

SS SCS HCS HB 1150 -- SALVAGE MOTOR VEHICLES, SCRAP METAL OPERATORS, AND STATUTORY LIENS

This bill changes the laws regarding salvage motor vehicles, scrap metal operators, and statutory liens.

SALVAGE MOTOR VEHICLES (Sections 301.190 and 301.193, RSMo)

An owner presenting a motor vehicle that is at least 10 years old and has been issued a salvage title to a vehicle examination in order to obtain a certificate of ownership with the prior salvage motor vehicle designation cannot be required to repair or restore the vehicle to its original appearance in order to pass or complete the vehicle examination.

The bill allows an insurer who purchases a vehicle that is titled in Missouri through the claims adjustment process for which he or she is unable to obtain a negotiable title to apply to the Department of Revenue for a salvage certificate of title or junking certificate. The application must declare that the insurer has made at least two written attempts to obtain the certificate of title, transfer documents, or other acceptable evidence of title and be accompanied by proof of claims payment from the insurer, proof of delivery of the letters to the vehicle owner, a statement explaining how the vehicle came into the insurer's possession, a description of the vehicle, the current location of the vehicle, and the \$8.50 fee. Thirty days prior to applying for a title, an insurer must notify any owners or lienholders of record for the vehicle that the insurer intends to apply to the department director for a certificate of title for the vehicle. Upon receipt of the application and supporting documents, the department director must search the records of the department to verify the name and address of any owners and any lienholders. Any lienholder will have 30 days to notify the department before the department issues a salvage certificate of title or junking certificate for the vehicle in the name of the insurer.

SCRAP METAL OPERATORS (Section 301.227)

A scrap metal operator is allowed to purchase or acquire an inoperable motor vehicle, or the parts from a vehicle, that is at least 10 model years old without receiving the original certificate of title, salvage certificate of title, or junking certificate from the seller if the scrap metal operator verifies with the Department of Revenue, via the department's online record access, that the motor vehicle is not subject to any recorded security interest or lien. The scrap metal operator must also forward a copy of the seller's state identification, along with a bill of sale, to the department. The bill of sale

form, which must be designed by the department director, must include a certification that the motor vehicle is at least 10 model years old, is inoperable, and is not subject to any recorded security interest or lien and a certification by the seller that he or she has the legal authority to sell the vehicle or parts. Upon receipt of this information, the department must cancel any certificate of title and registration for the motor vehicle. If the motor vehicle is inoperable and at least 20 model years old, the scrap metal operator cannot be required to verify whether the motor vehicle is subject to any recorded security interests or liens.

"Inoperable" means a motor vehicle that is in a rusted, wrecked, discarded, worn out, extensively damaged, dismantled, and mechanically inoperative condition, and the vehicle's highest and best use is for scrap purposes.

#### WATERCRAFT, VEHICLE, AND TRAILER LIENS (Sections 301.600 and 306.400)

Currently, on a refinance of a loan secured by a watercraft, motor vehicle, or trailer, a lien is perfected by delivering the notice of lien to the Director of the Department of Revenue. The bill specifies that this provision applies only to a refinance by a different lender on a prior loan.

#### AIRCRAFT LIENS (Sections 430.020 and 430.082)

Currently, a statement regarding an aircraft lien is required to be filed within 30 days after surrendering the property. The bill increases that time period to within 180 days. The bill specifies that every person who furnishes labor or material on any aircraft or part or equipment thereof and has obtained a written memorandum of the work or material furnished or to be furnished that has been signed by the owner, authorized agent of the owner, or person in lawful possession of the aircraft, part, or equipment has a lien on the property.

The bill specifies that every person expending labor, services, skill, or material upon an aircraft part or equipment of an aircraft at the written request of its owner, authorized agent of the owner, or person in lawful possession thereof where the maximum amount to be charged has been stated as part of the written request has a lien on the aircraft part or equipment.