

# Section 10

## Dealers

### Selling New Motor Vehicles

#### Requirements

Dealers selling new motor vehicles must be franchised with the manufacturer to sell each particular make. The dealer must submit a copy of the franchise agreement(s) with the dealer's application for registration. If the dealer enters into additional franchise agreement(s) during the year, copies of the agreement(s) must be immediately filed with Motor Vehicle Bureau, Dealer Licensing Section, P.O. Box 43, Jefferson City, Missouri 65105-0043.

Manufacturers of motor vehicles must issue franchise agreements to the dealers authorized to sell their makes of motor vehicles. The manufacturer must supply a Manufacturer's Statement of Origin for each vehicle/vehicle body manufactured. A dealer should contact the Federal Department of Transportation for questions regarding assignment of vehicle identification numbers by calling (202) 366-5302 or by fax at (202) 493-0073.

#### Restrictions

When a dealer is listed as the purchaser on the Manufacturer's Statement of Origin for a vehicle they are not franchised to sell, the transaction is deemed a first sale of the vehicle. A non-franchised dealer cannot transfer ownership on the Manufacturer's Statement of Origin; the dealer must apply for a Missouri title in the dealership's name and pay appropriate title fee. The vehicle is then deemed a **used** vehicle. It is unlawful for any dealer to hold forth, offer for sale, advertise or sell such a motor vehicle as a **new** motor vehicle. This does not apply to new manufactured homes or trailers. The Motor Vehicle Bureau performs a daily computer check to detect violations. Violations of Section 301.568 RSMo could result in the suspension of the dealer's license.

### Dealers Required to Have Proof of Ownership

All dealers must have proof of ownership on all motor vehicles/trailers in their possession or proof that dealer has applied for a certificate of ownership or that a prior lien has been satisfied by the dealer. Proof of ownership must be maintained at the licensed dealership location for inspection by appropriate law enforcement officials or authorized/designated employees.

Proof of ownership may be in the form of:

- Manufacturer's Statement of Origin or certificate of title properly assigned to the dealer; or
- Descriptive bill of sale or auto auction invoice/receipt indicating the year, make, and identification number of the vehicle and the dealer as purchaser.

## Duplicate Manufacturer's Statement of Origin

Some manufacturers do not issue a duplicate Manufacturer's Statement of Origin once the original has been assigned and delivered to a retail customer. Instead, the manufacturer furnishes a statement to the selling dealer certifying the vehicle was sold to the dealership.

The manufacturer's statement will be accepted in lieu of a duplicate Manufacturer's Statement of Origin. The selling dealer could complete a *Reassignment of Ownership by Registered Dealer* (DOR-2447) Exhibit M, or provide a copy of the front and back of the original assigned MSO and attach it to the manufacturer's statement. These two documents will serve as proof of ownership and proper odometer disclosure for title applicant.

## Title in Dealership's Name When Original is Lost

### Obtaining Title in Dealership's Name when a Customer Loses Original Assigned Title

When a unit is purchased from a dealer and the purchaser loses the original assigned title, the department will allow selling dealer to apply for an **original** title in the dealer's name. The following documents and fees must be submitted to obtain an original dealer title:

- Application for original title completed in selling dealership's name;
- Photocopy of front and back of the original title assigned to the dealer with a reassignment to the customer;
- Notarized affidavit (*General Affidavit* [DOR-768](#) may be used) signed by the new owner (customer) stating that original title was lost, stolen or mutilated;
- Appropriate processing/agent fee; and
- Appropriate title fee.

When dealer receives and assigns new original title in the dealership's name to the purchaser, the dealer must record **original** sale date and provide purchaser with a **copy of front and back of the title** that was lost to explain why purchase date is before issue date of the new title. Title penalty fees would apply, if applicable.

## Reassignment of Ownership by a Registered Dealer Forms (Riders)

A rider (*Reassignment of Ownership by Registered Dealer* DOR-2447, Exhibit M)) is a secure document issued by the Director of Revenue in accordance with section [301.200](#) RSMo, provides registered Missouri dealers (not out-of-state dealers) one additional assignment as an extension of the ownership document. See [12 CSR 10-23.434](#) for information regarding who may use a rider form and when a rider form may be used.

Riders may be used with a Missouri certificate of title, Manufacturer's Statement of Origin, or an out-of-state certificate of title. Only one **original** rider may be used with each transaction. Applicants must retain a photocopy of DOR-2447 for their records. A MISSOURI DEALER MAY NOT ATTACH A RIDER TO A MISSOURI OR OUT-OF-STATE SALVAGE TITLE.

## License Plates - 30-Day Transfer Allowed

## Temporary Permits

Riders are issued at no cost in books of 50. Riders may be obtained by calling (573) 751-8343, e-mailing <mailto:dealerlic@dor.mo.gov>, or by submitting a written request to Missouri Department of Revenue, Motor Vehicle Bureau, Dealer Licensing Section, P.O. Box 43, Jefferson City, Missouri 65105-0043. When contacting the Department, be sure to include the following:

- Dealership name and address;
- Dealer license number; and
- Quantity of books requested.

