FIRST REGULAR SESSION

HOUSE BILL NO. 58

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE TERRY.

0292H.01I DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 144.070 and 301.140, RSMo, and to enact in lieu thereof two new sections relating to motor vehicle sales tax payment plans.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Sections 144.070 and 301.140, RSMo, are repealed and two new sections enacted in lieu thereof, to be known as sections 144.070 and 301.140, to read as follows:

144.070. 1. At the time the owner of any new or used motor vehicle, trailer, boat, or outboard motor which was acquired in a transaction subject to sales tax under the Missouri sales tax law makes application to the director of revenue for an official certificate of title and the registration of the motor vehicle, trailer, boat, or outboard motor as otherwise provided by law, the owner shall present to the director of revenue evidence satisfactory to the director of revenue showing the purchase price exclusive of any charge incident to the extension of credit paid by or charged to the applicant in the acquisition of the motor vehicle, trailer, boat, or outboard motor, or that no sales tax was incurred in its acquisition, and if sales tax was incurred in its acquisition, the applicant shall pay or cause to be paid to the director of revenue the sales tax provided by the Missouri sales tax law in addition to the registration fees now or hereafter required according to law, and the director of revenue shall not issue a certificate of title for any new or used motor vehicle, trailer, boat, or outboard motor subject to sales tax as provided in the Missouri sales tax law until the tax levied for the sale of the same under sections 144.010 to 144.510 has been paid as provided in this section or is registered under the provisions of subsection 5 of this section.

2. As used in subsection 1 of this section, the term "purchase price" shall mean the total amount of the contract price agreed upon between the seller and the applicant in the

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.

acquisition of the motor vehicle, trailer, boat, or outboard motor, regardless of the medium of payment therefor.

3. In the event that the purchase price is unknown or undisclosed, or that the evidence thereof is not satisfactory to the director of revenue, the same shall be fixed by appraisement by the director.

4. The director of the department of revenue shall endorse upon the official certificate of title issued by the director upon such application an entry showing that such sales tax has been paid or that the motor vehicle, trailer, boat, or outboard motor represented by such certificate is exempt from sales tax and state the ground for such exemption.

5. Any person, company, or corporation engaged in the business of renting or leasing motor vehicles, trailers, boats, or outboard motors, which are to be used exclusively for rental or lease purposes, and not for resale, may apply to the director of revenue for authority to operate as a leasing or rental company and pay an annual fee of two hundred fifty dollars for such authority. Any company approved by the director of revenue may pay the tax due on any motor vehicle, trailer, boat, or outboard motor as required in section 144.020 at the time of registration thereof or in lieu thereof may pay a sales tax as provided in sections 144.010, 144.020, 144.070 and 144.440. A sales tax shall be charged to and paid by a leasing company which does not exercise the option of paying in accordance with section 144.020, on the amount charged for each rental or lease agreement while the motor vehicle, trailer, boat, or outboard motor is domiciled in this state. Any motor vehicle, trailer, boat, or outboard motor which is leased as the result of a contract executed in this state shall be presumed to be domiciled in this state.

6. Every applicant to be a registered fleet owner as described in subsections 6 to 10 of section 301.032 shall furnish with the application to operate as a registered fleet owner a corporate surety bond or irrevocable letter of credit, as defined in section 400.5-102, issued by any state or federal financial institution in the penal sum of one hundred thousand dollars, on a form approved by the department. The bond or irrevocable letter of credit shall be conditioned upon the registered fleet owner complying with the provisions of any statutes applicable to registered fleet owners, and the bond shall be an indemnity for any loss sustained by reason of the acts of the person bonded when such acts constitute grounds for the suspension or revocation of the registered fleet owner license. The bond shall be executed in the name of the state of Missouri for the benefit of all aggrieved parties or the irrevocable letter of credit shall name the state of Missouri as the beneficiary; except that, the aggregate liability of the surety or financial institution to the aggrieved parties shall, in no event, exceed the amount of the bond or irrevocable letter of credit. The proceeds of the bond or irrevocable letter of credit shall be paid upon receipt by the department of a final judgment from a

Missouri court of competent jurisdiction against the principal and in favor of an aggrieved party.

