m the House of

Mr. Speaker: I am instructed by the Senate to inform the House

Representatives that the Senate has taken up and passed

SS SCS HCS HB 1150

entitled:

AN ACT

To repeal sections 301.190, 301.193, and 301.227, RSMo, and to enact in lieu thereof three new sections relating to the issuance of certificate of titles for motor vehicles.

WITH SAI, SAZ.

In which the concurrence of the House is respectfully requested.

Respectfully,

Terry L. Spieler

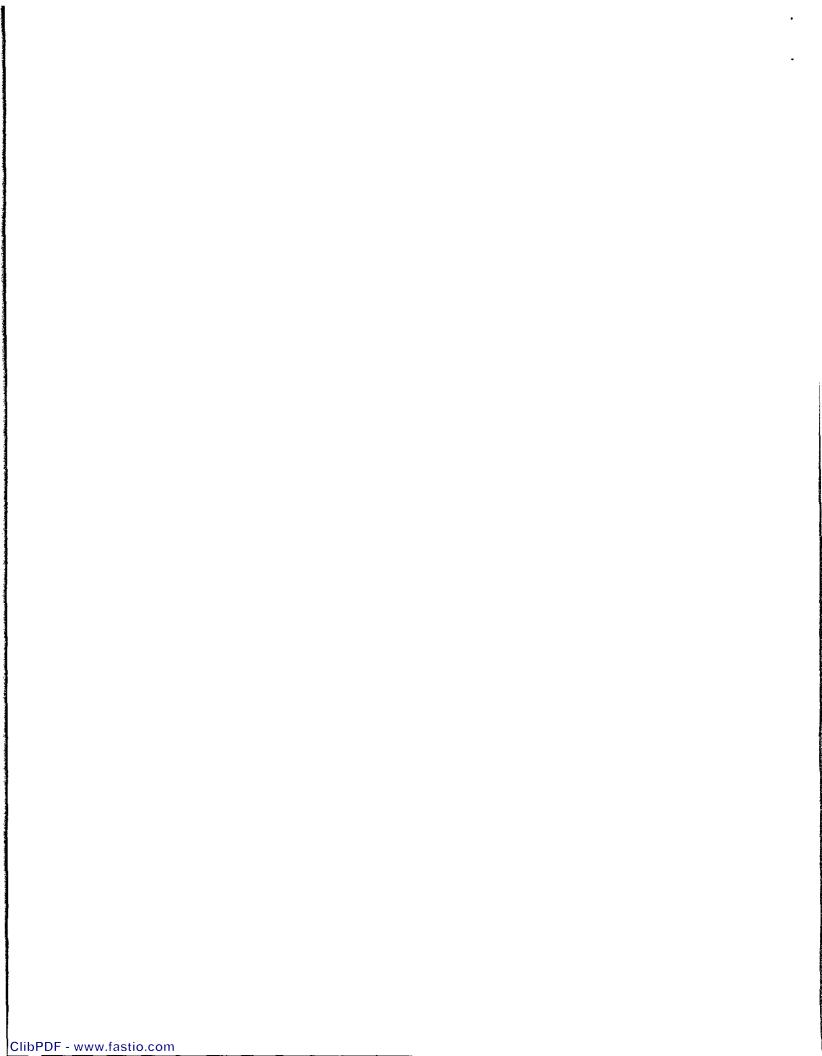
Leny L Spieler

Secretary of the Senate

RECEIVED

MAY 15 2012

CHIEF CLERK



SENATE AMENDMENT NO. 2

Offered by unningham of	274

Amend <u>SS/SCS/HCS/House</u> Bill No. <u>1150</u>, Page <u>18</u>, Section <u>301.227</u>, Line <u>23</u>

by inserting immediately after said line the following:

"430.020. Every person who shall keep or store any vehicle[,] or part or equipment thereof, shall, for the amount due therefor, have a lien; and every person who furnishes labor or material on any vehicle [or aircraft,] or part or equipment thereof, who shall obtain a written memorandum of the work or material furnished, or to be furnished, signed by the owner of the vehicle [or aircraft], or part or equipment thereof, and every person who furnishes labor or material on any aircraft or part or equipment thereof, who shall obtain a written memorandum of the work or material furnished, or to be furnished, signed by the owner, authorized agent of the owner, or person in lawful possession of the aircraft or part or equipment thereof, shall have a lien for the amount of such work or material as is ordered or stated in such written memorandum. Such liens shall be on the vehicle or aircraft, or part or equipment thereof, as shall be kept or stored, or be placed in the possession of the person furnishing the labor or material; provided, however, the person furnishing the labor or material on the aircraft or part or equipment thereof, may retain the lien after surrendering

