

SECOND REGULAR SESSION

SENATE BILL NO. 901

98TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOLSMAN.

Read 1st time January 13, 2016, and ordered printed.

ADRIANE D. CROUSE, Secretary.

5069S.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Section A. Section 301.227, RSMo, is repealed and one new section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 a properly completed

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

19 application for a junking certificate as well as the salvage certificate of title or
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 such
33 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
36 vehicle. Notwithstanding the provisions of this subsection, if the vehicle has not
37 previously been classified as a junk vehicle, the applicant making the original
38 junking certification application shall, within ninety days, be allowed to rescind
39 his application for a junking certificate by surrendering the junking certificate
40 and apply for a salvage certificate of title in his name. The seller of a vehicle for
41 which a junking certificate has been applied for or issued shall disclose such fact
42 in writing to any prospective buyers before sale of such vehicle; otherwise the sale
43 shall be voidable at the option of the buyer.

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

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

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

55 inspection as provided in section 301.225.

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

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

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

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

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