7. Any corporation may have one or more of its divisions separately apply to the director of revenue for authorization to operate as a leasing company, provided that the corporation:

(1) Has filed a written consent with the director authorizing any of its divisions to apply for such authority;

(2) Is authorized to do business in Missouri;

(3) Has agreed to treat any sale of a motor vehicle, trailer, boat, or outboard motor from one of its divisions to another of its divisions as a sale at retail;

(4) Has registered under the fictitious name provisions of sections 417.200 to 417.230 each of its divisions doing business in Missouri as a leasing company; and

(5) Operates each of its divisions on a basis separate from each of its other divisions. However, when the transfer of a motor vehicle, trailer, boat or outboard motor occurs within a corporation which holds a license to operate as a motor vehicle or boat dealer pursuant to sections 301.550 to 301.573 the provisions in subdivision (3) of this subsection shall not apply.

8. If the owner of any motor vehicle, trailer, boat, or outboard motor desires to charge and collect sales tax as provided in this section, the owner shall make application to the director of revenue for a permit to operate as a motor vehicle, trailer, boat, or outboard motor leasing company. The director of revenue shall promulgate rules and regulations determining the qualifications of such a company, and the method of collection and reporting of sales tax charged and collected. Such regulations shall apply only to owners of motor vehicles, trailers, boats, or outboard motors, electing to qualify as motor vehicle, trailer, boat, or outboard motor leasing companies under the provisions of subsection 5 of this section, and no motor vehicle renting or leasing, trailer renting or leasing, or boat or outboard motor renting or leasing company can come under sections 144.010, 144.020, 144.070 and 144.440 unless all motor vehicles, trailers, boats, and outboard motors held for renting and leasing are included.

9. Any person, company, or corporation engaged in the business of renting or leasing three thousand five hundred or more motor vehicles which are to be used exclusively for rental or leasing purposes and not for resale, and that has applied to the director of revenue for authority to operate as a leasing company may also operate as a registered fleet owner as prescribed in section 301.032.

10. Beginning July 1, 2010, any motor vehicle dealer licensed under section 301.560 engaged in the business of selling motor vehicles or trailers may apply to the director of revenue for authority to collect and remit the sales tax required under this section on all motor vehicles sold by the motor vehicle dealer. A motor vehicle dealer receiving authority to

collect and remit the tax is subject to all provisions under sections 144.010 to 144.525. Any motor vehicle dealer authorized to collect and remit sales taxes on motor vehicles under this subsection shall be entitled to deduct and retain an amount equal to two percent of the motor vehicle sales tax pursuant to section 144.140. Any amount of the tax collected under this subsection that is retained by a motor vehicle dealer pursuant to section 144.140 shall not constitute state revenue. In no event shall revenues from the general revenue fund or any other state fund be utilized to compensate motor vehicle dealers for their role in collecting and remitting sales taxes on motor vehicles. In the event this subsection or any portion thereof is held to violate Article IV, Section 30(b) of the Missouri Constitution, no motor vehicle dealer shall be authorized to collect and remit sales taxes on motor vehicles under this section. No motor vehicle dealer shall seek compensation from the state of Missouri or its agencies if a court of competent jurisdiction declares that the retention of two percent of the motor vehicle sales tax is unconstitutional and orders the return of such revenues.

11. (1) As used in this subsection, the following terms mean:

(a) "Department", the department of revenue;

(b) "Qualified amount", for any qualified purchaser, an amount equal to the total state and local sales tax due and owing on the purchase of a motor vehicle, plus any title penalties, late fees, or any other amounts accrued and owed to the department as a result of the failure to register and properly title the motor vehicle;

(c) "Qualified purchaser", any individual who is a purchaser of a motor vehicle subject to the state sales tax and any applicable sales tax and at the time of application to the department has:

a. Obtained a temporary permit authorizing the operation of a motor vehicle under section 301.140;

b. Failed to pay the appropriate state and local sales tax imposed under this chapter or any other applicable state or local law or ordinance;

c. Allowed the temporary permit to expire after the statutory period and at the time of application is still currently expired;

d. Not yet properly registered the vehicle under chapter 301; and

e. Failed to apply for and obtain a license plate under chapter 301.

(2) Beginning October 1, 2023, and ending September 30, 2024, notwithstanding any provision of this section, section 144.440, or any other provision of law to the contrary, for a period not to exceed one year, the department may accept applications to establish payment plans submitted by qualified purchasers of motor vehicles in order to pay the qualified purchaser's qualified amount, as defined under this subsection, accrued up to and after the date of application.

