION

# SENATE BILL NO. 774

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR BROWN.

Pre-filed December 6, 2019, and ordered printed.

ADRIANE D. CROUSE, Secretary.

4211S.011

## AN ACT

To repeal sections 301.560 and 301.564, RSMo, and to enact in lieu thereof two new sections relating to responsibilities of the Missouri state highway patrol.

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

Section A. Sections 301.560 and 301.564, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 301.560 and 301.564, to read as follows:

301.560. 1. In addition to the application forms prescribed by the department, each applicant shall submit the following to the department:

(1) Every application other than a renewal application for a motor vehicle franchise dealer shall include a certification that the applicant has a bona fide established place of business. Such application shall include an annual certification that the applicant has a bona fide established place of business for the first three years and only for every other year thereafter. The certification shall be performed by a uniformed member of the Missouri state highway patrol or authorized or designated employee stationed in the troop area in which the applicant's place of business is located; except that in counties of the first classification, certification may be performed by an officer of a metropolitan police department when the applicant's established place of business of distributing or selling motor vehicles or trailers is in the metropolitan area where the certifying metropolitan police officer is employed. When the application is being made for licensure as a boat manufacturer or boat dealer, certification shall be performed by a [uniformed member of the Missouri state water patrol stationed in the district area in which the applicant's place of business is located or by a] uniformed member of the Missouri state highway patrol **or authorized or**

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

19 **designated employee** stationed in the troop area in which the applicant's place  
20 of business is located or, if the applicant's place of business is located within the  
21 jurisdiction of a metropolitan police department in a first class county, by an  
22 officer of such metropolitan police department. A bona fide established place of  
23 business for any new motor vehicle franchise dealer, used motor vehicle dealer,  
24 boat dealer, powersport dealer, wholesale motor vehicle dealer, trailer dealer, or  
25 wholesale or public auction shall be a permanent enclosed building or structure,  
26 either owned in fee or leased and actually occupied as a place of business by the  
27 applicant for the selling, bartering, trading, servicing, or exchanging of motor  
28 vehicles, boats, personal watercraft, or trailers and wherein the public may  
29 contact the owner or operator at any reasonable time, and wherein shall be kept  
30 and maintained the books, records, files and other matters required and  
31 necessary to conduct the business. The applicant shall maintain a working  
32 telephone number during the entire registration year which will allow the public,  
33 the department, and law enforcement to contact the applicant during regular  
34 business hours. The applicant shall also maintain an email address during the  
35 entire registration year which may be used for official correspondence with the  
36 department. In order to qualify as a bona fide established place of business for  
37 all applicants licensed pursuant to this section there shall be an exterior sign  
38 displayed carrying the name of the business set forth in letters at least six inches  
39 in height and clearly visible to the public and there shall be an area or lot which  
40 shall not be a public street on which multiple vehicles, boats, personal watercraft,  
41 or trailers may be displayed. The sign shall contain the name of the dealership  
42 by which it is known to the public through advertising or otherwise, which need  
43 not be identical to the name appearing on the dealership's license so long as such  
44 name is registered as a fictitious name with the secretary of state, has been  
45 approved by its line-make manufacturer in writing in the case of a new motor  
46 vehicle franchise dealer and a copy of such fictitious name registration has been  
47 provided to the department. Dealers who sell only emergency vehicles as defined  
48 in section 301.550 are exempt from maintaining a bona fide place of business,  
49 including the related law enforcement certification requirements, and from  
50 meeting the minimum yearly sales;

51 (2) The initial application for licensure shall include a photograph, not to  
52 exceed eight inches by ten inches but no less than five inches by seven inches,  
53 showing the business building, lot, and sign. A new motor vehicle franchise  
54 dealer applicant who has purchased a currently licensed new motor vehicle

55 franchised dealership shall be allowed to submit a photograph of the existing  
56 dealership building, lot and sign but shall be required to submit a new  
57 photograph upon the installation of the new dealership sign as required by  
58 sections 301.550 to 301.580. Applicants shall not be required to submit a  
59 photograph annually unless the business has moved from its previously licensed  
60 location, or unless the name of the business or address has changed, or unless the  
61 class of business has changed;