offered 5-15-12 adapted 5-15-12

2

10

11

12

13

14

15

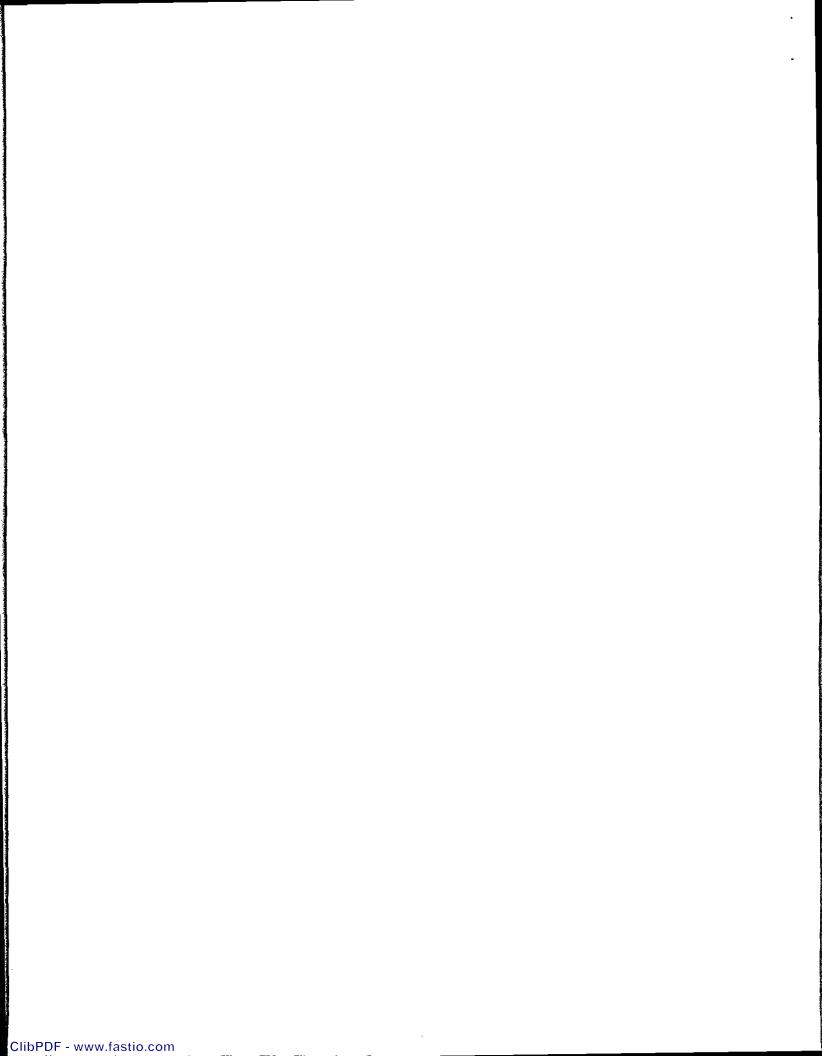
16

17

18

19

20



possession of the aircraft or part or equipment thereof by filing a statement in the office of the county recorder of the county where the owner of the aircraft or part or equipment thereof resides, if known to the claimant, and in the office of the county recorder of the county where the labor or material was furnished. Such statement shall be filed within [thirty] one hundred eighty days after surrendering possession of the aircraft or part or equipment thereof and shall state the claimant's name and address, the items on account, the name of the owner and a description of the property, and shall not bind a bona fide purchaser unless said lien has also been filed with the Federal Aviation Administration Aircraft Registry.

430.082. 1. Every person expending labor, services, skill or material upon any motor vehicle or trailer, as defined in chapter 301, vessel, as defined in chapter 306, outboard motor [or], or aircraft, or part or equipment of an aircraft, at a written request of its owner, authorized agent of the owner, or person in lawful possession thereof, or who provides storage for a motor vehicle, trailer, outboard motor or vessel, at the written request of its owner, authorized agent of the owner, or person in lawful possession thereof, or at the written request of a peace officer in lieu of the owner or owner's agent, where such owner or agent is not available to request storage thereof, shall, where the maximum amount to be charged for labor, services, skill or material has been stated as part of the written request or the daily charge for storage has been stated as part of the written request, have a lien upon the chattel beginning upon the date of commencement of the expenditure of labor, services, skill, materials or storage for the actual value

1

2

3

4

5

6

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

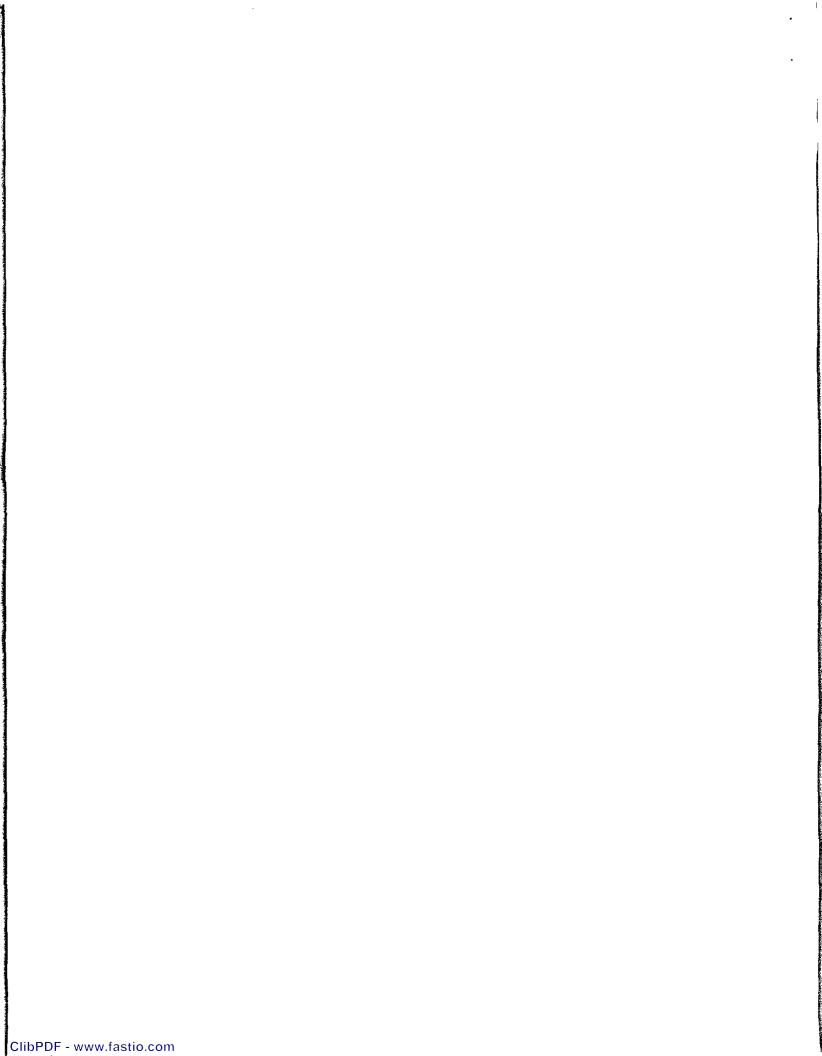
24

25

26

27

28



of all the expenditure of labor, services, skill, materials or storage until the possession of that chattel is voluntarily relinquished to the owner, authorized agent, or one entitled to possession thereof. The person furnishing labor, services, skill or material upon an aircraft or part or equipment thereof, may retain the lien after surrendering possession of the aircraft or part or equipment thereof, by filing a statement in the office of the county recorder of the county where the owner of the aircraft or part or equipment thereof, resides, if known to the claimant, and in the office of the county recorder of the county where the claimant performed the services. Such statement shall be filed within [thirty] one hundred eighty days after surrendering possession of the aircraft or part or equipment thereof and shall state the claimant's name and address, the items on account, the name of the owner and a description of the property, and shall not bind a bona fide purchaser unless the lien has also been filed with the Federal Aviation Administration Aircraft Registry.

