

Titling Tips

December 2014

Important Reminders for Dealers

➤ DEALER RENEWAL NOTICES

Dealer renewal notices were mailed out in early August. Please mail all renewal-related documentation as soon as possible and no later than October 30, 2014 to:

Dealer Licensing Section
PO Box 43
Jefferson City, MO 65105

Each application for a dealer license, driveaway plates, additional or replacement dealer plates, etc., will be processed in the order in which it was received. Prompt and correct completion of your renewal application will help avoid any interruption in licensure and allow time for dealer license plates to be produced and received. ***A common reason a dealer application is rejected is due to missing sales reports.*** Therefore, it is important that all sales reports are filed with the Department prior to submitting your renewal.

NOTE: All dealer licenses expire on December 31 of the designated license period. Any dealer who continues to maintain or operate the business without a license is in violation of [Section 301.559, RSMo](#), and guilty of a Class A misdemeanor. Any person committing a second violation for operation as a dealer without a license shall be guilty of a Class D felony.

➤ TEST DRIVING FOR MORE THAN 48 HOURS

A customer who is test driving a vehicle or vessel for more than 48 hours; or who is test driving a tractor, truck, or a trailer under loaded conditions, must have a written demonstration agreement in the vehicle which has been signed and dated by both the customer and the licensed dealer.

The written demonstration agreement must be on the licensed dealer's letterhead and include the following items:

- A statement that the vehicle or vessel is being used for demonstration purposes only, and the anticipated duration of the demonstration;
- A description of the vehicle or vessel, including the year, make, and identification number;
- The name of the customer demonstrating the unit;
- The licensed dealer's name, dealer number, and business address;

- A statement of the type of property being transported, if applicable; and
- The mileage on the odometer of the vehicle at the time the demonstration began.

➤ PROPER USE OF DEALER PLATES

A licensed dealer must be able to account for all dealer license plates and certificates of number issued to its business at all times. The dealer must also ensure that the plates and certificates of number are being used appropriately.

The following information on proper use of dealer plates is based on information from [Section 301.560, RSMo](#), and the [Code of State Regulations 12 CSR 10-26](#).

- Motor vehicle dealers may display their dealer plates on any motor vehicle or trailer owned and held for resale by a motor vehicle manufacturer or dealer:
 - 1) For use by a customer who is test driving the vehicle;
 - 2) For use and display purposes during parades, private events, and charitable events; or
 - 3) For use by an employee or officer of the dealership.
- Trailer dealers may display their dealer license plates only on trailers owned and held for resale by the trailer dealer. If a trailer dealer takes a motor vehicle in on trade, the dealer may purchase one driveaway license plate to display on the vehicle for demonstration purposes.
- Boat dealers may display their certificate of number on vessels or vessel trailers owned and held for resale by the boat manufacturer or boat dealer:
 - 1) For use by a customer who is test driving the vessel or vessel trailer;
 - 2) For use when transporting a vessel or vessels to an exhibit or show; or
 - 3) For use by an employee or officer of the dealership.

The certificate of number should not be displayed on any motor vehicle owned by a boat manufacturer, boat dealer, or trailer dealer; on any vessel or vessel trailer hired or loaned to others; or on any regularly used service vessel or vessel trailer.

- Recreational motor vehicle dealer plates may be displayed on recreational motor vehicles,

trailers, and only on other motor vehicles acquired as a trade-in.

Dealer plates are **not** to be displayed on:

- Motor vehicles or trailers not for resale;
- Motor vehicles or trailers that are rented or leased;
- Motor vehicles or trailers used by someone other than an owner, officer, or employee of the dealership. This prohibits the loaning of a vehicle with a dealer plate to a customer whose vehicle is being serviced or repaired, or to the relative of an officer or employee of the dealership;
- Motor vehicles or trailers hired or loaned to others or on any regularly-used service or wrecker vehicle; and
- Motor vehicles or trailers used for hauling or towing.

➤ **AFFIXATION AND SEVERANCE OF A MANUFACTURED HOME**

In order to be considered real property, a manufactured home must be permanently affixed to real estate and an [Affidavit of Affixation \(Form 5312\)](#) must be recorded with the Recorder of Deeds Office in the county where the real estate is located. Once the manufactured home has become permanently affixed to real estate and an Affidavit of Affixation has been recorded in the Recorder of Deeds Office, a certified (recorded) copy of the Affidavit of Affixation can be filed with the Department of Revenue in order to document that the home has been converted to real property. A Certificate of Affixation will be provided to the applicant submitting the affixation documentation when processing is complete in the license office.

Once the manufactured home has been documented as affixed within the Department's records, it will be considered real property. The Department will not issue a title on the manufactured home nor will the Department allow any lien to be filed on the record maintained by the Department.

When a manufactured home which has been previously recorded as affixed in the Department's records is severed from real property, the owner may complete an [Affidavit of Severance \(Form 5313\)](#) to obtain a certificate of title for the manufactured home. This affidavit must be recorded in the Recorder of Deeds Office of the county where the manufactured home was previously recorded as affixed prior to filing with the Department.