62 (3) Every applicant as a new motor vehicle franchise dealer, a used motor  
63 vehicle dealer, a powersport dealer, a wholesale motor vehicle dealer, trailer  
64 dealer, or boat dealer shall furnish with the application a corporate surety bond  
65 or an irrevocable letter of credit as defined in section 400.5-102, issued by any  
66 state or federal financial institution in the penal sum of fifty thousand dollars on  
67 a form approved by the department. The bond or irrevocable letter of credit shall  
68 be conditioned upon the dealer complying with the provisions of the statutes  
69 applicable to new motor vehicle franchise dealers, used motor vehicle dealers,  
70 powersport dealers, wholesale motor vehicle dealers, trailer dealers, and boat  
71 dealers, and the bond shall be an indemnity for any loss sustained by reason of  
72 the acts of the person bonded when such acts constitute grounds for the  
73 suspension or revocation of the dealer's license. The bond shall be executed in  
74 the name of the state of Missouri for the benefit of all aggrieved parties or the  
75 irrevocable letter of credit shall name the state of Missouri as the beneficiary;  
76 except, that the aggregate liability of the surety or financial institution to the  
77 aggrieved parties shall, in no event, exceed the amount of the bond or irrevocable  
78 letter of credit. The proceeds of the bond or irrevocable letter of credit shall be  
79 paid upon receipt by the department of a final judgment from a Missouri court of  
80 competent jurisdiction against the principal and in favor of an aggrieved  
81 party. Additionally, every applicant as a new motor vehicle franchise dealer, a  
82 used motor vehicle dealer, a powersport dealer, a wholesale motor vehicle dealer,  
83 or boat dealer shall furnish with the application a copy of a current dealer garage  
84 policy bearing the policy number and name of the insurer and the insured;

85 (4) Payment of all necessary license fees as established by the  
86 department. In establishing the amount of the annual license fees, the  
87 department shall, as near as possible, produce sufficient total income to offset  
88 operational expenses of the department relating to the administration of sections  
89 301.550 to 301.580. All fees payable pursuant to the provisions of sections  
90 301.550 to 301.580, other than those fees collected for the issuance of dealer

91 plates or certificates of number collected pursuant to subsection 6 of this section,  
92 shall be collected by the department for deposit in the state treasury to the credit  
93 of the "Motor Vehicle Commission Fund", which is hereby created. The motor  
94 vehicle commission fund shall be administered by the Missouri department of  
95 revenue. The provisions of section 33.080 to the contrary notwithstanding, money  
96 in such fund shall not be transferred and placed to the credit of the general  
97 revenue fund until the amount in the motor vehicle commission fund at the end  
98 of the biennium exceeds two times the amount of the appropriation from such  
99 fund for the preceding fiscal year or, if the department requires permit renewal  
100 less frequently than yearly, then three times the appropriation from such fund  
101 for the preceding fiscal year. The amount, if any, in the fund which shall lapse  
102 is that amount in the fund which exceeds the multiple of the appropriation from  
103 such fund for the preceding fiscal year.

104           2. In the event a new vehicle manufacturer, boat manufacturer, motor  
105 vehicle dealer, wholesale motor vehicle dealer, boat dealer, powersport dealer,  
106 wholesale motor vehicle auction, trailer dealer, or a public motor vehicle auction  
107 submits an application for a license for a new business and the applicant has  
108 complied with all the provisions of this section, the department shall make a  
109 decision to grant or deny the license to the applicant within eight working hours  
110 after receipt of the dealer's application, notwithstanding any rule of the  
111 department.

112           3. Except as otherwise provided in subsection 6 of this section, upon the  
113 initial issuance of a license by the department, the department shall assign a  
114 distinctive dealer license number or certificate of number to the applicant and the  
115 department shall issue one number plate or certificate bearing the distinctive  
116 dealer license number or certificate of number and two additional number plates  
117 or certificates of number within eight working hours after presentment of the  
118 application and payment by the applicant of a fee of fifty dollars for the first plate  
119 or certificate and ten dollars and fifty cents for each additional plate or  
120 certificate. Upon renewal, the department shall issue the distinctive dealer  
121 license number or certificate of number as quickly as possible. The issuance of  
122 such distinctive dealer license number or certificate of number shall be in lieu of  
123 registering each motor vehicle, trailer, vessel or vessel trailer dealt with by a boat  
124 dealer, boat manufacturer, manufacturer, public motor vehicle auction, wholesale  
125 motor vehicle dealer, wholesale motor vehicle auction or new or used motor  
126 vehicle dealer. The license plates described in this section shall be made with

127 fully reflective material with a common color scheme and design, shall be clearly  
 128 visible at night, and shall be aesthetically attractive, as prescribed by section  
 129 301.130.