- 2. If the chattel is not redeemed within forty-five days of the completion of the requested labor, services, skill or material, the lienholder may apply to the director of revenue for a certificate of ownership or certificate of title.
- 3. If the charges are for storage or the service of towing the motor vehicle, trailer, outboard motor or vessel, and the chattel has not been redeemed within forty-five days after the charges for storage commenced, the lienholder shall notify by certified mail, postage prepaid, the owner and any lienholders of record other than the person making the notification, at the person's last known address that application for a lien title will be made unless the owner or lienholder within thirty days

1

2

3

5

6

7

10

11

12

13

14

15

16

17

18

19

20

21

22

23

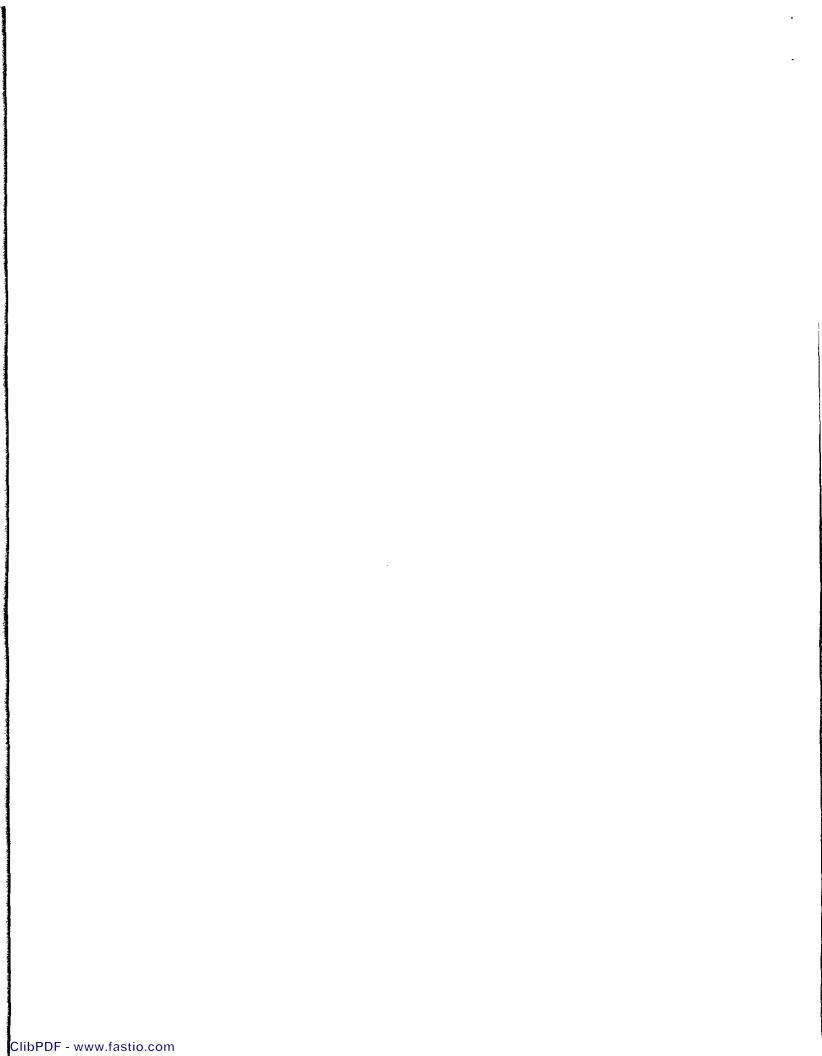
24

25

26

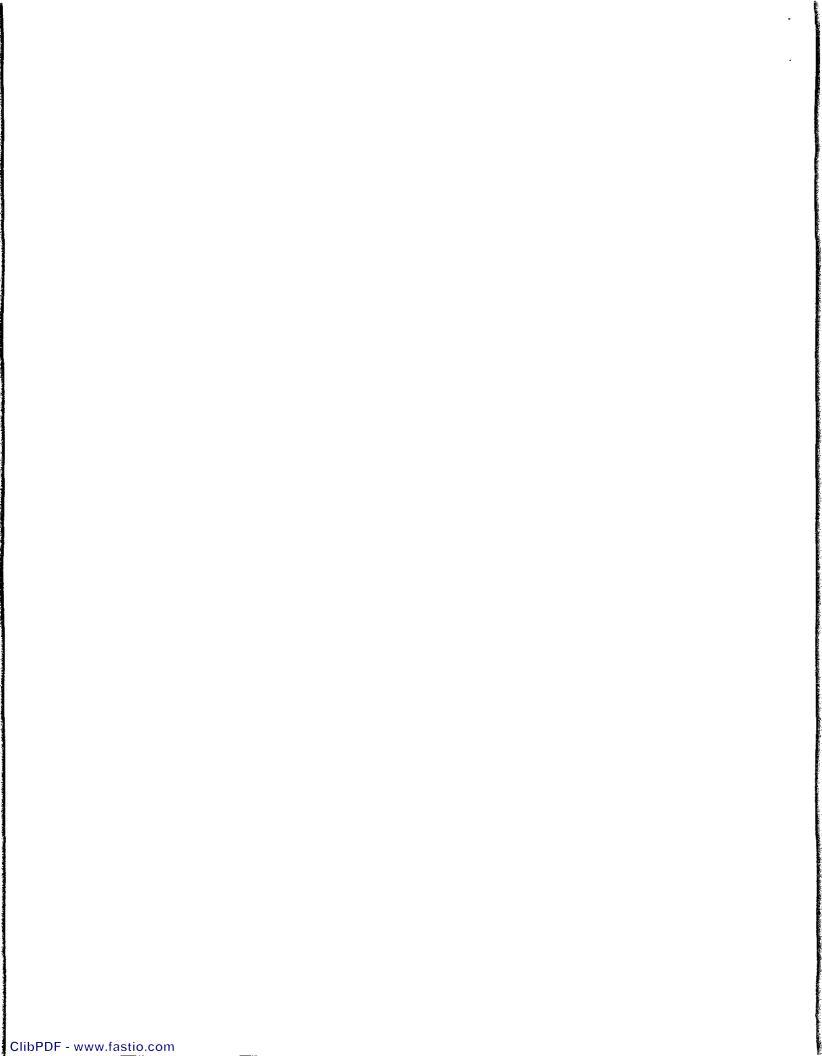
27

28



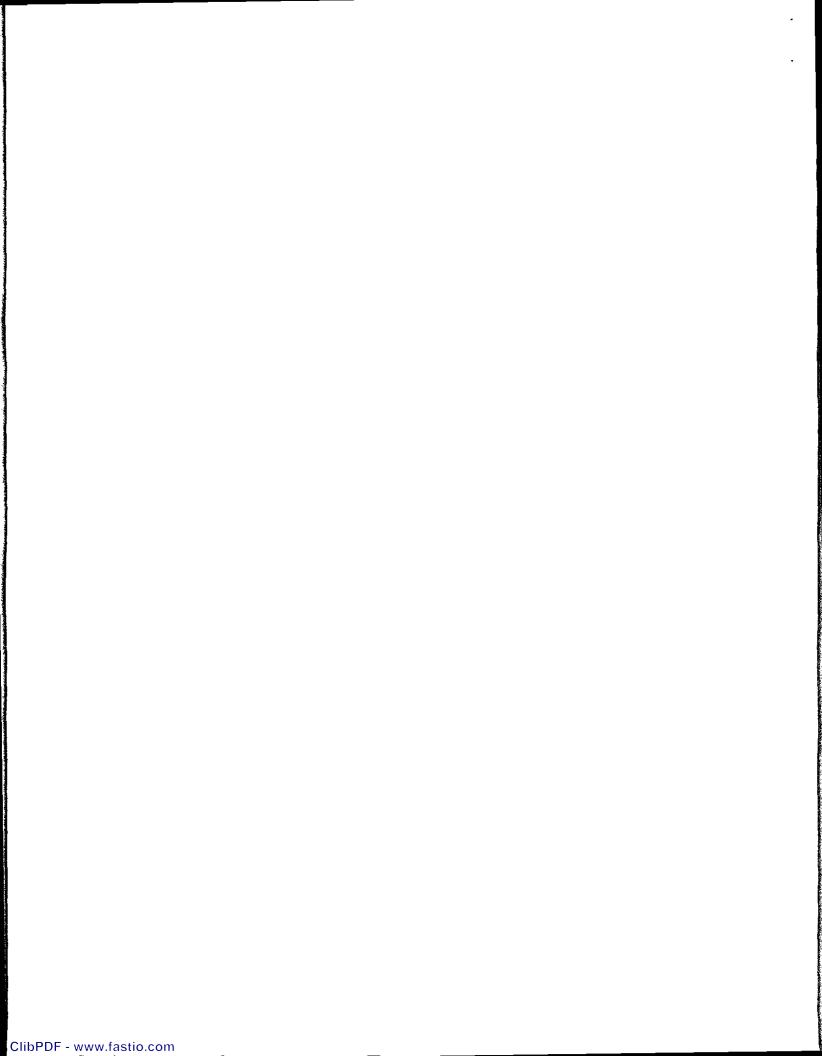
makes satisfactory arrangements with the person holding the chattel for payment of storage or service towing charges, if any, or makes satisfactory arrangements with the lienholder for paying such charges or for continued storage of the chattel if desired. Thirty days after the notification has been mailed and the chattel is unredeemed, or the notice has been returned marked "not fowardable" or "addressee unknown", and no satisfactory arrangement has been made with the lienholder for payment or continued storage, the lienholder may apply to the director of revenue for a certificate of ownership or certificate of title as provided in this section.

- 4. The application shall be accompanied by:
- (1) The original or a conformed or photostatic copy of the written request of the owner or the owner's agent or of a peace officer with the maximum amount to be charged stated therein;