### Completing the Rider

All fields on the rider must be completed. In the purchaser(s) and seller(s) name blocks, **one** purchaser and **all** sellers **must physically hand print their names**. The dealer must legibly hand print the name of the dealership, agent's name and their title/position in the company when the dealer is purchaser or seller. One purchaser and all sellers must also sign the form in the designated areas. The **original** DOR-2447 (Exhibit M) must be submitted, but the dealer must retain a photocopy for their records.

The buyer of a newly acquired motor vehicle/trailer may attach the license plates from their motor vehicle/trailer that is being sold or traded to the newly acquired motor vehicle/trailer. This transfer is legal for only 30 days. After that time, the buyer must legally transfer the plates and pay a \$2 transfer fee. The buyer may transfer the license plates only if vehicle acquired is of the same vehicle category as vehicle being replaced, i.e., passenger plates may not be displayed on a commercial motor vehicle.

Section [301.140 RSMo](#) permits the department to issue temporary permits to vehicle purchasers. This permit authorizes a purchaser to operate a motor vehicle/trailer for a period of 30 **days** from date of purchase of the motor vehicle/trailer. Motor vehicle or trailers displaying a temporary permit can be operated empty, loaded or with mounted equipment. Only individuals who have no registration plate(s) available for transfer may purchase permits.

A dealer:

- May not issue a temporary permit on a motor vehicle owned by the dealership for leasing/rental purposes;
- May charge no more than \$7.50 for each permit issued; and
- May transfer/sell any un-issued temporary permits remaining in the dealer's inventory at the time the dealership is sold to a purchasing dealer. The seller must notify Motor Vehicle Bureau in writing of such fact, including the control number of each temporary permit that was transferred.

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## Documents/Fees Required to Obtain Temporary Permits

Licensed motor vehicle dealers may purchase temporary permits in books of ten permits from Central Office in Jefferson City. To order permits by mail, dealer may send in a completed *Special Permits Application* ([DOR-1275](#)) or a written request on company letterhead. Mail requests to Motor Vehicle Bureau, P.O. Box 100, Jefferson City, Missouri, 65105-0100, email request to [DEALERLIC@dor.mo.gov](mailto:DEALERLIC@dor.mo.gov) or by fax at 573-522-4197(credit card only requests). Dealer must include a check or money order in the amount of \$78.50 for each book.

- If a motor vehicle title service is submitting a request for temporary permits on behalf of a dealer, Motor Vehicle Bureau will not release the temporary permits without written authorization from an authorized employee of the dealership.

For an applicant to purchase a temporary permit from the selling dealer, the following must be submitted:

- Vehicle safety/emissions inspection not more than 60 days old, if applicable. Dealer must record the complete motor vehicle inspection certificate number on the temporary permit record; and
  - Safety/emissions inspections are not required for motor vehicles sold on a Manufacturer's Statement of Origin.
- \$7.50 permit fee.

### What is the Buyer's Responsibility?

**Temporary permits are not transferable or renewable.** Temporary permits shall be displayed only on vehicle for which it was issued. They are not valid upon the issuance of proper registration plates for the motor vehicle/trailer. Purchaser must sign the permit in ink.

### What is the Dealer's Responsibility?

The dealer may sell **ONLY** one permit to a buyer of a vehicle for which no license plates are available for transfer. The dealer must record the following on permit issued: dealer's number; dealership name; year, make and vehicle identification number; and dates of issuance and expiration.

When recording expiration date on a temporary permit, record expiration month using **the first three letters** of the month. For example, if a permit is to expire on September 1, 2007, record, "**SEP - 01- 07**".

Each book of permits provides a separate form in front of the book to record buyer's name, address, vehicle description, dates of issuance and expiration for each permit. These records will be kept for inspection by the appropriate officers as defined in Section [301.564, RSMo](#). Dealer must also record the number of temporary permits issued in the appropriate column on dealer's monthly sales report, except for temporary permits issued for courtesy delivery vehicles.

- If the permit is issued pursuant to a courtesy delivery arrangement, the dealer issuing the permit must record "COURTESY DELIVERY" on the corresponding permit and on permit record within the permit booklet.

## Motor Vehicle Safety Inspection Requirements

Section [307.350, RSMo](#), allows for a two-year (biennial) safety inspection. Safety inspections must be performed by authorized inspection stations regulated by the Missouri State Highway Patrol. An inspection must be performed at seller's expense before the sale of a motor vehicle. The following types of vehicles are not required to be inspected for registration purposes:

- New motor vehicles (Manufacturer's Statement of Origin) purchased during the model year of the vehicle and the following year. This includes vehicles with an out-of-state title. Example: A 2007 vehicle is exempt during 2007 and 2008.
  - Anytime a new vehicle is sold on an MSO, the vehicle is exempt from a safety inspection. Example – A 2005 model vehicle titled and registered for the first time in 2007 is exempt.
- Odd model year vehicles with a registration that expires in an even calendar year;
- Even model year vehicles with a registration that expires in an odd calendar year;
- Motor vehicles engaged in interstate commerce and registered with the Missouri Motor Carrier Services;
- Low speed vehicles;
- Historic motor vehicles;
- Street rod and custom vehicles;
- All trailers;
- Motor vehicles sold for junk, salvage, rebuilding including those sold in “AS IS” condition; and
- Motor vehicles sold from dealer to dealer or sold at public auction.