(3) The department is encouraged to work with the qualified purchaser to establish an equitable payment plan that is not overly burdensome and to take into consideration the qualified purchaser's income and any other financial obligations. The department shall establish the payment plan application forms and procedure, the manner in which the payment plan may be established with the qualifying purchaser, and guidelines for submission of any additional information necessary to establish a payment plan, including proof of income, proof of purchase, identification documents, or other documents. The department is encouraged to make the process user-friendly and not overly burdensome on the qualified purchaser.

(4) The qualified purchaser shall apply for a payment plan on or before September 30, 2024. Any established ongoing payment plans in good standing may exceed this date until the date of completion agreed upon by the department and the purchaser. All applications received on or before September 30, 2024, shall be reviewed in a timely manner and the department shall contact all qualifying applicants to provide an opportunity to establish and begin a payment plan before December 31, 2024. New payment plan applications shall not be submitted to the department under this section after September 30, 2024.

(5) Upon entering into a payment plan, the qualified purchaser shall pay a down payment equal to one month's payment. Once the payment is received, verified, and deposited, the department shall issue a new temporary permit to the qualified purchaser.

(6) Payments towards the established payment plan may be made by mail to the department central office or the qualified purchaser's local license office, in person at a local license office, or by any other method the department establishes by rule or by notice on the department website. The department shall establish by rule how payments are to be processed, how updated payment counts will be made accessible to the qualified purchaser, and what forms or documents the qualified purchaser will need to carry in his or her motor vehicle for presentation to law enforcement during motor vehicle stops or other entities requesting verification of the payment plan status.

(7) The department shall issue a receipt upon completion of the payment plan for the qualified purchaser to present to the license office to register and license the motor vehicle.

(8) If a qualified purchaser violates or fails to meet his or her obligations or ceases to pay on the payment plan established with the department before the qualified amount has been paid in full, the payment plan shall be terminated. The qualified purchaser shall be given full credit of all prior payments towards the qualified amount. If the qualified purchaser has failed to register and legally license the motor vehicle

after termination of the payment plan or after the qualified amount has been paid in full, any penalties, tickets, or fines that may be assessed under chapter 301 or any other provision of law shall still apply.

(9) The department of revenue may promulgate all necessary rules and regulations for the administration of this subsection. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this subsection shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This subsection and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2023, shall be invalid and void.

(10) Under section 23.253 of the Missouri sunset act:

(a) The provisions of the new program authorized under this subsection shall automatically sunset December thirty-first, one year after the effective date of this subsection unless reauthorized by an act of the general assembly;

(b) If such program is reauthorized, the program authorized under this subsection shall automatically sunset December thirty-first, one year after the effective date of the reauthorization of this subsection; and

(c) This subsection shall terminate on September first of the calendar year immediately following the calendar year in which the program authorized under this subsection is sunset.

301.140. 1. Upon the transfer of ownership of any motor vehicle or trailer, the certificate of registration and the right to use the number plates shall expire and the number plates shall be removed by the owner at the time of the transfer of possession, and it shall be unlawful for any person other than the person to whom such number plates were originally issued to have the same in his or her possession whether in use or not, unless such possession is solely for charitable purposes; except that the buyer of a motor vehicle or trailer who trades in a motor vehicle or trailer may attach the license plates from the traded-in motor vehicle or trailer to the newly purchased motor vehicle or trailer. The operation of a motor vehicle with such transferred plates shall be lawful for no more than thirty days, or no more than ninety days if the dealer is selling the motor vehicle under the provisions of section 301.213, or no more than sixty days if the dealer is selling the motor vehicle under the provisions of subsection 5 of section 301.210. As used in this subsection, the term "trade-in motor vehicle or trailer" shall include any single motor vehicle or trailer sold by the buyer of the newly purchased vehicle or trailer, as long as the license plates for the trade-in motor vehicle or trailer are still valid.