- was provided to all owners and lienholders of the applicants' intent to apply for a certificate of ownership and the owner has defaulted on payment of labor, services, skill or material and that payment is forty-five days past due, or that owner has defaulted on payment or has failed to make satisfactory arrangements for continued storage of the chattel for thirty days since notification of intent to make application for a certificate of ownership or certificate of title. The affidavit shall be accompanied by a copy of the thirty-day notice given by certified mail to any owner and person holding a valid security interest and a copy of the certified mail receipt indicating that the owner and lienholder of record was sent a notice as required in this section;



- (3) A statement of the actual value of the expenditure of labor, services, skill or material, or the amount of storage due on the date of application for a certificate of ownership or certificate of title, and the amount which is unpaid; and
 - (4) A fee of ten dollars.
- 5. If the director is satisfied with the genuineness of the application, proof of lienholder notification in the form of a certified mail receipt, and supporting documents, and if no lienholder or the owner has redeemed the chattel or no satisfactory arrangement has been made concerning payment or continuation of storage, and if no owner or lienholder has informed the director that the owner or lienholder demands a hearing as provided in this section, the director shall issue, in the same manner as a repossessed title is issued, a certificate of ownership or certificate of title to the applicant which shall clearly be captioned "Lien Title".
- 6. Upon receipt of a lien title, the holder shall within ten days begin proceedings to sell the chattel as prescribed in section 430.100.
- 7. The provisions of section 430.110 shall apply to the disposition of proceeds, and the lienholder shall also be entitled to any actual and necessary expenses incurred in obtaining the lien title, including, but not limited to, court costs and reasonable attorney's fees."; and

Further amend the title and enacting clause accordingly.



