

HB 1002 -- OWNERSHIP OF MOTOR VEHICLES

SPONSOR: Berry

This bill modifies provisions relating to the ownership of motor vehicles.

TRANSFERRED LICENSE PLATES

Currently, the operation of a motor vehicle with transferred license plates is lawful for 30 days. The bill modifies the law so that it is lawful for 60 days (Section 301.140.1, RSMo).

TEMPORARY PERMITS

Currently, the Director of the Department of Revenue or a motor vehicle dealer may issue a temporary permit authorizing the operation of a motor vehicle or trailer by a buyer for not more than 30 days. The bill authorizes a temporary permit to operate the motor vehicle for not more than 60 days (Section 301.140.4).

CERTIFICATE OF OWNERSHIP

Currently, an individual acquiring a motor vehicle is required to apply for a certificate of ownership within 30 days of acquiring the vehicle. The bill modifies the law so the individual is not required to apply for a certificate of ownership within 30 days if he or she has acquired the vehicle from a motor vehicle dealer prior to the dealer having a certificate of ownership, under which he or she will have 30 days after receiving the title from the dealer to apply for a certificate of ownership (Section 301.190).

MOTOR VEHICLE DEALER TITLE REQUIREMENTS FOR USED MOTOR VEHICLES

Currently, a motor vehicle dealer is authorized to purchase or accept in trade any motor vehicle that has been issued a certificate of title. This bill modifies this to any vehicle that has been issued a certificate of ownership. Once the vehicle has been delivered to the dealer, the prior owners' insurable interest in the vehicle ceases. The bill specifies that the dealers provide to the Department of Revenue a surety bond or irrevocable letter of credit in an amount not less than \$100,000 in lieu of the \$25,000 bond otherwise required for licensure as a motor vehicle dealer. If a dealer receives specified items, he or she may sell the vehicle prior to receiving and assigning to the purchaser a certificate of ownership. In order to do so, he or she must have an application for title for the vehicle in the purchaser's name prepared and delivered to the purchaser and have entered into a written agreement for the subsequent assignment and delivery of the

certificate of ownership within 60 days after delivery of the motor vehicle to the purchaser. The agreement must require the purchaser to provide to the dealer proof of financial responsibility and proof of insurance. The dealer must maintain a copy of the agreement, and must deliver a form to the Department of Revenue showing that the purchaser has purchased the vehicle without simultaneous delivery of the title. When the requirements are met the agreement is evidence of an ownership interest in the vehicle.

Currently, following a sale in which a certificate of ownership has not been assigned from the owner to the dealer, the dealer must apply for a duplicate or replacement certificate of ownership within five business days. The bill modifies this requirement to 10 business days.

If the dealer fails or is unable to deliver a certificate of ownership to the purchaser, and the purchaser of the vehicle is damaged, the dealer is liable for actual damages, plus court costs and attorney fees. If a seller misrepresents to a dealer that they are the owner of the vehicle, and certain parties are damaged as a result, the seller will be liable to the party for both actual and punitive damages, plus court costs and attorney fees. When a lienholder is damaged as a direct result of a licensed dealer's violation of this act, the dealer is also liable for actual damages, plus court costs and attorney fees. The Department of Revenue may use a dealer's repeated or intentional violation of this provision as a cause to refuse to issue or renew any license. The hearing process must be the same as currently established for suspended or revoked licenses (Section 301.213).