

HCS HB 552 -- ASSIGNMENTS OF CERTIFICATES OF TITLE

SPONSOR: Ervin

COMMITTEE ACTION: Voted "do pass" by the Committee on Small Business by a vote of 10 to 0.

This substitute allows licensed motor vehicle dealers to buy and sell motor vehicles without a contemporaneous assignment of the certificate of title. A procedure is established to allow dealers to obtain a duplicate or replacement title in the owner's name, with a power of attorney from the owner, and to sign title assignments on the owner's behalf if the title has been lost, stolen, mutilated, or destroyed.

The liability and damages for the fraudulent misrepresentations by sellers or dealers are specified in the substitute.

FISCAL NOTE: No impact on state funds in FY 2006, FY 2007, and FY 2008.

PROPOSERS: Supporters say that the process of conveying titles to vehicles has changed dramatically in recent years. The consolidation of financial institutions has slowed down the process of moving the actual title certificates. A national bank that holds a lien on a car can take weeks, even months, to send the title when it's paid off as part of a trade-in for a new car. This slow process hampers the dealer's ability to sell cars quickly and efficiently. Spot delivery (actually giving the buyer the keys to a car) is very important to successful auto sales. Requiring the actual certificate to be handed over at the time of the sale causes dealers to lose sales. The bill protects purchasers and lien holders of the vehicles, but allows dealers to sell these vehicles in an efficient manner.

Testifying for the bill were Representative Ervin; and Missouri Automobile Dealers Association.

OPPOSERS: There was no opposition voiced to the committee.

Richard Smreker, Senior Legislative Analyst