SENATE AMENDMENT NO. /

offered by Stoufer of Salue

Amend <u>SS/SCS/HCS/House</u> Bill No. <u>1150</u>, Page <u>18</u>, Section <u>301.227</u>, Line <u>23</u>,

2 by inserting after all of said line the following:

"301.600. 1. Unless excepted by section 301.650, a lien or encumbrance on a motor vehicle or trailer, as defined by section 301.010, is not valid against subsequent transferees or lienholders of the motor vehicle or trailer who took without knowledge of the lien or encumbrance unless the lien or encumbrance is perfected as provided in sections 301.600 to 301.660.

2. Subject to the provisions of section 301.620, a lien or encumbrance on a motor vehicle or trailer is perfected by the delivery to the director of revenue of a notice of a lien in a format as prescribed by the director of revenue. The notice of lien is perfected as of the time of its creation if the delivery of such notice to the director of revenue is completed within thirty days thereafter, otherwise as of the time of the delivery. A notice of lien shall contain the name and address of the owner of the motor vehicle or trailer and the secured party, a description of the motor vehicle or trailer, including the vehicle identification number, and such other information as the department of revenue may prescribe. A notice of lien

Oxeriá 5-15-12 adopted 5-15-12

3

5

10

11

12

13

14

15

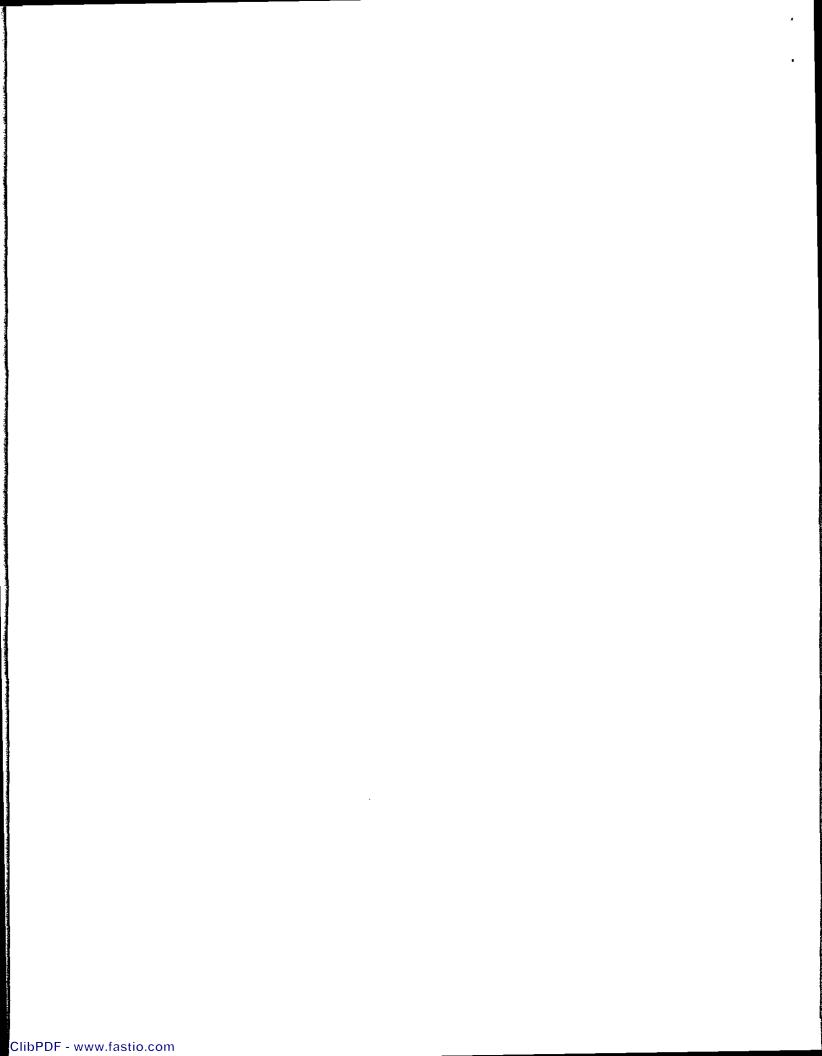
16

17

18

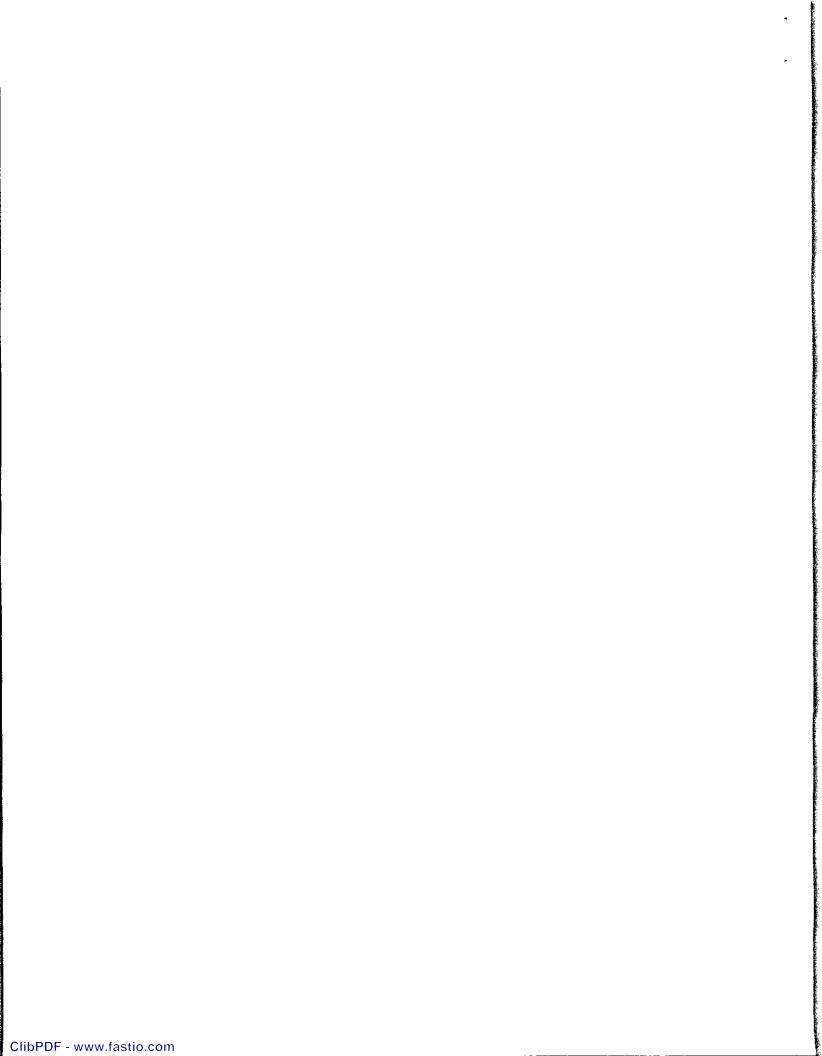
19

20



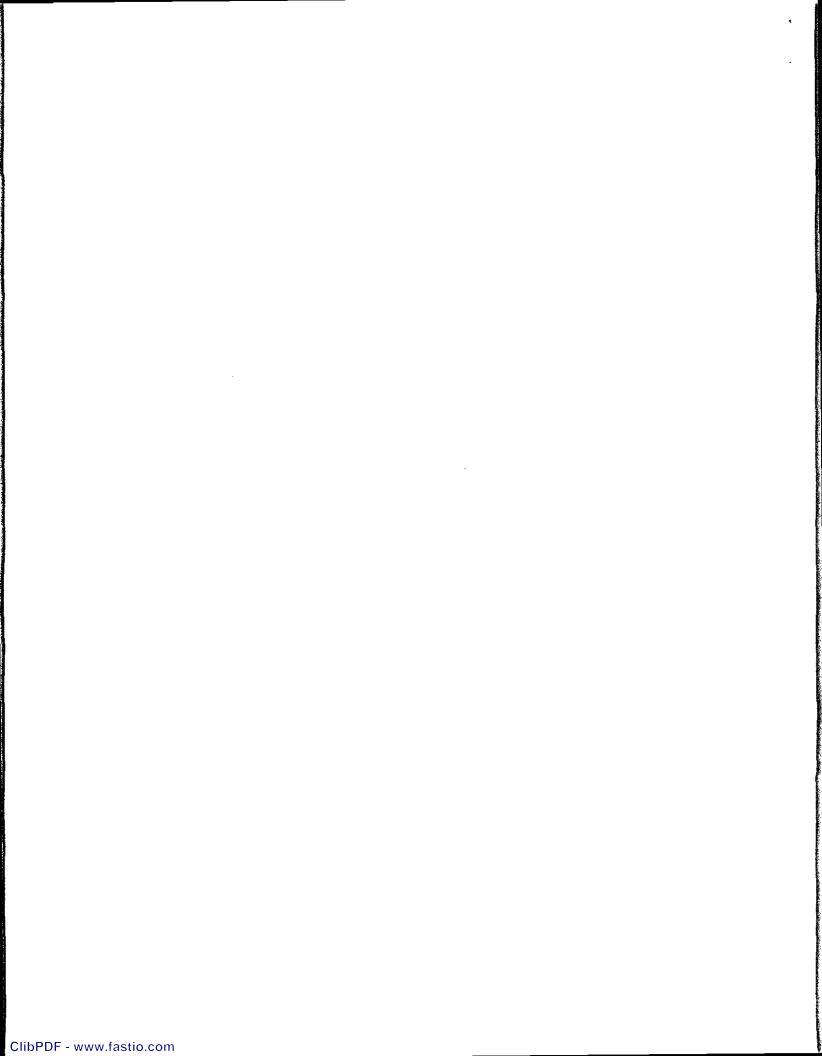
