

SECOND REGULAR SESSION

# HOUSE BILL NO. 2555

98TH GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE MORGAN.

6402H.011

D. ADAM CRUMBLISS, Chief Clerk

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## AN ACT

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

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*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Section A. Section 301.227, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 301.227, to read as follows: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 a properly completed application for a junking certificate as well as the salvage certificate of title or certificate of ownership and the director shall issue a negotiable junking certificate to the purchaser of the vehicle. The director may also

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.

18 issue a junking certificate to a possessor of a vehicle manufactured twenty-six years or more  
19 prior to the current model year who has a bill of sale for said vehicle but does not possess a  
20 certificate of ownership, provided no claim of theft has been made on the vehicle and the  
21 highway patrol has by letter stated the vehicle is not listed as stolen after checking the  
22 registration number through its nationwide computer system. Such junking certificate may be  
23 granted within thirty days of the submission of a request. A junking certificate shall authorize  
24 the holder to possess, transport, or, by assignment, transfer ownership in such parts, scrap, or  
25 junk.

26         3. For any vehicle issued a junking certificate or such similar document or classification  
27 pursuant to the laws of another state, regardless of whether such designation has been  
28 subsequently changed by law in any other state, the department shall only issue a junking  
29 certificate, and a salvage certificate of title or original certificate of ownership shall not thereafter  
30 be issued for such vehicle. Notwithstanding the provisions of this subsection, if the vehicle has  
31 not previously been classified as a junk vehicle, the applicant making the original junking  
32 certification application shall, within ninety days, be allowed to rescind his application for a  
33 junking certificate by surrendering the junking certificate and apply for a salvage certificate of  
34 title in his name. The seller of a vehicle for which a junking certificate has been applied for or  
35 issued shall disclose such fact in writing to any prospective buyers before sale of such vehicle;  
36 otherwise the sale shall be voidable at the option of the buyer.

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

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

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

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

50         8. Notwithstanding the provisions of subsection 1 of this section, an insurance company  
51 which settles a claim for a stolen vehicle may apply for and shall be issued a negotiable salvage  
52 certificate of title without the payment of any fee upon proper application within thirty days after  
53 settlement of the claim for such stolen vehicle. However, if the insurance company upon

54 recovery of a stolen vehicle determines that the stolen vehicle has not sustained damage to the  
55 extent that the vehicle would have otherwise been declared a salvage vehicle pursuant to  
56 subdivision (51) of section 301.010, then the insurance company may have the vehicle inspected  
57 by the Missouri state highway patrol, or other law enforcement agency authorized by the director  
58 of revenue, in accordance with the inspection provisions of subsection 9 of section 301.190.  
59 Upon receipt of title application, applicable fee, the completed inspection, and the return of any  
60 previously issued negotiable salvage certificate, the director shall issue an original title with no  
61 salvage or prior salvage designation. Upon the issuance of an original title the director shall  
62 remove any indication of the negotiable salvage title previously issued to the insurance company  
63 from the department's electronic records.

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

90 with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028.  
91 This section and chapter 536 are nonseverable and if any of the powers vested with the general  
92 assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and  
93 annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and  
94 any rule proposed or adopted after August 28, 2012, shall be invalid and void.]

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