130 4. Notwithstanding any other provision of the law to the contrary, the  
 131 department shall assign the following distinctive dealer license numbers to:

132	New motor vehicle franchise dealers	D-0 through D-999
133	New powersport dealers	D-1000 through D-1999
134	Used motor vehicle and used	
135	powersport dealers	D-2000 through D-9999
136	Wholesale motor vehicle dealers	W-0 through W-1999
137	Wholesale motor vehicle auctions	WA-0 through WA-999
138	New and used trailer dealers	T-0 through T-9999
139	Motor vehicle, trailer, and boat	
140	manufacturers	DM-0 through DM-999
141	Public motor vehicle auctions	A-0 through A-1999
142	Boat dealers	M-0 through M-9999
143	New and used recreational motor	
144	vehicle dealers	RV-0 through RV-999

145 For purposes of this subsection, qualified transactions shall include the purchase  
 146 of salvage titled vehicles by a licensed salvage dealer. A used motor vehicle  
 147 dealer who also holds a salvage dealer's license shall be allowed one additional  
 148 plate or certificate number per fifty-unit qualified transactions annually. In order  
 149 for salvage dealers to obtain number plates or certificates under this section,  
 150 dealers shall submit to the department of revenue on August first of each year a  
 151 statement certifying, under penalty of perjury, the dealer's number of purchases  
 152 during the reporting period of July first of the immediately preceding year to  
 153 June thirtieth of the present year. The provisions of this subsection shall become  
 154 effective on the date the director of the department of revenue begins to reissue  
 155 new license plates under section 301.130, or on December 1, 2008, whichever  
 156 occurs first. If the director of revenue begins reissuing new license plates under  
 157 the authority granted under section 301.130 prior to December 1, 2008, the  
 158 director of the department of revenue shall notify the revisor of statutes of such  
 159 fact.

160 5. Upon the sale of a currently licensed motor vehicle dealership the  
 161 department shall, upon request, authorize the new approved dealer applicant to  
 162 retain the selling dealer's license number and shall cause the new dealer's records

163 to indicate such transfer. If the new approved dealer applicant elects not to  
164 retain the selling dealer's license number, the department shall issue the new  
165 dealer applicant a new dealer's license number and an equal number of plates or  
166 certificates as the department had issued to the selling dealer.

167           6. In the case of motor vehicle dealers, the department shall issue one  
168 number plate bearing the distinctive dealer license number and may issue one  
169 additional number plate to the applicant upon payment by the dealer of a fifty  
170 dollar fee for the number plate bearing the distinctive dealer license number and  
171 ten dollars and fifty cents for the additional number plate. The department may  
172 issue a third plate to the motor vehicle dealer upon completion of the dealer's  
173 fifteenth qualified transaction and payment of a fee of ten dollars and fifty cents.  
174 In the case of new motor vehicle manufacturers, powersport dealers, recreational  
175 motor vehicle dealers, and trailer dealers, the department shall issue one number  
176 plate bearing the distinctive dealer license number and may issue two additional  
177 number plates to the applicant upon payment by the manufacturer or dealer of  
178 a fifty dollar fee for the number plate bearing the distinctive dealer license  
179 number and ten dollars and fifty cents for each additional number plate. Boat  
180 dealers and boat manufacturers shall be entitled to one certificate of number  
181 bearing such number upon the payment of a fifty dollar fee. Additional number  
182 plates and as many additional certificates of number may be obtained upon  
183 payment of a fee of ten dollars and fifty cents for each additional plate or  
184 certificate. New motor vehicle manufacturers shall not be issued or possess more  
185 than three hundred forty-seven additional number plates or certificates of number  
186 annually. New and used motor vehicle dealers, powersport dealers, wholesale  
187 motor vehicle dealers, boat dealers, and trailer dealers are limited to one  
188 additional plate or certificate of number per ten-unit qualified transactions  
189 annually. New and used recreational motor vehicle dealers are limited to two  
190 additional plates or certificate of number per ten-unit qualified transactions  
191 annually for their first fifty transactions and one additional plate or certificate  
192 of number per ten-unit qualified transactions thereafter. An applicant seeking  
193 the issuance of an initial license shall indicate on his or her initial application  
194 the applicant's proposed annual number of sales in order for the director to issue  
195 the appropriate number of additional plates or certificates of number. A motor  
196 vehicle dealer, trailer dealer, boat dealer, powersport dealer, recreational motor  
197 vehicle dealer, motor vehicle manufacturer, boat manufacturer, or wholesale  
198 motor vehicle dealer obtaining a distinctive dealer license plate or certificate of

199 number or additional license plate or additional certificate of number, throughout  
200 the calendar year, shall be required to pay a fee for such license plates or  
201 certificates of number computed on the basis of one-twelfth of the full fee  
202 prescribed for the original and duplicate number plates or certificates of number  
203 for such dealers' licenses, multiplied by the number of months remaining in the  
204 licensing period for which the dealer or manufacturers shall be required to be  
205 licensed. In the event of a renewing dealer, the fee due at the time of renewal  
206 shall not be prorated. Wholesale and public auctions shall be issued a certificate  
207 of dealer registration in lieu of a dealer number plate. In order for dealers to  
208 obtain number plates or certificates under this section, dealers shall submit to  
209 the department of revenue on August first of each year a statement certifying,  
210 under penalty of perjury, the dealer's number of sales during the reporting period  
211 of July first of the immediately preceding year to June thirtieth of the present  
212 year.