substantially complying with the requirements of this section is effective even though it contains minor errors which are not seriously misleading. Provided the lienholder submits complete and legible documents, the director of revenue shall mail confirmation or electronically confirm receipt of such notice of lien to the lienholder as soon as possible, but no later than fifteen business days after the filing of the notice of lien.

- 3. Notwithstanding the provisions of section 301.620, on a refinance by a different lender of a prior loan secured by a motor vehicle or trailer a lien is perfected by the delivery to the director of revenue of a notice of lien completed by the refinancing lender in a format prescribed by the director of revenue.
- 4. To perfect a subordinate lien, the notice of lien must be accompanied by the documents required to be delivered to the director pursuant to subdivision (3) of section 301.620.
- 5. Liens may secure future advances. The future advances may be evidenced by one or more notes or other documents evidencing indebtedness and shall not be required to be executed or delivered prior to the date of the future advance lien securing them. The fact that a lien may secure future advances shall be clearly stated on the security agreement and noted as "subject to future advances" on the notice of lien and noted on the certificate of ownership if the motor vehicle or trailer is subject to only one notice of lien. To secure future advances when an existing lien on a motor vehicle or trailer does not secure future advances, the lienholder shall file a notice of lien reflecting the lien to secure future advances. A lien to secure future advances is perfected in the same time and manner