2. In the case of a transfer of ownership the original owner may register another motor vehicle under the same number, upon the payment of a fee of two dollars, if the motor vehicle is of horsepower, gross weight or (in the case of a passenger-carrying commercial motor vehicle) seating capacity, not in excess of that originally registered. When such motor vehicle is of greater horsepower, gross weight or (in the case of a passenger-carrying commercial motor vehicle) seating capacity, for which a greater fee is prescribed, the applicant shall pay a transfer fee of two dollars and a pro rata portion for the difference in fees. When such vehicle is of less horsepower, gross weight or (in case of a passenger-carrying commercial motor vehicle) seating capacity, for which a lesser fee is prescribed, the applicant shall not be entitled to a refund.

3. License plates may be transferred from a motor vehicle which will no longer be operated to a newly purchased motor vehicle by the owner of such vehicles. The owner shall pay a transfer fee of two dollars if the newly purchased vehicle is of horsepower, gross weight or (in the case of a passenger-carrying commercial motor vehicle) seating capacity, not in excess of that of the vehicle which will no longer be operated. When the newly purchased motor vehicle is of greater horsepower, gross weight or (in the case of a passenger-carrying commercial motor vehicle) seating capacity, for which a greater fee is prescribed, the applicant shall pay a transfer fee of two dollars and a pro rata portion of the difference in fees. When the newly purchased vehicle is of less horsepower, gross weight or (in the case of a passenger-carrying commercial motor vehicle) seating capacity, for which a lesser fee is prescribed, the applicant shall not be entitled to a refund.

4. The director of the department of revenue shall have authority to produce or allow others to produce a weather resistant, nontearing temporary permit authorizing the operation of a motor vehicle or trailer by a buyer for not more than thirty days, or no more than ninety days if issued by a dealer selling the motor vehicle under the provisions of section 301.213, or no more than sixty days if issued by a dealer selling the motor vehicle under the provisions of subsection 5 of section 301.210, from the date of purchase. The temporary permit authorized under this section may be purchased by the purchaser of a motor vehicle or trailer from the central office of the department of revenue or from an authorized agent of the department of revenue upon proof of purchase of a motor vehicle or trailer for which the buyer has no registration plate available for transfer and upon proof of financial responsibility, or from a motor vehicle dealer upon purchase of a motor vehicle or trailer for which the buyer has no registration plate available for transfer, or from a motor vehicle dealer upon purchase of a motor vehicle or trailer for which the buyer has registered and is awaiting receipt of registration plates. The director of the department of revenue or a producer authorized by the director of the department of revenue may make temporary permits available to registered dealers in this state, authorized agents of the department of revenue or the department of

revenue. The price paid by a motor vehicle dealer, an authorized agent of the department of revenue or the department of revenue for a temporary permit shall not exceed five dollars for each permit. The director of the department of revenue shall direct motor vehicle dealers and authorized agents to obtain temporary permits from an authorized producer. Amounts received by the director of the department of revenue for temporary permits shall constitute state revenue; however, amounts received by an authorized producer other than the director of the department of revenue shall not constitute state revenue and any amounts received by motor vehicle dealers or authorized agents for temporary permits purchased from a producer other than the director of the department of revenue shall not constitute state revenue. In no event shall revenues from the general revenue fund or any other state fund be utilized to compensate motor vehicle dealers or other producers for their role in producing temporary permits as authorized under this section. Amounts that do not constitute state revenue under this section shall also not constitute fees for registration or certificates of title to be collected by the director of the department of revenue under section 301.190. No motor vehicle dealer, authorized agent or the department of revenue shall charge more than five dollars for each permit issued. The permit shall be valid for a period of thirty days, or no more than ninety days if issued by a dealer selling the motor vehicle under the provisions of section 301.213, or no more than sixty days if issued by a dealer selling the motor vehicle under the provisions of subsection 5 of section 301.210, from the date of purchase of a motor vehicle or trailer, or from the date of sale of the motor vehicle or trailer by a motor vehicle dealer for which the purchaser obtains a permit as set out above. No permit shall be issued for a vehicle under this section unless the buyer shows proof of financial responsibility. Each temporary permit issued shall be securely fastened to the back or rear of the motor vehicle in a manner and place on the motor vehicle consistent with registration plates so that all parts and qualities of the temporary permit thereof shall be plainly and clearly visible, reasonably clean and are not impaired in any way.

