

HCS SB 557 -- SALVAGE MOTOR VEHICLE TITLES

SPONSOR: Brown (Franz)

COMMITTEE ACTION: Voted "do pass" by the Committee on General Laws by a vote of 14 to 0.

This substitute specifies that an owner presenting a motor vehicle, which 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 substitute establishes a procedure by which an insurer who purchases a vehicle through the claims adjustments process can obtain a salvage title or junking certificate when an insurer is unable to obtain a negotiable title by making an application to the Department of Revenue. The application must declare that the insurer has made at least two written attempts to obtain the certificate of ownership, 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 indicating how the vehicle came into the insurer's possession, a description of the vehicle, the current location of the vehicle, and the applicable fee. Thirty days prior to making application for title, an insurer must notify any owners or lienholders of record for the vehicle that the owner intends to apply 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 or initiate an inquiry with another state if the vehicle was registered or titled in another state to verify the name and address of any owners and any lienholders. Any lienholder will have 30 days to notify the department before it issues a salvage title or junking certificate to the insurer.

FISCAL NOTE: No impact on state funds in FY 2013, FY 2014, and FY 2015.

PROPOSERS: Supporters say that individuals with rebuilt motor vehicles are having a problem in obtaining a final inspection even if the vehicle is mechanically sound. A vehicle that receives a salvaged designation from an insurance company can be rebuilt and upon the inspection required by the State Highway Patrol, which is only for a determination that no stolen parts are found on the vehicle, the vehicle often fails solely for cosmetic reasons. The bill corrects this issue and makes the process more efficient.

Testifying for the bill were Senator Brown; and Missouri Auto and Truck Recyclers Association.

OPPONENTS: There was no opposition voiced to the committee.

OTHERS: Others testifying say that as the bill is currently written it requires the patrol to inspect these vehicles for any stolen parts a second time, which is not necessary.

Testifying on the bill was State Highway Patrol.