

SECOND REGULAR SESSION

HOUSE BILL NO. 1782

97TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES MORGAN (Sponsor), KRATKY, ENGLUND, MCNEIL,
WALTON GRAY, BURNS, ANDERS, ENGLISH, MIMS, RUNIONS, DUNN, LAFAVER, ELLINGER,
MEREDITH AND PACE (Co-sponsors).

4263H.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 301.227, RSMo, and to enact in lieu thereof one new section relating to scrap metal operators.

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Section A. Section 301.227, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 301.227, to read as follows: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 rebuilding, the purchaser shall forward to the director of revenue within ten days the certificate of ownership or salvage certificate of title and the proper application and fee of eight dollars and fifty cents, and the director shall issue a negotiable salvage certificate of title to the purchaser of the salvaged vehicle. On vehicles purchased during a year that is no more than six years after the manufacturer's model year designation for such vehicle, it shall be mandatory that the purchaser apply for a salvage title. On vehicles purchased during a year that is more than six years after the manufacturer's model year designation for such vehicle, then application for a salvage title shall be optional on the part of the purchaser. Whenever a vehicle is sold for destruction and a salvage certificate of title, junking certificate, or certificate of ownership exists, the seller, if licensed under sections 301.217 to 301.221, shall forward the certificate to the director of revenue within ten days, with the notation of the date sold for destruction and the name of the purchaser clearly shown on the face of the certificate.

2. Whenever a vehicle is classified as "junk", as defined in section 301.010, the purchaser may forward to the director of revenue the salvage certificate of title or certificate of

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

16 ownership and the director shall issue a negotiable junking certificate to the purchaser of the
17 vehicle. The director may also issue a junking certificate to a possessor of a vehicle
18 manufactured twenty-six years or more prior to the current model year who has a bill of sale for
19 said vehicle but does not possess a certificate of ownership, provided no claim of theft has been
20 made on the vehicle and the highway patrol has by letter stated the vehicle is not listed as stolen
21 after checking the registration number through its nationwide computer system. Such certificate
22 may be granted within thirty days of the submission of a request.

23 3. Upon receipt of a properly completed application for a junking certificate, the director
24 of revenue shall issue to the applicant a junking certificate which shall authorize the holder to
25 possess, transport, or, by assignment, transfer ownership in such parts, scrap or junk, and a
26 certificate of title shall not again be issued for such vehicle; except that, the initial purchaser
27 shall, within ninety days, be allowed to rescind his application for a junking certificate by
28 surrendering the junking certificate and apply for a salvage certificate of title in his name. The
29 seller of a vehicle for which a junking certificate has been applied for or issued shall disclose
30 such fact in writing to any prospective buyers before sale of such vehicle; otherwise the sale shall
31 be voidable at the option of the buyer.

32 4. No scrap metal operator shall acquire or purchase a motor vehicle or parts thereof
33 without, at the time of such acquisition, receiving the original certificate of title or salvage
34 certificate of title or junking certificate from the seller of the vehicle or parts, unless the seller
35 is a licensee under sections 301.219 to 301.221.

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

39 6. The scrap metal operator shall keep a record, for three years, of the seller's name and
40 address, the salvage business license number of the licensee, date of purchase, and any vehicle
41 or parts identification numbers open for inspection as provided in section 301.225.

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

45 8. Notwithstanding the provisions of subsection 1 of this section, an insurance company
46 which settles a claim for a stolen vehicle may apply for and shall be issued a negotiable salvage
47 certificate of title without the payment of any fee upon proper application within thirty days after
48 settlement of the claim for such stolen vehicle. However, if the insurance company upon
49 recovery of a stolen vehicle determines that the stolen vehicle has not sustained damage to the
50 extent that the vehicle would have otherwise been declared a salvage vehicle pursuant to
51 subdivision (51) of section 301.010, then the insurance company may have the vehicle inspected

52 by the Missouri state highway patrol, or other law enforcement agency authorized by the director
53 of revenue, in accordance with the inspection provisions of subsection 9 of section 301.190.
54 Upon receipt of title application, applicable fee, the completed inspection, and the return of any
55 previously issued negotiable salvage certificate, the director shall issue an original title with no
56 salvage or prior salvage designation. Upon the issuance of an original title the director shall
57 remove any indication of the negotiable salvage title previously issued to the insurance company
58 from the department's electronic records.

59 [9. Notwithstanding subsection 4 of this section or any other provision of the law to the
60 contrary, if a motor vehicle is inoperable and is at least ten model years old, or the parts are from
61 a motor vehicle that is inoperable and is at least ten model years old, a scrap metal operator may
62 purchase or acquire such motor vehicle or parts without receiving the original certificate of title,
63 salvage certificate of title, or junking certificate from the seller of the vehicle or parts, provided
64 the scrap metal operator verifies with the department of revenue, via the department's online
65 record access, that the motor vehicle is not subject to any recorded security interest or lien and
66 the scrap metal operator complies with the requirements of this subsection. In lieu of forwarding
67 certificates of titles for such motor vehicles as required by subsection 5 of this section, the scrap
68 metal operator shall forward a copy of the seller's state identification along with a bill of sale to
69 the department of revenue. The bill of sale form shall be designed by the director and such form
70 shall include, but not be limited to, a certification that the motor vehicle is at least ten model
71 years old, is inoperable, is not subject to any recorded security interest or lien, and a certification
72 by the seller that the seller has the legal authority to sell or otherwise transfer the seller's interest
73 in the motor vehicle or parts. Upon receipt of the information required by this subsection, the
74 department of revenue shall cancel any certificate of title and registration for the motor vehicle.
75 If the motor vehicle is inoperable and at least twenty model years old, then the scrap metal
76 operator shall not be required to verify with the department of revenue whether the motor vehicle
77 is subject to any recorded security interests or liens. As used in this subsection, the term
78 "inoperable" means a motor vehicle that is in a rusted, wrecked, discarded, worn out, extensively
79 damaged, dismantled, and mechanically inoperative condition and the vehicle's highest and best
80 use is for scrap purposes. The director of the department of revenue is directed to promulgate
81 rules and regulations to implement and administer the provisions of this section, including but
82 not limited to, the development of a uniform bill of sale. Any rule or portion of a rule, as that
83 term is defined in section 536.010, that is created under the authority delegated in this section
84 shall become effective only if it complies with and is subject to all of the provisions of chapter
85 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any
86 of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the
87 effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the

88 grant of rulemaking authority and any rule proposed or adopted after August 28, 2012, shall be
89 invalid and void.]

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