213         7. The plates issued pursuant to subsection 3 or 6 of this section may be  
214 displayed on any motor vehicle owned by a new motor vehicle manufacturer. The  
215 plates issued pursuant to subsection 3 or 6 of this section may be displayed on  
216 any motor vehicle or trailer owned and held for resale by a motor vehicle dealer  
217 for use by a customer who is test driving the motor vehicle, for use by any  
218 customer while the customer's vehicle is being serviced or repaired by the motor  
219 vehicle dealer, for use and display purposes during, but not limited to, parades,  
220 private events, charitable events, or for use by an employee or officer, but shall  
221 not be displayed on any motor vehicle or trailer hired or loaned to others or upon  
222 any regularly used service or wrecker vehicle. Motor vehicle dealers may display  
223 their dealer plates on a tractor, truck or trailer to demonstrate a vehicle under  
224 a loaded condition. Trailer dealers may display their dealer license plates in like  
225 manner, except such plates may only be displayed on trailers owned and held for  
226 resale by the trailer dealer.

227         8. The certificates of number issued pursuant to subsection 3 or 6 of this  
228 section may be displayed on any vessel or vessel trailer owned and held for resale  
229 by a boat manufacturer or a boat dealer, and used by a customer who is test  
230 driving the vessel or vessel trailer, or is used by an employee or officer on a vessel  
231 or vessel trailer only, but shall not be displayed on any motor vehicle owned by  
232 a boat manufacturer, boat dealer, or trailer dealer, or vessel or vessel trailer  
233 hired or loaned to others or upon any regularly used service vessel or vessel  
234 trailer. Boat dealers and boat manufacturers may display their certificate of

235 number on a vessel or vessel trailer when transporting a vessel or vessels to an  
236 exhibit or show.

237           9. If any law enforcement officer has probable cause to believe that any  
238 license plate or certificate of number issued under subsection 3 or 6 of this section  
239 is being misused in violation of subsection 7 or 8 of this section, the license plate  
240 or certificate of number may be seized and surrendered to the department.

241           10. (1) Every application for the issuance of a used motor vehicle dealer's  
242 license shall be accompanied by proof that the applicant, within the last twelve  
243 months, has completed an educational seminar course approved by the  
244 department as prescribed by subdivision (2) of this subsection. Wholesale and  
245 public auto auctions and applicants currently holding a new or used license for  
246 a separate dealership shall be exempt from the requirements of this  
247 subsection. The provisions of this subsection shall not apply to current new  
248 motor vehicle franchise dealers or motor vehicle leasing agencies or applicants for  
249 a new motor vehicle franchise or a motor vehicle leasing agency. The provisions  
250 of this subsection shall not apply to used motor vehicle dealers who were licensed  
251 prior to August 28, 2006.

252           (2) The educational seminar shall include, but is not limited to, the dealer  
253 requirements of sections 301.550 to 301.580, the rules promulgated to implement,  
254 enforce, and administer sections 301.550 to 301.580, and any other rules and  
255 regulations promulgated by the department.

301.564. 1. Any person or his agent licensed or registered as a  
2 manufacturer, motor vehicle dealer, wholesale motor vehicle dealer, boat dealer,  
3 wholesale motor vehicle auction or a public motor vehicle auction pursuant to the  
4 provisions of sections 301.550 to 301.580 shall permit an employee of the  
5 department of revenue or any law enforcement official to inspect, during normal  
6 business hours, any of the following documents which are in his possession or  
7 under his custody or control:

8           (1) Any title to any motor vehicle or vessel;

9           (2) Any application for title to any motor vehicle or vessel;

10           (3) Any affidavit provided pursuant to sections 301.550 to 301.580 or  
11 chapter 407;

12           (4) Any assignment of title to any motor vehicle or vessel;

13           (5) Any disclosure statement or other document relating to mileage or  
14 odometer readings required by the laws of the United States or any other state;

15           (6) Any inventory and related documentation.



16           2. For purposes of this section, the term "law enforcement official" shall  
17 mean any of the following:

18           (1) Attorney general, or any person designated by him to make such an  
19 inspection;

20           (2) Any prosecuting attorney or any person designated by a prosecuting  
21 attorney to make such an inspection;

22           (3) Any member **or authorized or designated employee** of the  
23 **Missouri state** highway patrol [or water patrol];

24           (4) Any sheriff or deputy sheriff;

25           (5) Any peace officer certified pursuant to chapter 590 acting in his official  
26 capacity.

✓

Bill

Copy