5. The permit shall be issued on a form prescribed by the director of the department of revenue and issued only for the applicant's temporary operation of the motor vehicle or trailer purchased to enable the applicant to temporarily operate the motor vehicle while proper title and registration plates are being obtained, or while awaiting receipt of registration plates, and shall be displayed on no other motor vehicle. Temporary permits issued pursuant to this section shall not be transferable or renewable, shall not be valid upon issuance of proper registration plates for the motor vehicle or trailer, and shall be returned to the department or to the department's agent upon the issuance of such proper registration plates. Any temporary permit returned to the department or to the department's agent shall be immediately destroyed. The provisions of this subsection shall not apply to temporary permits issued for commercial motor vehicles licensed in excess of twenty-four thousand pounds gross weight.

The director of the department of revenue shall determine the size, material, design, numbering configuration, construction, and color of the permit. The director of the department of revenue, at his or her discretion, shall have the authority to reissue, and thereby extend the use of, a temporary permit previously and legally issued for a motor vehicle or trailer while proper title and registration are being obtained.

6. Every motor vehicle dealer that issues temporary permits shall keep, for inspection by proper officers, an accurate record of each permit issued by recording the permit number, the motor vehicle dealer's number, buyer's name and address, the motor vehicle's year, make, and manufacturer's vehicle identification number, and the permit's date of issuance and expiration date. Upon the issuance of a temporary permit by either the central office of the department of revenue, a motor vehicle dealer or an authorized agent of the department of revenue, the director of the department of revenue shall make the information associated with the issued temporary permit immediately available to the law enforcement community of the state of Missouri.

7. Upon the transfer of ownership of any currently registered motor vehicle wherein the owner cannot transfer the license plates due to a change of motor vehicle category, the owner may surrender the license plates issued to the motor vehicle and receive credit for any unused portion of the original registration fee against the registration fee of another motor vehicle. Such credit shall be granted based upon the date the license plates are surrendered. No refunds shall be made on the unused portion of any license plates surrendered for such credit.

8. An additional temporary license plate produced in a manner and of materials determined by the director to be the most cost-effective means of production with a configuration that matches an existing or newly issued plate may be purchased by a motor vehicle owner to be placed in the interior of the vehicle's rear window such that the driver's view out of the rear window is not obstructed and the plate configuration is clearly visible from the outside of the vehicle to serve as the visible plate when a bicycle rack or other item obstructs the view of the actual plate. Such temporary plate is only authorized for use when the matching actual plate is affixed to the vehicle in the manner prescribed in subsection 5 of section 301.130. The fee charged for the temporary plate shall be equal to the fee charged for a temporary permit issued under subsection 4 of this section. Replacement temporary plates authorized in this subsection may be issued as needed upon the payment of a fee equal to the fee charged for a temporary permit under subsection 4 of this section. The newly produced third plate may only be used on the vehicle with the matching plate, and the additional plate shall be clearly recognizable as a third plate and only used for the purpose specified in this subsection.

9. Notwithstanding the provisions of section 301.217, the director may issue a temporary permit to an individual who possesses a salvage motor vehicle which requires an inspection under subsection 9 of section 301.190. The operation of a salvage motor vehicle for which the permit has been issued shall be limited to the most direct route from the residence, maintenance, or storage facility of the individual in possession of such motor vehicle to the nearest authorized inspection facility and return to the originating location. Notwithstanding any other requirements for the issuance of a temporary permit under this section, an individual obtaining a temporary permit for the purpose of operating a motor vehicle to and from an examination facility as prescribed in this subsection shall also purchase the required motor vehicle examination form which is required to be completed for an examination under subsection 9 of section 301.190 and provide satisfactory evidence that such vehicle has passed a motor vehicle safety inspection for such vehicle as required in section 307.350.

10. **Beginning October 1, 2023, and ending December 31, 2024, notwithstanding the provisions any other law to the contrary, the director may issue a temporary permit to an individual who establishes a payment plan with the department of revenue under section 144.070, subject to the sunset provisions under subsection 11 of section 144.070.**

11. The director of the department of revenue may promulgate all necessary rules and regulations for the administration of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2012, shall be invalid and void.

[~~11.~~**] 12.** The repeal and reenactment of this section shall become effective on the date the department of revenue or a producer authorized by the director of the department of revenue begins producing temporary permits described in subsection 4 of such section, or on July 1, 2013, whichever occurs first. If the director of revenue or a producer authorized by the director of the department of revenue begins producing temporary permits prior to July 1, 2013, the director of the department of revenue shall notify the revisor of statutes of such fact.

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