If the vehicle is purchased for junk, salvage, or rebuilding, the purchaser must give the seller an affidavit as prescribed by Missouri State Highway Patrol.

Section [144.071, RSMo](#), permits a purchaser of a motor vehicle, trailer, vessel (watercraft), or outboard motor who rescinds the sale to receive a full refund of all state and local taxes paid on purchase price of the unit. Purchaser must return the unit to seller within 60 days of purchase to receive a refund of the purchase price. **Related titling, processing, and registration fees will not be refunded.** Legislation allows a vehicle owner to surrender the license plate(s) and receive credit for time remaining towards purchase of another license plate(s) regardless of the type of license (i.e., passenger, truck or trailer). To receive a refund of applicable taxes, purchaser must submit:

- A *Motor Vehicle Refund Request Application* ([DOR-426](#)) completed and signed;
- The original receipt showing payment of taxes;
- Attachment signed by the seller and the purchaser, stating date the vehicle/trailer/vessel/motor was returned, year, make, vehicle identification number, the facts/reason for the rescinded sale and amount of purchase price refunded; and
- A descriptive notarized lien release/non-interest statement from any lienholder shown. The statement must include the purchaser's name and the year, make, and identification number of the unit.
  - Each claim for a rescinded sale refund must be made within one year after payment of the tax on which the refund is claimed.

### When Seller Must Apply for Title on a Rescinded Sale

When a certificate of title is assigned to a purchaser and sale is rescinded, the assigned certificate of title is considered mutilated.

## Rescinded Sales

## Consignment Sales

### Non-Dealer as Seller

If seller is not a dealer, they must apply for a duplicate title by submitting the following:

- Application for duplicate title;
- Original assigned title;
- Statements signed by purchaser, seller, and if applicable, lienholder acknowledging that the sale has been rescinded;
- Appropriate title fee; and
- Appropriate processing/agent fee.

### Dealer as Seller

If a licensed dealer assigned a title to someone who later rescinds the sale, the dealer must apply for an original title. If the unit was sold on a Manufactured Statement of Origin (MSO), the dealer can reassign the MSO to the new purchaser. Dealer must submit:

- Application for original title;
- Original assigned title;
- Signed statements from purchaser, seller, and if applicable, lienholder acknowledging the rescinded sale;
- Appropriate title fee; and
- Appropriate processing/agent fee.
  - If a certificate of title has already been issued in the name of the purchaser who wants to rescind the sale, the purchaser must properly assign the title to the seller and provide seller with appropriate statements rescinding the sale. If original seller is not a dealer, he or she must apply for title within 30 days to avoid a title penalty.

When a dealer sells any unit on consignment for an individual, they must adhere to one of the following procedures:

- Individual must assign ownership document to the dealer. **The dealer can then demonstrate the unit using their dealer license plates/placard.** Dealer can assign the ownership document to purchaser and make a proper odometer disclosure as in any other sale the dealer makes, if applicable.
- Individual must provide the dealer a copy of ownership document and written authorization to offer the unit for sale. **Dealer cannot use dealer license plates/placards on the unit. Dealer must use the owner's current registration.** If an accident occurs, owner of the unit, **not the dealer**, may be held financially responsible. When actual sale takes place, owner must assign ownership document directly to the purchaser and provide an odometer disclosure, if applicable.

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## Information For Auctions/ Dealers Selling at Auctions

If an auctioneer is conducting business with both buyer and seller present, the seller must assign title directly to buyer. The seller must list purchaser's name in the assignment area. The seller may not leave purchaser's name blank, as this constitutes an open title. The seller must disclose mileage to the buyer, except on an exempt vehicle. The auctioneer becomes a transferor (seller) if they buy a vehicle and later auctions it. If auctioneer is acting as consignee for a seller who is not present, the seller must execute a regular power of attorney authorizing auctioneer to make the disclosure.

If a dealer brings a motor vehicle to an auction, but is not present at time of sale, the following must be followed:

- If a title is involved, seller should give the auction a power of attorney and title document;
- Representative of the auction should complete title assignment on behalf of the seller. The purchaser(s) must print and sign their name(s) in the designated area for odometer disclosure, if applicable; and
- **The representative of the auction cannot sign as seller and purchaser for the same transaction.**

When reporting the sale on dealer's monthly report, dealer must list the actual purchaser not the auto auction.

### **Auctions-Records Required**

Auction companies are required to record and maintain in their files for five years: the name(s) of the seller(s) and purchaser(s), vehicle identification number, and odometer reading on date the auction took possession of the unit. If the auction sells more than six cars within a 12-month period as a transferor (seller) or transferee (purchaser), the auction must retain a copy of every odometer disclosure statement they issue and receive.