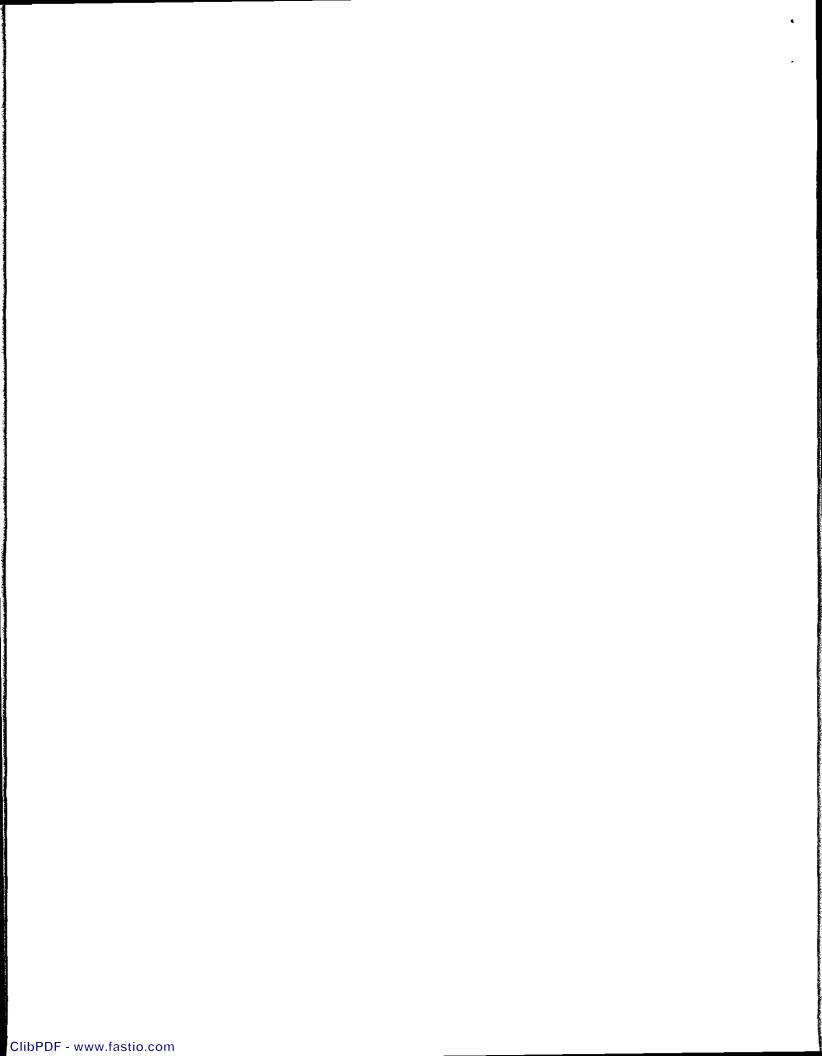
as any other lien, except as follows: proof of the lien for future advances is maintained by the department of revenue; however, there shall be additional proof of such lien when the notice of lien reflects such lien for future advances, is receipted for by the department of revenue, and returned to the lienholder.

- 6. If a motor vehicle or trailer is subject to a lien or encumbrance when brought into this state, the validity and effect of the lien or encumbrance is determined by the law of the jurisdiction where the motor vehicle or trailer was when the lien or encumbrance attached, subject to the following:
- (1) If the parties understood at the time the lien or encumbrance attached that the motor vehicle or trailer would be kept in this state and it was brought into this state within thirty days thereafter for purposes other than transportation through this state, the validity and effect of the lien or encumbrance in this state is determined by the law of this state;
- (2) If the lien or encumbrance was perfected pursuant to the law of the jurisdiction where the motor vehicle or trailer was when the lien or encumbrance attached, the following rules apply:
- (a) If the name of the lienholder is shown on an existing certificate of title or ownership issued by that jurisdiction, the lien or encumbrance continues perfected in this state;
- (b) If the name of the lienholder is not shown on an existing certificate of title or ownership issued by that jurisdiction, the lien or encumbrance continues perfected in this state three months after a first certificate of ownership of the motor vehicle or trailer is issued in this state, and also



thereafter if, within the three-month period, it is perfected in this state. The lien or encumbrance may also be perfected in this state after the expiration of the three-month period; in that case perfection dates from the time of perfection in this state;

- (3) If the lien or encumbrance was not perfected pursuant to the law of the jurisdiction where the motor vehicle or trailer was when the lien or encumbrance attached, it may be perfected in this state; in that case perfection dates from the time of perfection in this state;
- (4) A lien or encumbrance may be perfected pursuant to paragraph (b) of subdivision (2) or subdivision (3) of this subsection either as provided in subsection 2 or 4 of this section or by the lienholder delivering to the director of revenue a notice of lien or encumbrance in the form the director of revenue prescribes and the required fee.
- 7. By rules and regulations, the director of revenue shall establish a security procedure for the purpose of verifying that an electronic notice of lien or notice of satisfaction of a lien on a motor vehicle or trailer given as permitted in sections 301.600 to 301.640 is that of the lienholder, verifying that an electronic notice of confirmation of ownership and perfection of a lien given as required in section 301.610 is that of the director of revenue, and detecting error in the transmission or the content of any such notice. A security procedure may require the use of algorithms or other codes, identifying words or numbers, encryption, callback procedures or similar security devices. Comparison of a signature on a communication with an authorized specimen signature shall not by itself be a security



procedure.

1

2

4

5

6

7

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

- 306.400. 1. As used in sections 306.400 to 306.440, the terms motorboat, vessel, and watercraft shall have the same meanings given them in section 306.010, and the term outboard motor shall include outboard motors governed by section 306.530.
- 2. Unless excepted by section 306.425, a lien or encumbrance on an outboard motor, motorboat, vessel, or watercraft shall not be valid against subsequent transferees or lienholders of the outboard motor, motorboat, vessel or watercraft, who took without knowledge of the lien or encumbrance unless the lien or encumbrance is perfected as provided in sections 306.400 to 306.430.
- A lien or encumbrance on an outboard motor, motorboat, vessel or watercraft is perfected by the delivery to the director of revenue of a notice of lien in a format as prescribed by the Such lien or encumbrance shall be perfected as of the time of its creation if the delivery of the items required in this subsection to the director of revenue is completed within thirty days thereafter, otherwise such lien or encumbrance shall be perfected as of the time of the delivery. A notice of lien shall contain the name and address of the owner of the outboard motor, motorboat, vessel or watercraft and the secured party, a description of the outboard motor, motorboat, vessel or watercraft motor, including any identification number, and such other information as the department of revenue may prescribe. A notice of lien substantially complying with the requirements of this section is effective even though it contains minor errors which are not seriously misleading. Provided the lienholder submits complete and legible documents, the director of revenue

shall mail confirmation or electronically confirm receipt of each notice of lien to the lienholder as soon as possible, but no later than fifteen business days after the filing of the notice of lien.