The Department will charge an \$8.50 documentation fee and a \$2.50 processing fee when either an

Affidavit of Affixation or an Affidavit of Severance is filed with the Department.

More detailed information regarding the affixation and severance processes and links to forms required to complete the transactions can be found on the [Manufactured Homes](#) page of the Department's website.

➤ **INSURANCE AND SAFETY INSPECTION REQUIREMENTS FOR TEMPORARY REGISTRATION PERMIT**

Under [Section 301.140, RSMo](#), and [12 CSR 10-26.180](#), a current safety inspection (if applicable) and proof of insurance is required upon the issuance of a motor vehicle temporary registration permit. Dealers must ensure that these requirements are presented at the time of issuance of the permit.

➤ **SALVAGE TITLES FOR MARINE UNITS**

A salvage title will not be issued for a boat, vessel, or outboard motor unless the unit to be titled has been abandoned on real property. Title transactions pursuant to the real property abandonment statute are processed in the central office only. Please refer to [Section 301.193, RSMo](#).

Legislative Updates

[House Bill 1735 and 1618](#), effective August 28, 2014, includes the following provisions:

➤ **CHANGES THE DEFINITION OF AN ATV, RECREATIONAL OFF-HIGHWAY VEHICLE, AND UTILITY VEHICLE**

- These vehicles are now defined as follows:
 - **ATV** - Any motorized vehicle manufactured and used exclusively for off-highway use which is 50 inches or less in width, with an unladen dry weight of 1,500 pounds or less, traveling on 3, 4, or more non-highway tires. *Previously, ATVs were defined to include a straddled seat, or with a seat designed to carry more than one person, and handlebars for steering control. These characteristics have been removed from the definition.*
 - **Recreational off-highway vehicle** - Any motorized vehicle manufactured and used exclusively for off-highway use which is more than 50 inches but no more than 67 inches in width, with an unladen dry weight of 2,000 pounds or less, traveling on 4 or more non-highway tires and which may have access to ATV trails. *Previously, recreational off-highway vehicles were defined as 64 inches or less in width with a nonstraddle seat and steering wheel.*

- **Utility vehicle** - Any motorized vehicle manufactured and used exclusively for off-highway use which is more than 50 inches but no more than 67 inches in width, with an unladen dry weight of 2,000 pounds or less, traveling on 4 or 6 wheels, to be used primarily for landscaping, lawn care, or maintenance purposes. *Previously, utility vehicles were 63 inches or less in width with an unladen dry weight of 1,850 pounds.*

- The new definitions may create a situation where an off-road vehicle *previously* defined as a recreational off-highway vehicle or utility vehicle is now defined as an ATV. As you know, ATVs are titled with the Department of Revenue. If you receive an ATV as trade that was, before August 28, 2014, defined as a recreational off-highway vehicle or utility vehicle, you will need to provide the subsequent purchaser with a notarized bill of sale (no title should have been issued previously). The law specifically allows the Department to accept a notarized bill of sale for proof of ownership in this limited circumstance. The notarized bill of sale shall be provided to the Department by the purchaser when applying for title and registration and paying taxes to the Department. If a certificate of title was previously issued for the unit, a notarized bill of sale will not be accepted.
- Recreational off-highway vehicles and utility vehicles still do not require titling or registration. Dealers should continue to collect tax on these types of vehicles at the time of sale.

➤ **SUNDAY SALES**

Missouri statute, [Section 578.120, RSMo](#), prohibits a dealer, distributor, or manufacturer from opening, operating, or assisting to keep open or operate any established place of business for the purpose of buying, selling, bartering, or exchanging any new or used motor vehicle on Sunday. This does not apply to the sales of:

- Manufactured homes;
- Recreational Vehicles (RVs)
- Motorcycles;
- Motortricycles;
- Motorized bicycles;
- All-terrain vehicles (ATVs);
- Recreational off-highway vehicles;
- Utility vehicles;
- Personal watercraft; and

- Other motorized vehicles customarily sold by powersports dealers licensed pursuant to [Sections 301.550 to 301.560, RSMo](#).

The Sunday Sales prohibition also does not apply to:

- Washing, towing, wrecking, and or repairing operations;
- Sales of petroleum products, tires, and repair parts or accessories; and
- New vehicle shows or displays when five or more franchised dealers participate in a show or display conducted in a town or city with five or less dealers (a majority of the city or town dealers).

➤ **ENHANCEMENT OF THE ONLINE NOTICE OF LIEN SYSTEM**

Effective October 12, 2014, an additional field was added to the Online Notice of Lien System. You are required to select "Yes" or "No" to the question "Is this a refinance or a no change of ownership?".

- By selecting "No", you are declaring that the vehicle your institution is filing a lien on has not yet been titled in the owner's name. These liens may cause a Notice to Apply for Title to be mailed to the owner if he or she does not timely title the vehicle and pay the appropriate tax.
- By selecting "Yes", you are declaring the lien is a refinance on a vehicle already titled in the owner's name. Therefore, a Notice to Apply for Title will not be mailed.

This change will eliminate delinquent fee notices being mailed to the public unnecessarily.