- 4. Notwithstanding the provisions of section 306.410, on a refinance by a different lender of a prior loan secured by an outboard motor, motorboat, vessel or watercraft, a lien is perfected by the delivery to the director of revenue of a notice of lien completed by the refinancing lender in a format prescribed by the director of revenue.
- 5. Liens may secure future advances. The future advances may be evidenced by one or more notes or other documents evidencing indebtedness and shall not be required to be executed or delivered prior to the date of the future advance lien securing them. The fact that a lien may secure future advances shall be clearly stated on the security agreement and noted as "subject to future advances" in the second lienholder's portion of the notice of lien. To secure future advances when an existing lien on an outboard motor, motorboat, vessel or watercraft does not secure future advances, the lienholder shall file a notice of lien reflecting the lien to secure future advances. A lien to secure future advances is perfected in the same time and manner as any other lien, except as follows. Proof of the lien for future advances is maintained by the department of revenue; however, there shall be additional proof of such lien when the notice of lien reflects such lien for future advances, is receipted for by the department of revenue, and returned to the lienholder.
 - 6. Whether an outboard motor, motorboat, vessel, or

1

2

5

6

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

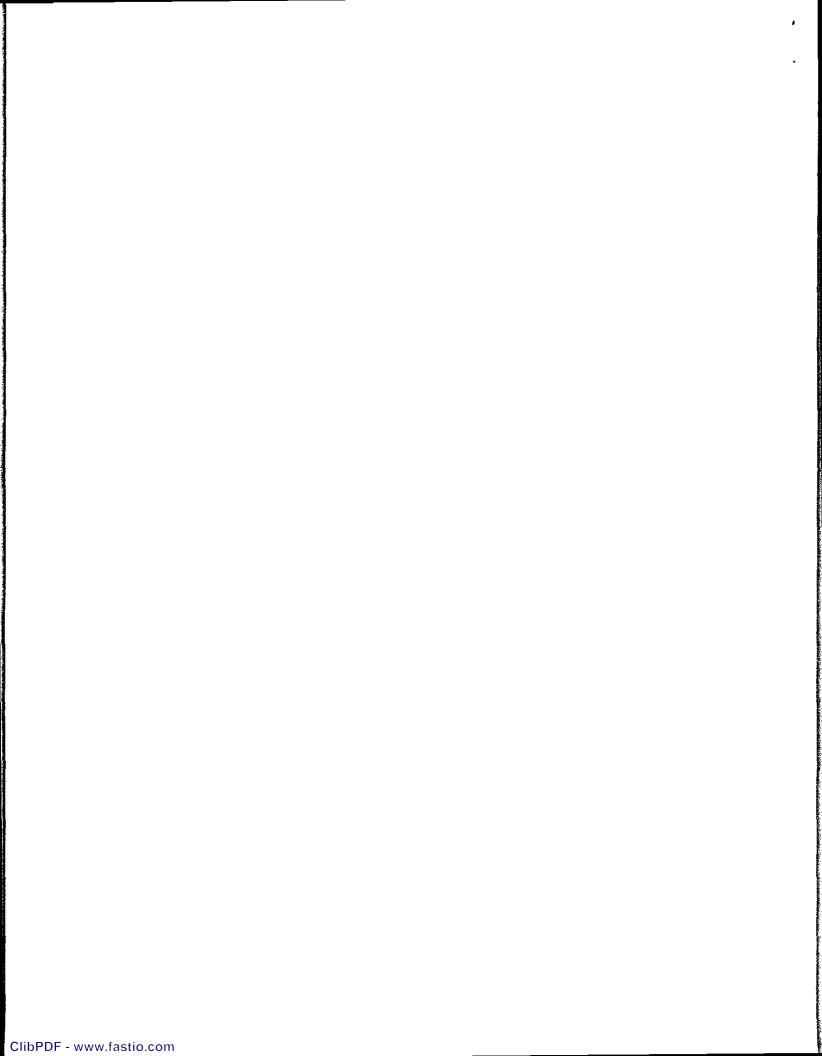
26

27

28

watercraft is subject to a lien or encumbrance shall be determined by the laws of the jurisdiction where the outboard motor, motorboat, vessel, or watercraft was when the lien or encumbrance attached, subject to the following:

- (1) If the parties understood at the time the lien or encumbrances attached that the outboard motor, motorboat, vessel, or watercraft would be kept in this state and it is brought into this state within thirty days thereafter for purposes other than transportation through this state, the validity and effect of the lien or encumbrance in this state shall be determined by the laws of this state;
- (2) If the lien or encumbrance was perfected pursuant to the laws of the jurisdiction where the outboard motor, motorboat, vessel, or watercraft was when the lien or encumbrance attached, the following rules apply:
- (a) If the name of the lienholder is shown on an existing certificate of title or ownership issued by that jurisdiction, his or her lien or encumbrance continues perfected in this state;
- (b) If the name of the lienholder is not shown on an existing certificate of title or ownership issued by the jurisdiction, the lien or encumbrance continues perfected in this state for three months after the first certificate of title of the outboard motor, motorboat, vessel, or watercraft is issued in this state, and also thereafter if, within the three-month period, it is perfected in this state. The lien or encumbrance may also be perfected in this state after the expiration of the three-month period, in which case perfection dates from the time of perfection in this state;
 - (3) If the lien or encumbrance was not perfected pursuant



to the laws of the jurisdiction where the outboard motor, motorboat, vessel, or watercraft was when the lien or encumbrance attached, it may be perfected in this state, in which case perfection dates from the time of perfection in this state;

- (4) A lien or encumbrance may be perfected pursuant to paragraph (b) of subdivision (2) or subdivision (3) of this subsection in the same manner as provided in subsection 3 of this section.
- 7. The director of revenue shall by rules and regulations establish a security procedure to verify that an electronic notice or lien or notice of satisfaction of a lien on an outboard motor, motorboat, vessel or watercraft given pursuant to sections 306.400 to 306.440 is that of the lienholder, to verify that an electronic notice of confirmation of ownership and perfection of a lien given pursuant to section 306.410 is that of the director of revenue and to detect error in the transmission or the content of any such notice. Such a security procedure may require the use of algorithms or other codes, identifying words or numbers, encryption, callback procedures or similar security devices. Comparison of a signature on a communication with an authorized specimen signature shall not by itself constitute a security procedure."; and

Further amend the title and enacting clause accordingly.